

# Discounted gift (bare) trust

## Trust deed

This document is provided on the strict understanding that it is presented as a draft to be considered by the Donor and his/her legal advisers. Ultimately, its appropriateness and its legal and tax effects will depend on the circumstances of each particular case. Accordingly, neither Sanlam Investments and Pensions nor any of its representatives, officials or employees can accept any responsibility for any loss occasioned as a result of its use in any circumstances whatsoever.

Leave date blank for completion by Sanlam Investments and Pensions.

**This Trust Deed** is made on the  day of  20

between

of

and

of

(‘the Donor’ which term, where two persons are named above, shall include both of them) of the first part and

**The Donor and Insert the name(s) and address(es) of the people who will act as Original Trustees with the Donor(s). A maximum number of 4 Trustees is permitted, including the Donor(s).**

Leave date blank for completion by Sanlam Investments and Pensions.

**This Trust Deed** is made on the  day of  20

of

of

of

(hereinafter together called ‘the Original Trustees’ of the second part)

**Schedule 1. The Beneficiaries**

Insert here the name or names of the person(s) you wish to benefit and, if more than one, the percentage shares in which they are to benefit. The shares must be whole percentages and must add up to 100%. At least one Beneficiary must always be included.

Full name(s) and relationship to Donor(s) (BLOCK CAPITALS)	Share
	100%

**Schedule 2. Definitions**

**In this Trust Deed:**

**'Company'** means Sanlam Life & Pensions UK Limited or Royal London 360 Insurance Company Limited.

**'Beneficiary(ies)'** means the one or more persons named in Schedule 1.

**'Policy'** means the rights and benefits conferred by the policies within the Bond (as defined in Section 1(a) hereof) to be issued in pursuance of the application and any subsequent, replacement or additional policies effected pursuant to any rights and/or options conferred by the Bond.

**'Spouse'** means any spouse or registered civil partner for the time being and includes a widow and/or widower whether or not for the time being remarried.

**'Trustees'** means the Donor(s) and the other Original Trustees named above and the Trustee or Trustees for the time being hereof.

**'Trust Fund'** means the Policy and any monies, funds, property and assets of whatsoever nature as the Trustees shall from time to time and at any time have at their disposal.

**and save where the context does not allow, the singular shall include the plural and the masculine shall include the feminine and vice versa.**

## Section 1. Declaration of Trust

Leave the number of the policy being transferred to the trust blank for completion by Sanlam Investments and Pensions.

- a. The Donor is the legal and beneficial owner of the Single Premium Investment Bond policy numbered  (‘the Bond’) effected with the Company and hereby declares that from the date hereof the Original Trustees hold the Bond irrevocably on the trusts and subject to the powers and provisions hereof.
- b. The Donor hereby assigns legal and beneficial title to the Bond to the Original Trustees.
- c. It is intended that this Trust shall be irrevocable.

## Section 2. Main Trust terms

The Trustees shall hold the Trust Fund upon the following trusts:

### a. The Donor’s Fund

The Regular Withdrawals (as defined in the Policy documents) to be provided to the Donor in line with the terms of the trust (hereinafter called the ‘Donor’s Fund’) shall accrue to and be held for the absolute benefit of the Donor and if the Donor is two persons, for them both throughout their joint lifetime and then for the survivor of them.

The Trustees (holding the Donor’s Fund for the absolute benefit of the Donor) shall pay the Regular Withdrawals to the Donor as they arise.

### b. The Beneficiaries’ Fund

- i) The part of the Trust Fund that is not the Donor’s Fund shall be called the Beneficiaries’ Fund.
- ii) Subject always to the Trustees during the whole of the Donor’s lifetime satisfying the Donor’s rights under the Donor’s Fund, the balance of the Trust Fund (‘the Beneficiaries’ Fund’) shall be held by the Trustees on bare trust for the absolute benefit of the Beneficiary(ies) and if more than one in the shares specified in Schedule 1 and where no shares are specified and there is more than one Beneficiary then in equal shares absolutely.
- iii) Section 31 of the Trustee Act 1925 shall not apply to the same and whilst any Beneficiary entitled to income under the Trust is a minor the Trustees shall pay or otherwise apply for or towards his maintenance, education or benefit so much of the income from his share in the Trust as the Trustees may in their absolute discretion think fit and the Trustees shall retain the balance of any income on trust for that Beneficiary absolutely and until he shall attain the age of majority the Trustees shall invest the same and the resulting income therefrom in investments hereby or by law authorised and shall hold the same as an accretion to the said balance Provided Always that so long as the said Beneficiary has not attained the age of majority the Trustees may pay or apply as aforesaid any such balance or accretion as if it were income arising in the then current year.
- iv) The provisions of section 32 of the Trustee Act 1925 shall not apply but the Trustees shall have the power to pay or to apply the whole or such part of any of a beneficiary’s share in the capital of the Beneficiaries’ Fund subject to these trusts, as the Trustees shall think fit for or towards the advancement maintenance education or benefit of that beneficiary and including the payment of inheritance tax. This power shall not be capable of being exercised if it prevents the Trustees satisfying their duty as regards the Donor’s rights under the Donor’s Fund.

