

Welcome to 'Your Box Seat' – our intermittent Newsflash



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Trusts Act 2019: Charitable Trusts are also covered by the new Act

In previous Box Seat Articles we have addressed the changes to the operation of Trusts brought about by the Trust Act 2019 ("The Act").

Many clients have asked the question "Does the Act apply to Charitable Trusts?" The short answer is "yes".

Trustees of Charitable Trusts are bound by the same mandatory and default duties as trustees of discretionary Family Trusts.

The only duty that does not apply to trustees of a Charitable Trust is the duty to give information to the beneficiaries.

Some Trust Deeds already have clauses that modify the default duties. However, we recommend that trustees of Charitable Trusts review their Trust Deeds to ascertain the implications of the default duties and to ascertain whether further modification is needed to negate the application of the default duties.

If changes are necessary, Trustees will need to determine whether there is a power to vary in the Trust Deed. This is generally the case but not always.

We remind all trustees that these new duties imposed by the Act come into force on 30 January 2021.

If changes to Trust Deeds are required, trustees will have to move quickly.

If you have any queries regarding the operation of the Act as it relates to your Charitable Trust or if you would like us to review your Trust Deed, please contact our Trusts and Estate Planning Team.