

For investors

Bare Gift Trust

Trusts establish legal entitlements and have material financial and taxation implications.

This draft Trust Deed has been drawn up based on our understanding of current law and HM Revenue & Customs practice.

The Trust Deed is presented as a draft only and anyone intending to transfer investments (where permitted) or cash to a trust is strongly advised to consult their own legal and tax advisers to make sure that the draft Trust Deed meets their requirements.

Aegon cannot accept any responsibility for the consequences arising from the use of this draft Trust Deed.

If you'd like a large print, Braille or audio CD version of this document, please contact us on 0345 604 4001 (call charges will vary). We're always here to help so if you need some additional support from us please let us know.

Important Notes

- This draft Bare Gift Trust Deed should only be completed with the assistance of an FCA registered adviser and with appropriate legal and tax advice. This draft Bare Gift Trust Deed is **NOT SUITABLE** for use by an investor without advice.
- This draft Bare Gift Trust Deed is suitable for use only where investments are to be held on the Aegon or the Aegon Retirement Choices Platforms – either when applying for an investment or when existing investments are being transferred to the Trustees. Please note that at present you can't transfer an existing investment held in a General Investment Account (GIA) provided through the Aegon Retirement Choices Platform to the Trustees although you may be able to transfer investments held with another provider.
- For existing investments held in a GIA on the Aegon Platform only, in order to legally perfect the gift, it will also be necessary to complete the appropriate asset transfer form.
- If this Trust is to be established by the gifting of an existing investment(s) held with another provider being transferred to a GIA on the Aegon or Aegon Retirement Choices Platforms, to legally perfect that gift, it will also be necessary to complete the appropriate re-registration form(s).
- The Bare Gift Trust has important legal and tax consequences. For a full explanation of the features and the legal and tax implications of this Trust, investors should refer to their tax and legal advisers. A brief explanation can be found by referring to The investor's guide to the Bare Gift Trust. A more comprehensive guide for advisers can be found in A guide to the Bare Gift Trust.
- The main purpose of this Trust is to facilitate a gift which is treated as a potentially exempt transfer (PET) and is effective for inheritance tax. To achieve this, the named beneficiary is entitled to the Trust Fund absolutely and the person declaring the trust (the Donor) is excluded from all benefit.
- Once the beneficiary(ies) is named in this Trust, neither the Donor nor the Trustees can change who is to benefit under the Trust nor what share of the Trust Fund each beneficiary is to receive.
- If, having obtained legal advice, the investor wishes to execute the draft as a deed, the Donor(s) and the Trustees should follow the completion instructions in the margin of the document.
- Any amendments should only be made after proper advice has been sought and taken and before the deed is signed. Any amendments should be initialled by all the parties to the deed. No alterations should be made after the deed has been signed.

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Part 1 | Trust Declaration

This Trust Deed is made the

Insert here the date this Deed is signed and the name(s) and address(es) of the Donor(s).

day of in the year

between

of

and

of

(hereinafter called the **Donor** which expression shall where two persons are named above include both of them) **of the first part** [and the Donor] and

Insert here the name(s) and address(es) of the additional Trustees. At least one additional Trustee must be appointed. If the Donor(s) is not to be a Trustee, please delete the words [and the Donor] from this section. The Donor(s) and the Trustees should initial this deletion. The maximum number of trustees should not exceed four in total (including the Donor(s) if applicable).

of

and

of

and

of

and

of

(hereinafter together called the **Original Trustees**) **of the second part**

As follows:

The Donor wishes to make this Trust and has transferred or delivered to the Original Trustees or otherwise placed under their control the Initial Trust Property specified in the Schedule below to hold subject to the terms of this Trust Deed. Where the said property comprises investments held by a nominee on behalf of the Donor in a General Investment Account on the Aegon Platform or an investment held with another provider, the Donor hereby assigns all his beneficial interest in the property to the Original Trustees and hereby undertakes to do whatever is necessary to complete the transfer.

Further money, investments or other property may be paid or transferred to the Trustees by way of addition.

This Trust shall be known as:

Insert here the name of the trust e.g. The 2010 John Smith Bare Gift Trust.

Part 2 | Definitions

In this Trust Deed in addition to the terms defined above the following expressions shall have the following meanings and unless the context does not permit the singular shall include the plural and the masculine shall include the feminine and vice versa.

(i) **Appointor** means:

- (a) Where the Donor is one person, the Donor while he is alive and of full capacity, or
- (b) if two persons are the Donor, both of them jointly while they are both alive and of full capacity or if only one of them is alive and of full capacity then that one acting alone, and subject thereto the Trustees.

(ii) **Beneficiary(ies)** means:

the one or more persons named in the boxes below:

Insert here the name or names of the person(s) you wish to benefit. If more than one person is named state the percentage shares in which they are to benefit. At least one person must be specified here. The shares must add up to 100%.

