Private Trust Companies Explained

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Sponsored by:
The Estate Planning Conundrum

- Settlor control v's robustness of structure
  - Discretionary trust
    - Reserved Powers (or Settlor directed) Trust
- Trustees’ appetite for risk
The Estate Planning Conundrum

- Reserved Powers Trust – Settlor’s death
  - distribution?
  - devolution of powers?
  - challenge on Settlor’s death?
  - risk back on trustees?

The Private Trust Company Solution

- Settlor control (but note risks)
- Risk not with service provider
- Monitoring/guiding boards actions
The PTC Share Ownership Problem

- Owned by Settlor
- Purpose Trust
- Foundation

Typical Structure
Dynastic Planning Opportunities

- Long term succession plans
- Family governance
- Business succession
- Business stability

Dynastic Planning Structuring

- Family Charter
- Implementation and enforcement
A Typical Structure

PTC Articles of Association
ADMINISTRATOR/FAMILY OFFICE
Administration Agreement
PTC Director Considerations
How many family members?
How many professionals?
Link to beneficial interest?
Meeting conduct?
How are new directors appointed?
Limited term?
Remuneration?
A Typical Structure

Influence of the Foundation

- Who sits on the Foundation council?
- What Powers as shareholder?
- What power does guardian have?
**PTC Advantages**

- Allows control to vest with family
- Still robust if run correctly
- Educates next generation
- Enfranchises different branches of the family
- Can be very simple or very sophisticated

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Thank you for your attendance