



CAPITAL TRUSTEES

Ahead of the game

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Professional Trustee.

Capital Trustees is a professional, independent Swiss trustee authorized by the Swiss Financial Market Supervisory Authority (FINMA).

Capital Trustees is one of the few independent trustee companies licensed by FINMA, and the only one among the members of the Swiss Association of Trust Companies (SATC), the association that gathers all major trust companies in Switzerland.

Capital Trustees is specialized in the creation and administration of trusts, providing assistance in wealth structuring through personalized solutions and supporting High Net Worth Individuals in achieving their estate planning goals.

Qualified professionals and specialists with experience acquired in major law firms, banks, family offices and professional trustee companies, provide assistance in the structuring and management of wealth across generations.

Capital Trustees is part of the client's team of trusted professionals and it collaborates closely with their advisors, asset managers, tax and legal consultants to optimize the quality of services and achieve the desired goals.

The company doesn't provide financial advisory and asset management services, thus avoiding any conflict of interest.

Furthermore, Capital Trustees implements effective organizational and risk control systems, demonstrating financial solidity as well as adequate professional insurance coverage, in line with the requirements for professional trustees' activities in Switzerland. Its structure and working methods guarantee the authenticity of a tangible and substantial service.

Capital Trustees operates in Switzerland with operational headquarters in Zürich and Lugano.

Team and Values.

Trustworthy

Being aware of the responsibility of providing clear and prompt solutions, we fulfil our tasks with commitment and passion, often through full administrative management mandates relating to complex situations and structures.

Independent

We are not bound by exclusive partnerships, nor are we part of any banking or financial group. We are, therefore, free to evaluate and offer the most appropriate services on a case-by-case basis, and collaborate with existing professionals and institutions.

Practical

Our professionals stand out for their proactive and operational approach, focusing on day-to-day problem solving.

Innovative

We constantly monitor international developments, and in particular the technological and legal framework, promptly adapting the procedures and services required to cope with changes.

International

With a strong international background, we support our clients' global interests with a multilingual team experienced in cross-border issues, as well as through an established network of correspondents in the major financial centres.

Professional

Our team is highly qualified and with a proven experience acquired in the legal, tax and corporate fields.

All the members of the Trust team are qualified "TEP" (Trust and Estate Practitioners), full members of STEP (Society of Trust and Estate Practitioners), the global professional association for professionals specialising in family wealth planning.

Wealth Planning & Structuring.

Notwithstanding the increased complexity of global regulation, tax transparency and cross-border issues, relating both to the private and corporate sphere, Capital Trustees offers tailor-made wealth structuring solutions in accordance with current regulations.

Capital Trustees sets-up and manages vehicles designed to achieve the fundamental objectives of estate planning: such as **protection, confidentiality, continuity, flexibility, governance and compliance.**

Monitoring international regulatory developments enables us to meet the needs of global families, whose members may be resident in different countries, may have multiple citizenships or may hold a range of properties, financial assets and business interests in various jurisdictions.

International relocation

Capital Trustees assists corporate and private clients with their relocation plans, carrying out for them, when requested, all administrative obligations.

For countries with optional taxation regimes for 'Res non Dom' and new residents, such as the UK, Switzerland and Italy, the company can provide assistance with the understanding of application requirements for each jurisdiction's specific regime.

Intergenerational wealth transfer

Succession can be planned through multiple tools that, beforehand and duly combined, allow to ensure an adequate financial coverage for the heirs, optimize the tax burden, regulate the purpose, modalities and timing for the proper assignment of asset.

The Trust.

The term Trust typically refers to the legal relationships created by a person (Settlor) when assets (Trust Fund) have been placed under the control of another person (Trustee) in order for the latter to administer them for the benefit of one or more parties (Beneficiaries) or for a specified purpose worthy of protection.

Settlor

He establishes the Trust, entrusting to the Trustee one or more economically valuable assets. The Settlor sets out the instructions to manage the Trust in the interest of the beneficiaries and he can appoint a Protector.

