

# MetLife Bare Gift Trust



## Important Information

This document is provided on the strict understanding that it is presented as a draft to be considered by the Donor and his/her legal advisers. Ultimately its appropriateness and its legal and tax effects will depend on the circumstances of each particular case. Accordingly, neither MetLife Europe Limited nor any of its representatives, officials or employees can accept any responsibility for any loss occasioned as a result of its use in any circumstances whatsoever.

### COMPLETION GUIDE

If, after seeking legal advice, the Bare Gift Trust is to be completed unamended, the following parts of the document need to be completed as follows:

#### Part 1: Declaration

- The date the declaration is made must be inserted.
- The name(s) and address(es) of the Donor(s) (both of them in joint cases) must be inserted.
- The name(s) and address(es) of the individual(s) who will act as Original Trustees with the Donor(s) must be inserted
- Insert in paragraph 1.(a) of Part 1 the amount of cash if a new Bond is being effected or insert the policy number in paragraph 1.(b) of Part 1 if an existing Bond is being placed in Trust.

#### Part 2: Definitions

In definition 2.2 "Beneficiaries" the names of the Beneficiary(ies) who will benefit should be inserted. If there is more than one Beneficiary then the percentage shares in which they are to benefit are to be inserted. Please ensure that the shares add up to 100%.

At least one name must be included in this Part.

The Donor's spouse should not be a Beneficiary.

#### Part 7: Signatures

The Donor(s) and the Original Trustees who are party to this Deed must sign the document in this part and each signature must be independently witnessed. The witness must be an individual who is not a party to this Deed.

**Part 1: Declaration**

**THIS TRUST DEED is made** the \_\_\_\_\_ day of \_\_\_\_\_ in the year \_\_\_\_\_

between \_\_\_\_\_

and \_\_\_\_\_

both of \_\_\_\_\_

\_\_\_\_\_

(hereinafter called "the **Donor**") of the first part and the said Donor

and \_\_\_\_\_

of \_\_\_\_\_

\_\_\_\_\_

and \_\_\_\_\_

of \_\_\_\_\_

\_\_\_\_\_

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

**WHEREAS:**

1.(a) The Donor has transferred to the Original Trustees a cash sum (or cheque) for £ \_\_\_\_\_  
or hereby undertakes to make a transfer of the said sum to MetLife Europe Limited ("the Company") with the intention that the Original Trustees invest in a MetLife Investment Bond ("the Bond") which is a single premium investment bond issued by the Company, and the Donor declares that the Original Trustees shall hold the said sum and the Bond on the trusts and subject to the powers and provisions hereof.

OR

1.(b) The Donor as the legal and beneficial owner of the MetLife Investment Bond ("the Bond") which is a single premium investment bond numbered \_\_\_\_\_ issued by the Company hereby declares that from the date hereof the Original Trustees shall hold the Bond on the trusts and subject to the powers and provisions hereof.

- 2. The Original Trustees acknowledge and accept the trusts created by this Deed.
- 3. It is intended that this Trust shall be irrevocable.

## Part 2: Definitions

2. In this Trust the following expressions shall have the following meanings and unless the context does not permit the singular shall include the plural and vice versa and words denoting any gender shall include all genders:
- 2.1 **"Appointor"** means the Donor during his life and after his death the Trustees.
- 2.2 **"Beneficiaries"** means the one or more persons named in the boxes below:

Name	Specified Percentage Share (if more than one)

Please note: The specified percentage shares should always total 100%. Neither the Donor nor the Donor's spouse should be named in this section.

- 2.3 **"Trustees"** means the Trustee or Trustees for the time being of this Trust and at the commencement of this Trust the Trustees are the Original Trustees.
- 2.4 **"Trust Fund"** means all money, investments or other property paid or transferred to or so as to be under the control of and in either case accepted and held by the Trustees as an addition to the Trust Fund, the full benefit of any assets at any time added thereto by way of further addition, capital accretion, accumulation of income or otherwise and all assets from time to time representing the same and where the context so admits any part or parts thereof.
- 2.5 **"Trust Period"** means the period of 125 years from the date of this Deed which period is also the perpetuity period applicable to the trusts hereof.
- 2.6 **"Spouse"** includes any civil partner registered under the Civil Partnership Act 2004 and widow(er) includes any surviving civil partner so registered. Any references to marriage include registered civil partnership.

## Part 3: Principal Trust Terms

- 3.1 The Trustees shall hold the Trust Fund and the income thereof for the absolute benefit of the Beneficiary(ies) and if more than one in the Specified Percentage Shares shown in paragraph (ii) of Part 2 above and if there are no Specified Percentage Shares and there is more than one Beneficiary then in equal shares absolutely.
- 3.2 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 or Beneficiaries so entitled.
- 3.3 So long as any Beneficiary is under the age of legal capacity 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 legal capacity 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 Trust Fund or part to which the Beneficiary is entitled Provided Always that so long as the said Beneficiary is under the age of legal capacity or otherwise under a legal disability the Trustees may pay or apply as aforesaid any such balance or accretion as if it were income arising in the then current year.
- 3.4 The Trustees shall in place of any other power to pay or apply capital for the benefit of a Beneficiary have the power at any time or times during the Trust Period, 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.
- 3.5 None of the trusts, powers or provisions hereof shall operate or be exercised so as to allow any part of the Trust Fund or the income thereof to be paid, transferred or applied to or for the benefit of the Donor or of any spouse of the Donor.
- 3.6 The Trustees shall be under no obligation to diversify the investment of the Trust Fund.

