

SCOTTISH WIDOWS PLATFORM DISCRETIONARY TRUST

These notes give you general information about the Scottish Widows Platform Discretionary Trust and signpost you to where you can get further information. Before making any decisions you must take advice from a professional adviser. You should not rely on these notes alone as they cannot take account of your personal situation.

The Scottish Widows Platform Discretionary Trust

You may use this trust deed to gift your General Investment Account on the Scottish Widows Platform. The investments and income of the trust (called the trust fund) are held for the benefit of the beneficiaries. You, the person setting up the trust, cannot benefit from the trust fund in any way.

You and the other trustees decide how the trust fund is invested. You decide who receives the trust fund and when they receive it.

Once the trust has been set up you cannot change your mind. Your adviser will explain to you:

- how the trust works and how it fits with your financial plans
- the inheritance tax implications of the trust and who will calculate any tax due
- how the trust fund will be taxed, both income tax and capital gains tax
- the annual tax returns needed and who will do this
- the records the trustees will need to keep, especially when paying out money to the beneficiaries of the trust.

Your adviser will also ensure the trust is properly set up. It's important that the trust deed is correctly completed, witnessed and signed by the right people. If this is not done properly the trust itself may fail or there could be problems at a later date. You must tell HMRC of the trust's creation.

The trustees

You will be one of the trustees. You can appoint others to be a trustee with you. You can do this from the outset or later. In certain circumstances you can also remove a trustee.

The trustees have control of the trust fund and must jointly make many of the key decisions including how the trust fund is invested.

The beneficiaries

The beneficiaries have no fixed right to the trust fund. Instead they will receive the trust fund, or a part of it, when you or the trustees decide. Some beneficiaries may receive nothing.

During your lifetime you decide who receives the trust fund. After your death the trustees decide. Whenever benefits are paid to a beneficiary the trustees need to keep full records.

If you include your spouse (or civil partner) as a beneficiary this will result in all income of the trust fund being taxed as though it was your income (even though the actual income still belongs to the trust). Also, any appointment in their favour must be made by the trustees and at least one of them must be someone other than you and your spouse.

Inheritance tax (IHT)

There may be IHT to pay when you set up the trust, every ten years and when capital of the trust fund is paid to a beneficiary.

If you die within seven years of setting up the trust, there may be further IHT to pay on the value of your initial gift to the trust. It will also be included in the calculation of any IHT on your estate.

Income tax

The trustees pay tax on the income of the trust fund at special rates and must report it to HMRC.

Capital gains tax (CGT)

If you are putting an existing investment into a trust, that will be a disposal by you for CGT purposes.

The trustees pay CGT on any subsequent gains made by the trust that are above the trust's annual exemption.

We have taken care to ensure Scottish Widows Platform Discretionary Trust complies with the relevant UK law and practice at July 2022 but we cannot give any assurance as to its suitability for your particular circumstances. For this you must take your own advice.

You must send us the entire trust deed either by emailing a scanned copy to service@scottishwidowsplatform.co.uk, or by post to Scottish Widows Platform Service Team, PO Box 24065, 1 Tanfield, Edinburgh, EH3 1EY.

Portfolio Discretionary Trust – Trust Deed

Part A. Declaration

THIS TRUST DEED is made on the date indicated in Part D6 between the Settlor(s) shown in Part D2 (the **‘Settlor’**) and the Settlor and the Additional Trustees shown in Part D6 hereinafter called the **‘Original Trustees’**.

WHEREAS

1.A The Settlor has applied for the General Investment Account numbered in Part D1 holding investments and/or cash which are defined as the Initial Trust Asset below.

OR

1.B On the date This Trust is signed, the Settlor is the beneficial owner of the General Investment Account specified in Part D1 holding investments and/or cash defined as the Initial Trust Asset below.

2. The Settlor desires to assign his beneficial interest in the said Initial Trust Asset to the Original Trustees to hold subject to the terms of This Trust.

