

# Codan Trust



## CODAN TRUST

The Codan Trust group of companies (referred to collectively as “Codan Trust”) is an international network of licensed trust companies that undertakes a broad range of trust and company administration services for private clients, corporations and charitable entities. Codan Trust has its headquarters in Bermuda and has affiliated offices in the British Virgin Islands and the Cayman Islands.

Codan Trust was established in 1985 by the international law firm of Conyers Dill & Pearman (“CD&P”) in order to provide professional trustee services to CD&P clients. CD&P, founded in 1928, is one of the oldest and largest law firms in Bermuda and has assembled one of the most experienced offshore trust and private client practices in the world. The CD&P Private Client team advises individuals, families and corporations on a broad range of issues including estate planning and private investment structures.

The close affiliation between Codan Trust and CD&P greatly augments the quality of the trustee services provided. Legal advice is readily available and access to CD&P’s global network of law offices is instant.

The continuous liaison with CD&P has built an in-depth understanding of fiduciary principles which apply to Codan Trust’s role as a prudent trustee. It has also enabled Codan Trust to be flexible in its decision making and in finding appropriate solutions to the various unforeseen problems that may arise.

Codan Trust is very much a “law firm” trust company, independent of any investment management firms, and emphasises responsive personal service.

### PERSONNEL

Codan Trust has a reputation for providing superior service through a responsive and professional approach to trust management. Codan Trust’s Trust Managers are highly qualified professionals selected for their skills and experience in trust and company administration and their efficiency and dependability.

The Trust Managers hold qualifications and designations in, or are members of, the various recognised professional organisations, including the Society of Trust and Estate Practitioners, the Institute of Chartered Accountants, Chartered Institute of Bankers, Solicitors or other legal qualifications, etc.

\*Conyers Dill & Pearman provides affiliated law offices, corporate administrative services and trust services in Bermuda, Anguilla, British Virgin Islands and Cayman Islands. The law firm also has offices in Hong Kong, London and Singapore.



## TRUSTEE SERVICES

Codan Trust provides a variety of services to its clients and specialises in trust administration with confidential personal service tailored to the client's particular requirements. These requirements commonly include ownership of a family run business, wealth preservation and succession planning or commercial applications of trusts. Each trust is administered by an experienced trust manager who often works with professional advisors, investment managers and custodians, to coordinate and oversee the affairs of the trust and any related companies. Examples of the types of trusts Codan Trust administers are as follows:



### **Discretionary Trust:**

The discretionary trust often provides the most flexible and efficient structure for the settlor and the beneficiaries. Under the terms of a discretionary trust, the trustee is given wide powers over the trust fund to make decisions in the best interests of the beneficiaries as a whole. For this reason the beneficiaries are regarded as not having a specific interest in the trust, but only a right to be considered when the trustee exercises its discretion.

### **Fixed Interest Trust:**

Under a fixed interest trust, primary beneficiaries will normally be granted a right to receive the income (and possibly a portion of the capital) of the trust fund and the trustee's discretion over the trust fund will be limited. Secondary beneficiaries may also be included who will have rights after the primary beneficiaries' rights have terminated.

### **Charitable Trust:**

A charitable trust may be established under Bermuda law to create a charitable fund or to make provision for existing charitable institutions or purposes. Charities may also be created in the form of a company limited by guarantee.

## TRUSTEE SERVICES

### **Purpose Trust:**

A purpose trust is created for the benefit of purposes and not for persons. Purpose trusts have been used in a variety of commercial transactions including ownership of private trustee companies, ship and aircraft financing, insurance company ownership structures, and securitization structures.

### **Pension & Employee Benefit Trust:**

International businesses may wish to establish pension and employee benefit structures in jurisdictions such as Bermuda, the British Virgin Islands or Cayman Islands. The use of such trusts to hold assets can offer added protection to the assets for the benefit of employees and the employer. The trust can help avoid unduly onerous regulations and, in some cases, can provide for tax savings.

### **Commercial Trust Structures:**

The Codan Trust administration team are familiar with specifically crafted escrow trusts, insurance trusts, listing trusts or other trusts designed for a corporate purpose or transaction.



## TRUSTEE DUTIES



**Trustees are required to fulfil certain fiduciary duties some of which are subject to the terms of the trust deed. The most important duties include the following:**

- To act honestly and in good faith for the best interests of the beneficiaries in accordance with the terms of the trust.
- To bring, and keep under their control, trust property which must be kept separate from their private property and from any other property of which they are trustees.
- To comply with the terms of the trust deed.
- Subject to express conditions of the trust deed, to act impartially between the beneficiaries. This duty amounts to a fair balancing of the interests of beneficiaries, particularly where certain beneficiaries are entitled to current income and others to future interests in capital.
- To preserve and protect the trust property.
- To exercise appropriate care, skill and caution in the administration of the trust and in the selection of investment managers of the trust.
- Not to delegate duties or powers either to a third party or to a co-trustee unless authorised by law or the trust deed.
- To act unanimously unless otherwise expressly authorised under the trust deed. Accordingly, investments and all trust property should be in the joint names or held to the order of all trustees.
- Not to profit from the trust's property nor to purchase trust property for personal enjoyment unless otherwise authorised by the trust deed (i.e. trustee fees).
- To keep accounts, and furnish any beneficiary with accounts, at all reasonable times and on request.