## Part 4: Administrative Powers

- 4.1 Subject to paragraph 4.2 of this Part 4, the Trustees shall in the management and administration of the Trust Fund have the widest possible powers (which they may exercise or may omit to exercise from time to time at their absolute discretion) of managing and dealing with the Trust Fund in all respects as if the Trustees were the absolute beneficial owners thereof and without prejudice to the generality of the foregoing the Trustees shall have the following powers:
- (a) power to retain the Trust Fund in its present state;
  - (b) power to sell or otherwise liquidate and deal with any asset whatsoever comprised in the Trust Fund and to invest in any property of whatsoever nature and wheresoever situate and whether income producing or otherwise, including investment in any policies of assurance as the Trustees in their absolute discretion think fit;
  - (c) with regard to the Bond and any other policy of assurance or capital redemption policy:
    - (i) to pay the premiums on any such policy and to borrow from any person (including any of themselves) the moneys required for any such premium upon such terms as to repayment interest and otherwise as they may think fit;
    - (ii) to exercise any of the elections, powers, options, and privileges conferred by any such policy and to alter the amount of any periodic premiums payable thereunder or the period during which such premiums are payable and to alter the terms of any such policy in any manner by agreement with the insurers and to do any of the foregoing notwithstanding that the sum assured may thereby be reduced or increased;
    - (iii) to convert any such policy into a fully paid-up policy free from future premium payments;
    - (iv) to surrender fully or partially any such policy;
    - (v) to appoint in writing such person or persons as the Trustees think fit to act as agent of the Trustees for the purposes of receiving moneys from any person and to apply the said moneys as premiums under any such policy already in force or under any such policy which is about to come into force and to be comprised in the Trust Fund; and
    - (vi) to recover, receive or give valid receipts for all moneys due or to become due under any such policy so that the receipt by the Trustees of any moneys payable under or deriving from any dealing with any such policy shall be a full and sufficient discharge to the insurance company making the payment who shall not be concerned to see the application of any such moneys;
  - (d) power to borrow money on such terms as to interest repayment and otherwise as they may think fit and whether upon security of the whole or any part or parts of the Trust Fund or upon personal security only and to use such money in purchasing or subscribing for investments or property to be held as part of the Trust Fund or otherwise for any purpose for which capital moneys forming part of the Trust Fund may be used;
  - (e) power to pay or transfer any capital or income to be paid transferred to or applied for the maintenance, education or benefit of a Beneficiary who is under the age of legal capacity or otherwise under a legal disability to any parent or guardian of that Beneficiary or to such other person on behalf of such Beneficiary as the Trustees shall think fit and the receipt of such person shall be a complete discharge to the Trustees who shall be under no obligation to see the proper application thereof;
  - (f) power revocably or irrevocably to delegate any power or powers in making, managing, realising or otherwise dealing with any property comprised within the Trust Fund to any person or persons (including nominees) upon such terms as to the remuneration or otherwise as the Trustees may think fit and no Trustee shall be responsible for the default of any such agent if the Trustee in question or incurred expense in employing him in good faith; and
  - (g) power at any time or times by deed or deeds to confer on themselves any administrative power not conferred on them by this Deed or the general law which the Trustees may consider necessary or expedient.
- 4.2 The Trustees may exercise the powers conferred by paragraph 4.1 of this Part 4 without prior reference to any Beneficiaries affected thereby, but a Beneficiary or Beneficiaries of full capacity and having attained the age of legal capacity shall have the right at any time or times to require the Trustees to obtain prior authorisation from such Beneficiary or Beneficiaries before exercising such powers.