3. From time to time further moneys investments or other property may be paid or transferred to or otherwise placed under the control of the Trustees (as hereinafter defined) by way of addition.

4. The Settlor undertakes to do whatever is necessary to complete the transfer of the Initial Trust Asset to the Original Trustees.

5. The name of the Trust is as shown in Part D3.

Now this Trust Deed witnesses as follows:

Part B. Definitions

1. In This Trust, in addition to the terms defined above, the following expressions will have the following meanings:

- (a) The **‘Appointor’** means the Settlor (or if two Persons are the Settlor, both of them jointly during their joint lives and thereafter the survivor of them) except where the Settlor is dead or the appointment is in favour of his Spouse or Civil Partner in which case it means the Trustees.
- (b) The **‘Beneficiaries’** means:
 - (i) any widow/widower of the Settlor
 - (ii) any children and descendants of the Settlor and either of them whenever born
 - (iii) any Spouse/Civil Partner or former Spouse/Civil Partner of any Person in (ii) of this Part B1(b)
 - (iv) any Person or class of Persons (other than the Settlor or any Spouse/Civil Partner of the Settlor who is not already a Beneficiary by virtue of (v) of this Part B1(b)) nominated to the Trustees by:
 - (aa) a Settlor, or
 - (bb) two Beneficiaries (after the death of the sole Settlor or last survivor of joint Settlers) and whose nomination is accepted in writing by the Trustees
 - (v) any Spouse/Civil Partner of the Settlor provided such Person is not also a Settlor but only if the Settlor has initialled the box in Part D4(i)

(vi) any Person specified in Part D4(ii) and any Person specified in Part D5

and **‘Beneficiary’** and **‘Beneficiaries’** refers to any of them.

- (c) **‘Civil Partner’** means the Person referred to as such in accordance with the Civil Partnership Act 2004.
 - (d) The **‘Default Beneficiaries’** means the Persons named in Part D5 and their shares if more than one are shown in Part D5.
 - (e) **‘Initial Trust Asset’** means all the cash/investments/assets owned/held by Embark Investment Services Nominees Limited and its appointed nominees and FNZ (UK) Limited, on behalf of the Settlor in the General Investment Account and held within the Scottish Widows Platform numbered in Part D1 and managed by Embark Investment Services Limited.
 - (f) **‘Person’** includes a person (legal or natural) anywhere in the world and includes a Trustee.
 - (g) **‘Spouse’** means the husband or wife or widow or widower of the Person referred to at the relevant time.
 - (h) **‘This Trust’** means the trust created by this Trust Deed.
 - (i) **‘Trustees’** means the Original Trustees or the Trustee or Trustees of This Trust for the time being and **‘Trustee’** refers to any of them.
 - (j) **‘Trust Fund’** means the Initial Trust Asset and any assets at any time added by way of further settlement, capital accretion, accumulation of income or otherwise and all assets from time to time representing the same.
 - (k) **‘Trust Period’** means the period of one hundred and twenty five years beginning with the date this Trust Deed is signed.
2. In the interpretation and construction of each and every provision of This Trust:
- (a) References to children, descendants and issue include illegitimate, adopted and stepchildren, descendants and issue, and those claiming through them.
 - (b) In This Trust, unless the context does not permit, words denoting any gender will include both genders and words denoting the singular will include the plural and vice versa.
 - (c) Clause headings and sub-headings are included for reference only and will not affect the interpretation or construction of This Trust.
 - (d) References to any statutory provision will include any statutory modification to or re-enactment of such provision.

Part C. Trust provisions

1. Assignment

The Settlor wishes to create This Trust and hereby assigns his beneficial interest in the Initial Trust Asset to the Trustees to hold subject to the trusts and powers and provisions set out in this Trust Deed.