Name(s)	Share if more than one (%)
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>

- (iii) **Capacity** means mental capacity within the provisions of the Mental Capacity Act 2005 or any Act which supersedes that Act.
 - (iv) **Child, Children and Issue** includes any illegitimate, step, adopted, or legitimated (whether adopted or legitimated before or after the date hereof) child, children or issue.
 - (v) **Person** includes a person anywhere in the world and includes a Trustee.
 - (vi) **Spouse** includes Registered Civil Partner within the meaning of Section 1 Registered Civil Partnership Act 2004.
 - (vii) **Trustees** means the Original Trustees or the Trustees for the time being hereof.
 - (viii) **Trust Fund** means the Initial Trust Property (as specified in the Schedule to this Trust), any assets at any time added thereto by way of further settlement, capital accretion, accumulation of income or otherwise and all assets from time to time representing the same.
 - (ix) **Trust Property** means any property comprised in the Trust Fund.
 - (x) **Trust Period** means the period of 125 years from the date of this Deed which period shall be the applicable perpetuity period (as specified by Section 5(1) of the Perpetuities and Accumulations Act 2009).
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Part 3 | Absolute Trust

The Trustees shall hold the capital and income of the Trust Fund upon trust for the Beneficiary or Beneficiaries named in paragraph (ii) of Part 2 above absolutely and if there is more than one Beneficiary in the shares specified and if no shares are specified then in equal shares absolutely.

Part 4 | Minor Beneficiaries

- (i) Section 31 of the Trustee Act 1925 shall not apply to this Trust and any income arising to the Trustees at any time from the Trust Fund shall be paid or applied as it arises to or for the benefit of the Beneficiary who is entitled to it.
 - (ii) So long as any Beneficiary is a minor the Trustees shall have power to pay or otherwise apply for or towards his maintenance, education or benefit so much of the income from his share in the Trust Fund as the Trustees may in their absolute discretion think fit and the Trustees shall retain the balance of any such 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 thereof 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 is a minor the Trustees may pay or apply as aforesaid any such balance or accretion as if it were income arising in the then current year.
 - (iii) Where the Trustees wish to pay or apply capital or income for the benefit of a minor, they may do so by paying such capital or income to the minor Beneficiary's parent or guardian on behalf of the minor and the receipt of the parent or guardian shall be a complete discharge to the Trustees.
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Part 5 | Capital Advancement

The Trustees shall in place of any other power to pay or apply capital for the benefit of a Beneficiary have the power, subject to the consent of an adult Beneficiary having legal capacity but otherwise in their absolute discretion, to pay, transfer or apply the whole or any part or parts of any of the Trust Fund to which any Beneficiary is entitled to or for the outright benefit only of such Beneficiary.

Part 6 | Administrative Powers

- 6.1 In addition to any powers conferred upon them by law but subject to Clause 6.2 below the Trustees shall have the following powers:
- (i) All the powers of an absolute owner in respect of any asset forming part of the Trust Fund including the power to exercise any option or to sell or realise any such asset.
 - (ii) Power to borrow money for investment or any other purpose. Money borrowed shall be treated as Trust Property.
 - (iii) Power to mortgage, surrender or otherwise deal with the said asset in such manner as the Trustees shall in their absolute discretion consider appropriate.
 - (iv) Power to invest or apply the Trust Fund in the purchase or acquisition of either income or non-income producing assets including life assurance policies or such stocks, funds, shares, securities or other investments or property of whatever nature and wherever situated and whether involving liabilities or not with or without security as the Trustees in their absolute discretion shall think fit with the intention that the Trustees shall have the same powers as absolute owners who are beneficially entitled.

- (v) Power to appoint solicitors, investment managers, stockbrokers, accountants, nominees or agents in any other capacity including any company or corporation to manage or assist with the management of this Trust and to delegate to them such powers to hold and manage in their own names or otherwise the Trust Property subject only to reporting to the Trustees in such manner and at such intervals as they may be required by the Trustees and to allow the persons so appointed, whether of their own number or not, suitable remuneration at their usual professional rates at the time of acting.
- 6.2 The exercise by the Trustees of the powers conferred by Clause 6.1 above shall require the consent of the Beneficiary or Beneficiaries affected thereby except in relation to any part of the Trust Fund held for a Beneficiary or Beneficiaries who are minors or otherwise lacking capacity.
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Part 7 | Appointment, Retirement and Dismissal of Trustees

- (i) The power to appoint by deed new or additional Trustees shall vest in the Appointor. The number of Trustees should not exceed four in total.
 - (ii) The Donor whilst alive and of full capacity shall have power to dismiss a Trustee by deed (and where two persons are the Donor this power shall be exercised by them jointly during their lives and thereafter by the survivor) provided at least one Trustee remains after such dismissal who is not the Donor or the spouse of the Donor for the time being. The dismissed Trustee shall co-operate (without expense to him, save in respect of any default in the function of trusteeship) in executing any documents or consents required to remove his involvement with the Trust Property and to vest it in the continuing Trustees.
 - (iii) A Trustee may be discharged even though there is neither a trust corporation nor two Persons to act as Trustees provided that there remains at least one Trustee who is not the Donor or the spouse of the Donor for the time being.
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Part 8 | Trustee Remuneration