## ADMINISTRATION OF THE TRUST



Trustees are required to keep proper records and accounts of all trust assets and their dealings with the property of the trust including expenditures, distributions, income and investment performance of the assets. As a matter of proper administrative practice, all substantive trustee decisions or business decisions taken at the trustee level are approved and recorded in trustee minutes.

It is normal practice for Codan Trust to hold at least one formal trustee meeting each year in order to review and consider the accounts, the affairs of the trust and the financial position of the trust as a whole.

Trustees are required to ensure that they are properly informed as to the value of the trust assets and the nature of the business activities of any corporate entities held by them. Successor trustees are also impressed with a duty to review the history of the trust's assets and examine the accounts and other trust records in order to satisfy themselves that no prior breach of trust has occurred.

Codan Trust has the capability to produce financial statements on an annual basis through its team of in-house accountants, or through an outside accounting firm after proper consultation either with the settlor or principal beneficiaries of the trust.



## INVESTMENT MANAGEMENT



### INDEPENDENT INVESTMENT MANAGEMENT

With respect to investment management, where there are active portfolios, Codan Trust will seek to appoint and employ professional investment managers since Codan Trust does not hold itself out as having investment management expertise. Codan Trust has long-standing relationships with many well established international investment firms in the major financial centres and, taking into account the wishes of the settlor, and where appropriate under the trust deed, will choose the appropriate investment manager and set investment guidelines suitable to the objectives of the trust. In such a case, Codan Trust will be mostly concerned with reviewing regular investment reports and monitoring the investment performance of the managers.

### PRIVATE TRUSTEE COMPANIES

Codan Trust has particular expertise and experience in the administration of private trustee companies. These are companies established specifically to act as trustee for one trust or a group of related trusts (for example, for the trusts for the benefit of a particular family or for a particular commercial transaction).

Codan Trust's experience in trust and company administration makes it ideally suited to manage the affairs of a private trustee company, avoiding any need for the private trustee company to employ its own staff.



## REGULATION

Codan Trust Company Limited is a licensed Trust Company regulated by the Bermuda Monetary Authority (“BMA”) under the Trusts (Regulation of Trust Business) Act 2001 (“the 2001 Act”). As a licensed entity, it complies with the high standard of care required under the regulatory legislation. The staff at Codan Trust are well equipped with the skill and experience required to conduct trust business in accordance with the Know-Your-Customer rules and Anti-Money Laundering procedures.

Under the 2001 Act, the BMA has also published a Statement of Principles and a Code of Practice. These have been introduced to ensure that trustees meet international standards. The Statement of Principles sets out the criteria that will be taken into account by the BMA when deciding to grant, restrict or revoke a licence; the Code of Practice deals specifically with the proper administration of the trust such as the use of powers of investment, accounting procedures and the duty of confidentiality incumbent upon trust officers which may only be broken if required by law. As a licensed undertaking, Codan Trust must follow the Code of Practice and provide the BMA annually with a Certificate of Compliance.

Although the BMA has powers to investigate licensed trustees and request documents to ensure that trust business is being adequately administered, details relating to settlors and beneficiaries of trusts may not be disclosed and are protected by statute. Codan Trust conducts its business discreetly and professionally and fully respects the need for strict confidentiality of its clients’ affairs.



## THE CODAN TRUST GROUP OF COMPANIES



### **Codan Trust Company Limited**

Richmond House  
12 Par-la-Ville Road  
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Hamilton HM CX, Bermuda  
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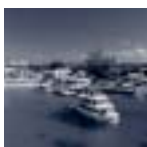
**Codan Trust Company Limited** is a Bermuda licensed and regulated trust company possessing the expertise and resources to administer trusts ranging from traditional family trusts to those involved in complex or innovative commercial ventures. Codan Trust was incorporated in Bermuda in 1985 for the purpose of streamlining the administration of all of the trusteeships of the Conyers Dill & Pearman partnership, some of which date to the 1940's.



### **Codan Trust Company (B.V.I.) Ltd.**

P.O. Box 3140  
Romasco Place  
Wickhams Cay 1  
Road Town, Tortola  
British Virgin Islands  
Telephone: (284) 852 1010  
Facsimile: (284) 852 1011  
Email: bvi@cdp.bm

**Codan Trust Company (B.V.I.) Ltd.** is a British Virgin Islands licensed and regulated trust company. Each trust is administered by an experienced manager who often works with third party specialists, such as professional advisors, investment managers and custodians, to coordinate and oversee the affairs of the trust and any related companies.



### **Codan Trust Company (Cayman) Limited**

Century Yard, Cricket Square  
Hutchins Drive  
P.O. Box 2681GT  
George Town, Grand Cayman  
British West Indies  
Telephone: (345) 949 1040  
Facsimile: (345) 949 1048  
Email: cayman@cdp.bm

**Codan Trust Company (Cayman) Limited** is a Cayman Islands licensed and regulated trust company that specialises in Cayman trust establishment and administration from the traditional family trust to the highly complex corporate structures.

# Codan Trust

[www.cdp.bm](http://www.cdp.bm)