### Section 3. Powers of Trustees

The Trustees during the minority of the Beneficiary or if there is more than one during the minority of any of the Beneficiaries shall have the following powers:

- i) The Trustees shall have the same unrestricted powers as an absolute beneficial owner to invest trust monies in any property (whether producing income or not) and to vary such property, including the power to effect and pay premiums on policies of life or other insurance and in addition power to purchase freehold or leasehold property for occupation by any Beneficiary under these trusts and,
- ii) Subject to any dealing only occurring after the death of the Donor, to deal with or alter the conditions of any policy for the time being held in the Trust Fund, to exercise any option or other power conferred by any such policy and, where applicable, to surrender or borrow on the security of any such policy.
- iii) The Trustees can accept as full and sufficient discharge a receipt given by a parent or guardian of any minor Beneficiary in respect of any payment of capital or income paid to or applied for the benefit of such Beneficiary without seeing to its application.
- iv) The Trustees can delegate in writing and in any way and to any extent to any persons or corporations whatever and wherever situated or resident the exercise of any of the powers of investment or management of the property for the time being forming the whole or part of the Trust Fund whether conferred by this trust or by law and to transfer title to any such property to such persons or corporations for the purposes of such investment or management and on such terms including remuneration as the Trustees shall see fit and in particular may revocably delegate the power to change the fund(s) to which any policy of life assurance subject to these trusts may from time to time be linked. Until the death of the last surviving Donor and unless and until the Trustees exercise this power the power to change funds shall be vested in the Donor or the surviving Donor.

### Section 4. Additional Trust terms

- i) No remuneration shall be paid to the Donor or his/her spouse hereunder.
- ii) No Trustee shall be responsible for the default of any agent appointed hereunder if he employed or was concerned in the employment of the agent in good faith.
- iii) The Donor shall, while living, have the power of appointing new or additional Trustees of this Trust and the power exercisable by deed of removing Trustees and shall, while any policy effected with the Company is in the Trust Fund, give the Company written notice of any such appointment or removal.
- iv) The receipt by the Trustees for any monies payable to them under any policy issued by the Company shall be a full and sufficient discharge to the Company without seeing to its application.
- v) Any Trustees (other than the Donor or Donor's spouse) being a solicitor or other person or corporation engaged in any profession, business or trade, may charge and be paid all usual professional, business and trade charges for business transacted, time expended and acts done by him (or any employee or partner of his) in connection with these trusts, including acts which a Trustee not being in any profession, business or trade could have done personally.
- vi) For the avoidance of doubt the Donor shall not be able to benefit in any way from the Beneficiary's Fund.
- vii) References to Acts of Parliament or to a particular tax or taxes shall apply to any statutory modification re-enactment or replacement thereof and any regulations made thereunder for the time being in force.
- viii) These trusts are to be governed by and construed in accordance with the laws of England and Wales.

**Section 5. Signatures**

**The Original Trustees including the Donor(s) must sign the deed and their signatures must be witnessed.**

Signed and Delivered as a deed by

**Signature of Donor**

Name and address of Donor

Postcode

In the presence of

**Signature of Witness**

Name and address of Witness

Postcode

**Where donor is two persons**

**Signature of Donor**

Name and address of Donor

Postcode

In the presence of

**Signature of Witness**

Name and address of Witness

Postcode

**Signature of Additional Trustee**

Name and address of Donor

Postcode

In the presence of

**Signature of Witness**

Name and address of Witness

Postcode

**Signature of Additional Trustee**

Name and address of Donor

Postcode

In the presence of

**Signature of Witness**

Name and address of Witness

Postcode

**Signature of Additional Trustee**

Name and address of Donor

Postcode

In the presence of

**Signature of Witness**

Name and address of Witness

Postcode

Sanlam & Sanlam Investments and Pensions are trading names of Sanlam Life & Pensions UK Limited (SLP (Registered in England and Wales 980142)) and Sanlam Financial Services UK Limited (SFS (Registered in England and Wales 2354894)). SLP is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. SFS is authorised and regulated by the Financial Conduct Authority. Registered Office: Monument Place, 24 Monument Street, London, EC3R 8AJ.

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