Trustee

He is the individual or the entity designated to hold and administer trust property transferred by the Settlor. The powers and duties of the Trustees are outlined in the trust agreement (Trust Deed).

Beneficiaries

They are the subjects who will benefit from the Trust. The beneficiaries can either be specifically named in the Trust Deed or may be a sufficiently defined group of persons. Their right to receive income or capital as distributions are stated in the terms of the trust.

Protector

Although it is not a mandatory, a Protector may be appointed to ensure that Trustee's activities are carried out in the interest of the beneficiaries. In addition to advisory and veto powers, the Protector is commonly vested with the authority to remove and replace the Trustee at any time.

Advisory Committee

An advisory body of experts could be appointed in place of (or together with) a Protector, with the task of providing technical guidance and strategic support to the Trustee in managing the Trust Fund.

Addition of assets into trust.

Trusts allow a transfer of assets and rights from the Settlor to the Trustee, after which the Trustee becomes the "legal owner", with the obligation to manage the fund in the exclusive interest of the beneficiaries.

Despite of this transfer, the assets do not become part of the personal assets of the Trustee, but constitute a separate "segregated" property of the Trustee.

Segregation

The assets of the trust fund are separated from the personal ones of:

- ✓ **the Trustee**
- ✓ **the Settlor**
- ✓ **the Beneficiaries**

their future creditors won't be able to exercise any claim on the trust fund.

The trust fund.

Assets and legal relationships added to the trust constitute its Trust Fund.

Any asset and right subject to economic valuation can be transferred into Trust.

The deeds of addition to the trust fund can be many during the life of the Trust.



Real Estate



Art & Collectibles



Liquidity



Shares



Financial Asset



Registered Movable Asset



Credits

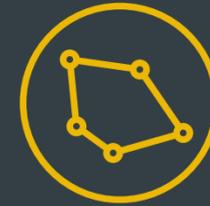


Intellectual Property

The perks of transferring assets into trust.



SEGREGATION



UNITARY
MANAGEMENT



SUCCESSION
PLANNING



PROTECTION



CONTINUITY
OF VALUES



CONFIDENTIALITY

Tools.

Trust deed

It is a document that formalizes the goals of the Settlor, defining the framework in which the trustee and the protector must operate.

In particular, it sets out powers and limits to the Trustee's discretion and the Beneficiaries' rights.

Letter of wishes

It is a letter addressed to the Trustee, written by the Settlor or the Beneficiaries, with the aim to provide the former with non-binding indications on the administration of the Trust.

The Hague convention

The Hague Convention of 1 July 1985, ratified by Switzerland, determines the law applicable to trusts and regulates their recognition.

Governing law

The governing law is the law applicable to the Trust, and it can be determined freely by the Settlor in the trust deed.

Types of trusts.

Revocable trust

A type of Trust in which the Settlor reserves the right to revoke the trust after its establishment, obtaining the restitution of the assets settled into the fund.

Irrevocable trust

In irrevocable Trusts, the Settlor permanently deprives himself of the assets transferred to the Trust. In principle, the Settlor has no rights or obligations in relation to the trust assets.

Fixed interest trust

This is a type of Trust in which the share of income and/or capital to which each Beneficiary is entitled is established in advance. The Trustee must therefore respect this attribution when distributing the assets.

Discretionary trust

This form of Trust requires the trustee to administer the assets in the interest of one or more Beneficiaries not previously identified but only identifiable on the basis of criteria indicated by the settlor, or in the interest of fully identified beneficiaries but in respect of which the Trustee may choose at its discretion whether, when and how much to distribute.

Uses of a trust.

Capital Trustees can establish and manage different types of trusts, functional to achieve the specific goals and purposes set by the settlor.

Versatility, as the main feature of the trust, makes it a particularly suitable tool for managing different asset classes each having specific characteristics.