2. Settlor exclusion

Notwithstanding anything else in This Trust, no power conferred by This Trust will be exercisable, and no provision will operate so as to allow property of the Trust Fund or its income to become payable to

or applicable for the benefit of the Settlor and, if the box in Part D4(i) has not been initialled, the Spouse/Civil Partner of the Settlor in any circumstances whatsoever.

3. Trust income

Subject to clause 4 of this Part C ('Overriding powers') below:

- (a) The Trustees may accumulate the whole or any part of the income of the Trust Fund during the Trust Period. That income will be added to the Trust Fund.
- (b) The Trustees will, during the Trust Period, pay or apply the remainder of such income to or for the maintenance, education or benefit of such of the Beneficiaries as they think fit. Any income not so applied will be accumulated as in clause 3(a) of this Part C above.

4. Overriding powers

The Appointor, or the Trustees, where indicated below, has/have the following powers during the Trust Period ('Overriding powers'):

- (a) Power of appointment
 - (i) The Appointor may appoint that the Trustees hold the Trust Fund for the benefit of such of the Beneficiaries, and on such terms, as the Appointor thinks fit.
 - (ii) An appointment may create any provisions and in particular discretionary trusts and dispositive or administrative powers exercisable by any Person.
 - (iii) Appointments must be made by deed and may be revocable or irrevocable.
 - (iv) Appointments may be made for the benefit of one or more of the Beneficiaries alone to the exclusion of any others.
 - (v) Where the Appointor is the Settlor, the Appointor must give a copy of any deed of appointment to the Trustees.
- (b) Transfer of Trust Fund to a new trust

The Appointor may by deed declare that the Trustees hold the whole or part of the Trust Fund on trust to transfer it to trustees of a Qualifying Settlement, to hold on the terms of that Qualifying Settlement, freed and released from the terms of This Trust. 'Qualifying Settlement' here means any settlement, wherever established, under which, in the view of the Appointor, any of the Beneficiaries (to the exclusion of any other Beneficiaries) will or may benefit even if other Persons interested in the Qualifying Settlement will or may also benefit, provided that the Settlor or the Settlor's Spouse/Civil Partner (if the box in Part D4(i) has not been initialled) will not be capable of benefiting under any such Qualifying Settlement.

- (c) Power of advancement

The Trustees may at any time or times during the Trust Period pay or apply the whole or any part or parts of the capital of the Trust Fund for the advancement or benefit of any Beneficiary entitled to such whole or part.

- (d) Restrictions on Overriding powers

The Overriding powers are exercisable:

- (i) In cases where the Appointor is the Trustees, only if there are at least two Trustees and at least one of them is not

benefiting directly or indirectly from the exercise of the Overriding power, or the Trustee (acting as Appointor) is a company carrying on a business which consists of or includes the management of trusts, and

- (ii) In cases where the appointment is in favour of the Spouse or Civil Partner of the Settlor, only if there is at least one Trustee other than the Settlor and the Spouse/Civil Partner of the Settlor or the Trustee (acting as Appointor) is a company carrying on a business which consists of or includes the management of trusts.

5. Default clause

Subject to clause 4 of this Part C and to the extent that any part of the Trust Fund has not been appointed by the Appointor during the Trust Period, the Trust Fund will be held upon trust for the Default Beneficiaries and in such shares as are specified in Part D5 absolutely and if no shares have been specified and there is more than one Default Beneficiary, then in equal shares absolutely.

6. Minor Beneficiaries

Where the Trustees may 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 will be a complete discharge to the Trustees.

7. Investment

- (a) The Trustees may invest the Trust Fund in any manner as if they were its beneficial owners.
- (b) The Trustees may invest in property in any part of the world.
- (c) The Trustees may decide not to diversify the Trust Fund.
- (d) The Trustees may decide to invest in assets which yield little or no income for investment or any other purpose.
- (e) The Trustees may surrender any life assurance policy, or sell any investment, within the Trust Fund; convert any life assurance policy to paid up or otherwise deal with it, or any other asset, as they think fit.
- (f) The Trustees may engage the services of an investment manager to manage the Trust Fund on a discretionary basis and/or delegate the custody of the Trust Fund to any investment manager or his/its nominee.
- (g) The Trustees may delegate any administrative functions described in (a) to (f) of this Part C7 in connection with the investment of the Trust Fund to any two of their number.