## Part 5: Appointment, Dismissal, Retirement and Remuneration of Trustees

- 5.1 The Donor shall have the power to appoint by deed new or additional trustees.
- 5.2 The Donor shall have power to dismiss by deed any Trustee and the said power shall be exercisable notwithstanding that as a result of its exercise the sole Trustee is a corporation which is not a Trust Corporation for the purpose of Section 37 of the Trustee Act 1925 where relevant or a single individual but not so as to result in the Donor or the Donor's spouse for the time being becoming the sole Trustee. On such dismissal, the dismissed Trustee shall be fully discharged from the trusts of this Trust.
- 5.3 Any Trustee may retire at any time provided he gives 30 days notice in writing to the Appointor PROVIDED ALWAYS that no retirement of any Trustee shall take effect if this would result in the Donor or the Donor's spouse for the time being becoming the sole Trustee. On such retirement the retiring Trustee shall be fully discharged from the trusts of this Trust.
- 5.4 Any corporate entity which is empowered to act as a Trustee may at any time be appointed as a Trustee and may act by its proper officers in the discharge of its duties as such Trustee and in the exercise of the powers and discretions conferred hereby or by law.
- 5.5 Every corporate Trustee shall be entitled to remuneration upon such terms as may be agreed by the Appointor at the time of its appointment and in the absence of such agreement every corporate Trustee shall be entitled to remuneration in accordance with its normal scale of charges (if applicable) at the time of its appointment PROVIDED ALWAYS that the Donor and the spouse for the time being of the Donor shall not in any capacity or in any way be entitled to remuneration as a Trustee.
- 5.6 Any Trustee other than the Donor and the spouse for the time being of the Donor:
  - (a) who, not being a body corporate, is engaged in any profession, business or trade may be employed by the Trustee and any Trustee so engaged and employed may charge and be paid all reasonable professional, business or trade costs and charges for business transactions and time expended and acts done by him (or any partner or employee of his) in connection with this Trust including acts which a Trustee not being engaged in any profession, business or trade could have done personally and whether or not in the usual scope of his profession, business or trade; and
  - (b) may exercise or concur in exercising all powers and discretions given to him by this Trust or by law notwithstanding that he has a direct or other personal interest in the mode or result of any such exercise but any of the Trustees may nevertheless abstain from acting except as a merely formal party in any matter in which he may so be directly or personally interested and may allow his cotrustees to act alone in relation thereto.

## Part 6: Further Trust Provisions

- 6.1 The duty of care set out in Section 1 of the Trustee Act 2000 shall apply to all functions of the Trustees.
- 6.2 No Trustee who is an individual shall be liable for any loss to the Trust Fund or the income arising from it as a result of:
  - (a) any investment made in good faith by him or any other Trustee; or
  - (b) any mistake or omission made in good faith by him or any other Trustee except in the case of negligence by a paid Trustee; or
  - (c) the negligence or fraud of any delegate or agent employed in good faith by him or any other Trustee although the delegation to or employment of such agent was not strictly necessary or expedient; or
  - (d) any other matter or thing except individual fraud on the part of the Trustee whom it is sought to make liable or, in the case of a paid Trustee, negligence.
- 6.3 The Trustees shall have the power by deed or deeds revocable (whether by the person making such deed or some other person) during the Trust Period or irrevocable wholly or partially to release or restrict the future exercise of any power hereby conferred on them (including this power) whether or not of a fiduciary nature and whether dispositive or administrative and so as to bind their successors.
- 6.4 Other than by way of repayment of any loan made by the Donor to the Trustees, the Donor and the spouse for the time being of the Donor shall not be capable of taking any direct or indirect benefit in kind by virtue of or in consequence of this Trust and in particular but without prejudice to the generality of this paragraph:
  - (a) the Trust Fund and its income shall be held and enjoyed to the entire exclusion of the Donor or the Donor's spouse and to the entire exclusion of any direct or indirect benefit to the Donor or the Donor's spouse by contract or otherwise;
  - (b) no part of the capital or income of the Trust Fund shall be paid to or held by the Donor or the Donor's spouse (except in a fiduciary or parental capacity) or lent to or applied for the direct or indirect benefit of the Donor or the Donor's spouse; and
  - (c) no power or discretion conferred on the Trustees shall be capable of being exercised or operating in any manner so as to confer any benefit whether directly or indirectly on the Donor or the Donor's spouse in any manner or circumstances whatsoever.
- 6.5 The proper law of this Trust shall be that of England and Wales and all rights under this Trust and its construction and effect shall be subject to the jurisdiction of the courts and construed according to the laws of England and Wales.

**Part 7: Signatures**

**IN WITNESS** whereof the Donor(s) and Original Trustees executed this Deed the day and year first before written

**SIGNED AS A DEED AND DELIVERED** by the said: \_\_\_\_\_  
(the name of Donor)

Donor's Signature: \_\_\_\_\_

Witness's Name: \_\_\_\_\_

Witness's Signature: \_\_\_\_\_

Occupation: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**SIGNED AS A DEED AND DELIVERED** by the said: \_\_\_\_\_  
(the name of Donor)

Donor's Signature: \_\_\_\_\_

Witness's Name: \_\_\_\_\_

Witness's Signature: \_\_\_\_\_

Occupation: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**SIGNED AS A DEED AND DELIVERED** by the said: \_\_\_\_\_  
(the name of Original Trustee)

Original Trustee's Signature: \_\_\_\_\_

Witness's Name: \_\_\_\_\_

Witness's Signature: \_\_\_\_\_

Occupation: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**SIGNED AS A DEED AND DELIVERED** by the said: \_\_\_\_\_  
(the name of Original Trustee)

Original Trustee's Signature: \_\_\_\_\_

Witness's Name: \_\_\_\_\_

Witness's Signature: \_\_\_\_\_

Occupation: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## Want to find out more?



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