In fact it can be useful for various purposes relating to both the private and entrepreneurial sphere, as well as the public interest one. Compared to other legal institutions, it can also be combined with further and different legal tools, in order to increase the benefits or mitigate their weaknesses.

Generational handover and family trust

It is established to protect the members and assets of the family in order to preserve the unity of an heritage to be handed down, but also to regulate relationships between cohabitants and guarantee the fulfillment of the obligations that one spouse has towards the other, as well as towards the children.

In case of domestic partnerships, not always protected by the legal system of reference, it allows to ensure the fulfillment of the wishes of the settlors, both in the context of succession and in the event of separation or divorce.

Compared to other legal institutions, such as wills, trusts can be more effective in governing the inter-generational transfer of wealth by stimulating the involvement of future generations in the management of assets and providing for the satisfaction of their needs.

Asset protection trust

This type of irrevocable trust is used mainly for segregation and confidentiality purposes and it serves the purpose of reducing the risk of successful claims promoted by the settlor's future creditors and involving his assets.

It is particularly suitable for those individuals, such as professionals, company directors or entrepreneurs, who are potentially exposed to compensation claims to which they might have to satisfy through their personal assets.

Trust for vulnerable persons

These are trusts set up for the benefit of vulnerable persons (e.g. elderly, disabled or minors) in order to properly manage the assets contributed to protect and support their needs.

Pre-immigration trust

Before a transfer of residence to a foreign country, the impact of the new tax regime can be optimized by settling part of an individual's assets into trust.

For example, the establishment of an irrevocable and discretionary trust prior to their transfer to Switzerland means that the settlor will give up ownership over the assets contributed into trust and, therefore, that such assets will be irrelevant for the calculation of the wealth tax to which the settlor will be subject.

Guarantee trust

The ownership of certain assets is transferred to a trust as collateral for financial obligations entered into with third parties.

In a corporate context, the use of this trust can help the positive management of business crises, in support of negotiated settlements, debt restructuring agreements and liquidation procedures.

Charitable trust

A specific type of purpose trust, characterized by having as its purpose the support of non-profit activities such as education, cultural dissemination, environmental protection, the fight against poverty, religious proselytism or other charitable purposes also.

A trust used to collect donations or otherwise established for charitable purposes, offers potential donors the advantages of the certainty of segregation and destination of the contributions.

Compared to the foundation, the trust is a more flexible instrument, does not require a high minimum of capital or a public process for its establishment.

Trustee Services.

Capital Trustees acts as Professional Trustee in Switzerland in the establishment and management of trusts governed by the laws of common law countries (eg. England & Wales, Jersey, Bahamas, etc.), covering the role of Trustee or co-Trustees, as well as the one of Protector in the case of trusts managed by third parties.



Swiss Association of Trust Companies

Capital Trustees is a full member of the Swiss Association of Trust Companies (SATC).

The association brings together trust companies that perform professionally, with distinction and high reputation, the activity of professional trustees in Switzerland.

The SATC Bylaws establish operating procedures for the performance of trustee activity in order to ensure professionalism, competence, diligence, integrity, confidentiality, transparency and fairness.

Trust Set-up

- In-depth due diligence process
- Drafting of the Deed of Trust
- Initial addition of assets
- Opening of banking relationships

Trust Advisory

- Advisory services for trustees and protectors
- Full reviews of existing trusts
- Support with compliance procedures and requirements

Trust Administration

- Documentation, accounting and communications management.
- Further addition of assets
- Asset distributions
- Attendance to ordinary and extraordinary meetings
- Third-party coordination
- Constant due diligence over individuals, assets and transactions
- Management and monitoring of bank deposits
- Management and monitoring of tangible and intangible assets
- Preparation and execution of transactions
- Reporting

Administrative Services.

Capital Trustees provides a wide range of services connected to trustee's activities, supporting its clients with their tax obligations and the related administrative requirements.

Domestic & International Companies

Capital Trustees is active in Switzerland and in other jurisdictions, either directly or through its network of experts, identifying the most suitable vehicles among those provided and available in the countries of reference.