8. Trustees' power to lend

The Trustees can lend money to any of the Beneficiaries on any terms they think fit.

9. Trustees' power to borrow

The Trustees may borrow, with or without giving security over the assets comprised in the Trust Fund, for investment or any other purpose. Money borrowed will be treated as property of the Trust Fund.

10. Receipt of benefits of the Trust Fund

Where a company pays the proceeds of an encashment of an investment in accordance with the Trustees' instructions, it will receive a full discharge. The Trustees are responsible for passing benefits to Beneficiaries.

11. Appointment and removal of Trustees

- (a) The Settlor (or if two Persons are the Settlor, both of them jointly during their joint lives and thereafter the survivor of them) has the power to appoint new Trustees. After the death of the Settlor (or both Settlers), the Trustees for the time being have the power to appoint new Trustees.
- (b) During the Settlor's life (or if two Persons are the Settlor, during the life of the Settlers and thereafter the survivor of them) the Settlor has the power to remove any Trustee provided that there will be at least two Trustees remaining after the removal and one of the remaining Trustees is neither the Settlor nor the Settlor's Spouse or Civil Partner.
- (c) As long as there are at least two other Trustees, if a Trustee cannot be found, after reasonable efforts have been made to find him, the remaining Trustees can discharge the missing Trustee. It is up to the remaining Trustees to decide whether reasonable efforts have been made to find the missing Trustee and no other Person will be under any duty to ensure that it was proper for the Trustees to have exercised their power to discharge the missing Trustee.

12. Trustee remuneration

- (a) Any Trustee of This Trust who is a solicitor, accountant or other Person engaged in any profession or business, including a business which consists of or includes acting as a trustee, the management of trusts or advising trustees, will be entitled to charge and be paid all usual professional or other charges for work done and all time spent by him or his firm in connection with the Trust and also his reasonable charges in addition to disbursements for all other work and business done and all time spent by him or his firm in connection with matters arising in the premises, including work not requiring professional assistance, in priority to any disposition made under the Trust and a Trustee may make arrangements to remunerate himself for work done for or in respect of a company connected with the Trust Fund.
- (b) This entitlement applies to all Trustees other than the Settlor or any Spouse or Civil Partner of the Settlor.

13. Power to vary administrative provisions

When in the management or administration of the Trust Fund any sale, lease, mortgage, surrender, release or other disposition, or any purchase, investment, acquisition, expenditure or other transaction is, in the opinion of the Trustees, expedient, but the same cannot be effected by reason of the absence of any power for that purpose conferred on the Trustees by This Trust or by law, the Trustees may by deed confer on themselves, either generally or in any particular instance, the necessary power for the purpose, and on the execution of such deed the Trustees will have such power as if it had been expressly conferred on them by This Trust.

14. Liability of Trustees

- (a) A Trustee who is an individual will not be liable for any loss to the Trust Fund or the income arising from it by reason either of (i) any investment made in good faith by him or any other Trustee or (ii) 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 (iii) 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 (iv) 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.
- (b) A Trustee will not be bound to take any proceedings against a co-Trustee or former Trustee or his personal representatives for any breach or alleged breach of trust committed or suffered by such co-Trustee or former Trustee.

15. Absolute owner

The Trustees will, in respect of the Trust Fund, have all the powers of an absolute owner of it and may deal with the same or any money to be received on mortgage, surrender, maturity or otherwise in respect of it in such manner as they will consider most beneficial to the Persons beneficially interested under the trusts contained in This Trust.

