

ROLES IN A FAMILY (DISCRETIONARY) TRUST

Outlined below are the roles in a Family (Discretionary) Trust

TRUSTEE(S)

- The person/entity responsible for administering the trust in accordance with the terms of the trust deed.
- Have broad investment powers and the discretion to make decisions and exercise powers in relation to the trust assets.
- Required to comply with the terms of the trust deed, Trustee Act and trust law.
- May be one or more individuals or a company.
Corporate trustee structure recommended minimising the risk of personal liability and avoiding unnecessary administration.

SETTLOR

- Usually someone unrelated to the beneficiaries of the trust such as an accountant, lawyer or close family friend.
- Cannot be a beneficiary of the trust.
- Has no further involvement with the trust after the initial settlement.
- If related to a beneficiary, will need to be listed as a specified exclusion.

APPOINTOR

- Advisable but not necessary.
- Has the power to remove and appoint the trustee.
- Can have one or more appointors. Generally advisable to have two.
- Sole trustee cannot be the sole appointor.

BENEFICIARIES

- Needs to be at least one named beneficiary.
- Main persons or entities intended to benefit from the trust.
- Wide pool of general beneficiaries defined (lineal and lateral relations of the nominated beneficiaries) allowing flexibility of income and capital distribution.

If you have any questions about this list, please contact our friendly staff on 02 9953 2399.