- (i) A Trustee acting in a professional capacity is entitled to receive reasonable remuneration out of the Trust Fund for any services that he provides to or on behalf of the Trust.
 - (ii) For this purpose, a Trustee acts in a professional capacity if he acts in the course of a profession or business which consists of or includes the provision of services in connection with:
 - (a) the management or administration of trusts generally or a particular kind of trust, or
 - (b) any particular aspect of the management or administration of trusts generally or a particular kind of trust.
 - (iii) (a) A trust corporation (within the meaning of the Trustee Act 1925) or a company authorised to undertake trust business, may act as Trustee on the basis of its standard terms as published at the date of its appointment, or as published from time to time.
 - (b) The trust corporation, or authorised company, is entitled to receive remuneration and other charges in accordance with those terms.
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Part 9 | Liability of Trustees

- (i) A lay Trustee (within the meaning of Section 28 Trustee Act 2000) shall not be liable for a loss to the Trust Fund unless that loss or damage was caused by his own actual fraud or dishonesty or conscious wrongdoing.
 - (ii) A Trustee who is not a lay Trustee (within the meaning of Section 28 Trustee Act 2000) shall not be liable for a loss to the Trust Fund unless that loss or damage was caused by his own actual fraud or dishonesty or conscious wrongdoing or negligence.
 - (iii) A Trustee shall not be liable for acting in accordance with the advice of counsel, of at least five years' standing, with respect to the Trust. The Trustees may in particular conduct legal proceedings in accordance with such advice without obtaining a Court Order. A Trustee may recover from the Trust Fund any expenses where he has acted in accordance with such advice.
 - (iv) The above sub-paragraph (iii) does not apply:
 - (a) if the Trustee knows or has reasonable cause to suspect that the advice was given in ignorance of material facts;
 - (b) if proceedings are pending to obtain the decision of the court on the matter;
 - (c) in relation to a Trustee who has a personal interest in the subject matter of the advice; or
 - (d) in relation to a Trustee who has committed a breach of trust relating to the subject matter of the advice.
 - (v) The Trustees may distribute Trust Property or income in accordance with this Trust but without having ascertained that there is no Person who is or may be entitled to any interest therein by virtue of a relationship unknown to the Trustees. The Trustees shall not be liable to such a Person unless they have notice of his claim at the time of the distribution.
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Part 10 | Governing Law

This Trust shall be irrevocable and shall be governed by and construed in accordance with the law of England.

SCHEDULE

Insert the details of the property being transferred to the Trustee(s). If a) applies, indicate to whom the cheque is made payable by making an appropriate deletion. The Donor(s) and the Trustees should initial this deletion. If b) applies, and the investments are being transferred from a General Investment Account held on the Aegon Platform, "Client reference" is as stated on the confirmation note. "Client Name" the client name must be the same as the Donor(s).

"Initial Trust Property" means the property as indicated by the Donor(s) completing a) or b) below:

- a) The cheque or BACS transfer for the sum of £..... payable to (i) Cofunds Limited if it is to be invested in a General Investment Account held on the Aegon Platform, (ii) Aegon Investment Solutions Limited if it is to be invested in a General Investment Account on the Aegon Retirement Choices Platform or (iii) the Original Trustees.
- b) The following investments held by the relevant nominee company as the Donor's nominee on the Aegon Platform or investments held with another provider which are being gifted and transferred to this Trust.

Client reference

(if being transferred from a General Investment Account held on the Aegon Platform)

	Fund name	Number of shares/units

Part 11 | Signatures

IN WITNESS whereof the parties hereto executed this Deed the day and year stated above
SIGNED AS A DEED AND DELIVERED by the said Donor(s):

Name of Donor

Name of Second Donor (where appropriate)

Signature of Donor

Signature of second Donor

In the presence of
(name and address of Witness):

In the presence of
(name and address of Witness):

Signature of Witness

Signature of Witness

The Donor(s) should sign here. Each signature should be witnessed.

A witness should be someone over 18 and not party to this Deed or a Beneficiary.

Part 11 | Signatures – continued

SIGNED AS A DEED AND DELIVERED by the said Trustee(s):

The Additional Trustee(s) should sign here. Each signature should be witnessed.

Name of Trustee

Signature of Trustee

Name of Second Trustee

Signature of Second Trustee

A witness should be someone over 18 and not party to this Deed or a Beneficiary.

In the presence of
(name and address of Witness):

Signature of Witness

In the presence of
(name and address of Witness):

Signature of Witness

The Additional Trustee(s) should sign here. Each signature should be witnessed.

Name of Third Trustee

Signature of Third Trustee

Name of Fourth Trustee

Signature of Fourth Trustee

A witness should be someone over 18 and not party to this Deed or a Beneficiary.

In the presence of
(name and address of Witness):

Signature of Witness

In the presence of
(name and address of Witness):

Signature of Witness

