



PRIVATE TRUST COMPANIES

A Private Trust Company (“PTC”) is generally established by a wealthy family to act as trustee of specific family trusts. It allows the family to retain a level of influence over their family trusts as they can have input into the choice of the directors of the PTC and in fact, family members or their trusted advisers may sit on the board of such companies. The PTC may also allow the family greater flexibility when it comes to the choice of investment strategy and advisors. Often a PTC is run in conjunction with a family office.

The following is an overview of the requirements for either a licensed or registered private trust company in the Cayman Islands and the services that R&H Trust & Corporate (operating as The R&H Trust Co. Ltd.) can provide.

The Cayman Islands has been a leading jurisdiction for the creation of private trust companies by wealthy families for many years. The Islands allow such companies to be licensed under its Banks and Trust Companies Act as restricted licensed trust companies or registered under the Private Trust Companies Regulations. The latter form requires the company to be registered with the Cayman Islands Monetary Authority (“CIMA”). Each type of PTC has its own unique features and benefits as outlined below.

A Restricted Licensed Trust Company (“RLTC”)

Cayman has a long history of being a premier jurisdiction for Banks and Trust Companies that are licensed and regulated by CIMA.

A restricted trust licence is issued subject to the condition that the trust business is limited to certain named clients. A RLTC is restricted to acting as trustee to specific named trusts that must be approved by CIMA prior to the trustees’ appointment, in accordance with the licensee’s current business plan.

A RLTC is required to have a minimum of two directors that are natural persons. All directors and senior officers (including any changes after licensing) must be approved by CIMA as fit and proper persons to be a director or officer, as the case may be, prior to their appointment.

If the shareholder of the licensee is a privately owned company, an undertaking will usually be required from the ultimate beneficial owners that there will be no issue or transfer of shares in the shareholder without the prior approval of CIMA.

A detailed summary of the proposed activities of the licensee must accompany the licence application, covering:

- the applicant’s business aims and reasons for seeking a licence;
- its proposed asset and liability structure for the next two years (including loan portfolio, investment policy and liquidity guidelines);
- its management structure, base of operations and overall staffing; and
- a description of its customer base (including proposed name, number, origin of trusts and information on the settlor of each trust and the ultimate beneficiaries).

Any significant change in the scope of business after licensing should be authorised by CIMA.

A RLTC is required to maintain minimum capital requirements at all times, further details of which can be provided on request.

Each RLTC is required to:

- have a place of business in the Cayman Islands, having such resources (including staff and facilities) and such books and records as CIMA considers appropriate having regard to the nature and scale of the business;
- have two individuals or a body corporate, approved by CIMA, resident or incorporated in the Islands to be its Authorised Agent in the Islands, and to have a Money Laundering Reporting Officer, a Deputy Money Laundering Reporting Officer and an Anti-Money Laundering Compliance Officer; and
- have its accounts audited annually by an audit firm approved by CIMA and is required to file its audited accounts with CIMA within three months of the end of its financial year.

CIMA may at their discretion schedule a face to face meeting with the directors of the RLTC to review any changes to the business plan, changes in directors, disaster recovery plans, changes in shareholders, and other related matters.



A Registered Private Trust Company (“RPTC”)

The Private Trust Company Regulations (the “Regulations”) allow a trust company which is incorporated in the Cayman Islands and which conducts no trust business other than Connected Trust Business to register as a RPTC. Connected Trust Business is defined as trust business in respect of trusts, the contributors of which are all, in relation to each other, connected persons.

The Regulations go on to define connected persons in detail and can be referred to for more information. The effect is that PTCs set up to act as trustees of specific family trusts are not required to be licensed.

A RPTC must register with CIMA by paying an initial registration fee and by filing a declaration stating:-

- its name
- the names and addresses of its directors
- the names and addresses of the shareholders
- the name and address of the service provider providing its registered office
- that it is a company to which the regulations apply
- that it is in compliance with the requirements of the Regulations

Other requirements of the Regulations include:

- a RPTC must maintain its registered office at a company licensed under the Banks and Trust Companies Act;
- the registered office must maintain copies of all trust deeds or equivalent documents for all trusts of which the RPTC is trustee and of all deeds or their equivalent, that vary the trust, its powers and provisions;
- the name of the RPTC must include the words “Private Trust Company” or the letters “PTC”;
- the RPTC must not solicit or receive contributions in respect of its trusts from the public or persons other than those who are connected persons; and
- the RPTC must pay an annual registration fee and submit an annual declaration confirming that the points detailed in the initial declaration still apply.

The Regulations allow the creation of a PTC in a more efficient manner than under the licensing regime. The licensed Trust Company providing the registered office of the RPTC will be responsible for ensuring that all due diligence requirements are met in relation to the new RPTC. There are no capitalisation or audit requirements under the Regulations.

Our Services

R&H Trust & Corporate is a licensed trust company under the Cayman Islands Banks and Trust Companies Act. We provide a full range of services to both RLTC’s and RPTC’s including:

- establishment of the required entity and filing of all set up or registration documents with CIMA
- maintenance of the required entity including meeting filing requirements, annual registration and/or other CIMA requirements
- acting as Trustees for the Trust that owns a RLTC or RPTC, where applicable
- provision of Principal Office, Authorised Agent, Directors, Officers and administrative services for either RLTC’s or RPTC’s and its related entities
- provision of the Money Laundering Reporting Officer, Deputy Money Laundering Reporting Officer and Anti-Money Laundering Compliance Officer for RLTC’s
- provision of accounting services for any RLTC or RPTC and its related entities

The R&H Trust Co. Ltd.