Cyprus Trusts

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Trusts and Succession Planning

Trusted provide an attractive alternative estate and succession planning tool.
A trust may be defined as an obligation under which a person to whom property is transferred (i.e. the Trustee) is bound to deal with the beneficial interest in such property in a particular manner in favour of a specified person or persons or class of persons (i.e. the Beneficiaries).

As a general rule every person who is able to acquire and dispose of property is able to create a trust. Exceptions to this rule exist in the case of minors, the mentally impaired and bankrupts.

Three categories of persons are concerned in a trust, namely,

1. the Settlor i.e. creator of the trust;
2. the Trustee i.e. the person (company or individual(s)) to whom the property is transferred to deal with it as directed in the trust deed or by the Settlor; and
3. the Beneficiary(ies) i.e. the person(s) in whose favour the trust has been created/ the persons who have rights in respect of the trust property.
Uses of Trusts for Succession Planning

Trusts are widely employed in what may be loosely termed ‘family situations’ and for charitable purposes. For example a trust under Cyprus Law may be created:

- for succession planning
- to hold property for minors or successive generations of a family
- to protect property against spendthrift people
- to provide secretly for others
- to provide for a couple on their marriage whilst ensuring that the property so provided is ‘tied up’ in the event of that marriage failing
- to establish a fund for the benefit of family members according to future needs as and when they arise
- to enable charitable objects to be carried out

Our services

- We advise clients about the creation of trusts under Cyprus Law, including proposing structure ideas for creating, managing and dissolving trusts and draft all required legal documents
- We support and assist clients in terms of logistics when creating a trust under Cyprus Law
- We set up private trustee companies (PTCs)
- We advise clients and trustees about issues arising in relation to trusts under Cyprus Law, trustee powers, beneficiary rights, interpretation of trust deeds and other trust related documentation
- We represent clients and trustees in court proceedings (contentious or not contentious)
- We advise clients on the potential weaknesses and deficiencies of existing trusts
- We provide trustee, administration, management and other related services