- Incorporation and administration of companies.
- Domiciliation and management services.
- Company secretary.
- Accounts maintenance and payroll administration.
- Opening and management of banking relationships.

Tax & Administrative Services

Qualified accounting experts provide accounting services in accordance with Swiss and international standards, while also offering management and reporting services.

- Annual financial statements.
- Tax returns.
- VAT returns.
- Tax representation.
- Tax consultancy.

Consultancy Services.

Capital Trustees can provide its clients with a range of services spanning from compliance analyses, comprehensive of legal and regulatory requirements in force, to the drafting of rules of conduct and internal procedures in various areas of competence.

Compliance

Capital Trustees assists companies, trusts, foundations, and other entities in the improvement of internal compliance, with the aim of supporting them in the identification and fulfilment of their obligations, in conformity with laws and best practices.

- Reporting and classification CRS - FATCA
- AML e KYC: risk analysis and monitoring
- GDPR e LPDP: protocols drafting, audit and monitoring
- Support in the application for licenses with the competent supervisory authorities

ICT

The company provides IT security and protection services, spanning from the analysis of systems' vulnerabilities, to the implementation of safe network solutions and safe data storage.

- Virtual Office
- Cybersecurity
- Cloud hosting
- Continuity in business operations
- Safe communication networks

The Swiss perspective.

Switzerland, where Capital Trustees is active, ratified the Hague Convention of July 1 1985, thus recognizing the establishment of trusts. The country then identified the essential characteristics regulating the tax treatment for each of the parties involved.

Trusts in Switzerland

- ✓ Trusts are not considered taxable entities
- ✓ No public register of beneficial owners
- ✓ Strict requirements for professional trustees' activities
- ✓ Introduction of a Swiss trust law in pipeline

Switzerland

- ✓ Political stability
- ✓ High institutional standards
- ✓ Protection of private interests
- ✓ High capitalization of banks
- ✓ Leader in cross-border wealth management
- ✓ Constant credit rating AAA - stable outlook

The Swiss tax system

- ✓ Compatibility with international regulations
- ✓ Cantonal fiscal competition
- ✓ Favourable tax brackets for corporate income
- ✓ Numerous anti-double-taxation agreements
- ✓ VAT rates among the lowest in the world
- ✓ Innovation incentives

AML/D Regulation

In Switzerland, trustees must fulfill due diligence obligations in accordance with the Anti-Money Laundering Act (AMLA) and the Anti-Money Laundering Ordinance (AMLO), operating under the supervision of FINMA, which has been monitoring financial operators' activities since 2003. These provisions are in accordance with current European regulations and the FATF recommendations, focusing on the importance of structured internal procedures and codes of conduct, technical training and continuous monitoring.

Requirements for professional trustees

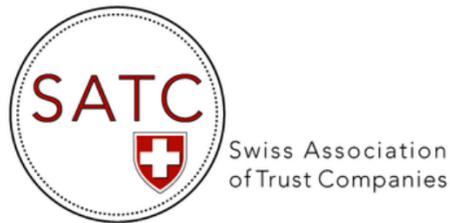
Capital Trustees fulfills the requirements set out by the Financial Services Act (FinSA) and the Financial Institutions Act (FinIA), entered into force on January 1, 2020, which provide that financial intermediaries must meet requirements such as an adequate capitalization of the company, adoption of internal control and risk management systems, and the presence of qualified managers and staff.

International tax reporting

Capital Trustees' activity is subject to the anti-money laundering legislation set out by the Federal Law on Money Laundering (AMLA) and the Money Laundering Ordinance (ORD) of 11 November 2015 and its subsequent amendments. The Swiss Anti-Money Laundering system is based on a risk analysis approach of the same kind as the current European one and is in line with the recommendations set out by FATF.

Membership.

Capital Trustees is affiliated, directly or through its team members, to leading internationally recognized associations, demonstrating its professionalism and ensuring a constant and high level of expertise.





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