16. Settlor's incapacity

If any Settlor becomes mentally incapable, as defined by the Mental Capacity Act 2005 or any Act of Parliament which supersedes that Act, the powers under This Trust will be exercisable as if he were dead at that time.

17. Apportionment

The income of the Trust Fund will, however the property is invested, be treated and applied as income. Income and expenditure will be treated as arising when payable and not from day to day, so that no apportionment will take place. The statutory and equitable rules of apportionment will not apply to This Trust.

18. Receipts

- (a) Where the Trust Fund or its income is to be paid or transferred to a charity, the receipt of the Person purporting to be the treasurer or appropriate officer of the charity is a complete discharge to the Trustees.
- (b) A sole Trustee may give a valid receipt for any property.

19. Governing law and jurisdiction

- (a) This Trust is governed by and will be construed in accordance with the law of England.
- (b) The courts of England will have jurisdiction in respect of the administration of This Trust.

Part D. Trust particulars and execution**1. SCOTTISH WIDOWS PLATFORM ACCOUNT NUMBER**

Insert the Scottish Widows Platform Account number:

2. SETTLOR(S)

The full name(s) and address(es) of the Person(s) declaring This Trust are:

Insert the full name and address in CAPITALS of each person declaring this trust.

Full Name	Address

3. NAME OF THE TRUST: THIS TRUST SHALL BE KNOWN AS

Insert the name of the trust e.g. The 2017 John Smith Discretionary Trust:

4. BENEFICIARIES (NOT ALREADY INCLUDED IN PART B)

(i) If any Spouse/Civil Partner of the Settlor (provided such Person is not also a Settlor of This Trust) is to be a Beneficiary the Settlor should initial here:

(ii) Other Beneficiaries

If required, insert the name or class of person to be a beneficiary who is not already covered by part B.

Full Name	Class

5. DEFAULT BENEFICIARIES AND THEIR SHARE OF THE TRUST FUND

You must complete this section. Insert the name(s) of the person(s) you wish to benefit if no appointment is made by the end of the trust period. If this/these person(s) die(s) before this time their estate(s) will benefit.

If more than one, state their percentage shares, making sure it adds up to 100%.

You can name a charity here.

Full Name	Share %

THE ADDITIONAL TRUSTEES

The additional trustee(s) should sign here. Each signature should be witnessed and the name, address and signature of each witness should be included.

The witness should be over 18. A settlor, their spouse or civil partner, a trustee, or a beneficiary should not be a witness.


The full terms of this trust are set out in parts A to D and each trustee should have a copy of the full trust.

Signed as a Deed and delivered by the Trustee

Full name of Trustee:

Address of Trustee:


Postcode:

Signature of Trustee: 

Full name of witness:

Address of witness:

Postcode:

Signature of witness: 

Signed as a Deed and delivered by the Trustee

Full name of Trustee:

Address of Trustee:


Postcode:

Signature of Trustee: 

Full name of witness:

Address of witness:

Postcode:


Signature of witness: 

Signed as a Deed and delivered by the Trustee

Full name of Trustee:

Address of Trustee:


Postcode:

Signature of Trustee: 

Full name of witness:

Address of witness:

Postcode:


Signature of witness: 

Signed as a Deed and delivered by the Trustee

Full name of Trustee:

Address of Trustee:


Postcode:

Signature of Trustee: 

Full name of witness:

Address of witness:

Postcode:

Signature of witness: 

Notice of Trust and Direction to Nominee

By sending a copy of this Deed to Embark Investment Services Limited acting on behalf of Embark Investment Services Nominees Limited and FNZ (UK) Limited the Settlor(s) give Notice of This Trust and the assignment to the Trustees of their beneficial interest in the investments held in the above numbered Scottish Widows Platform Account with effect from the date specified in the Deed and hereby direct to hold the said investments for the Trustees named herein or such other Trustees of the said Trust as may be appointed in the future provided the Nominee is notified of their identity.

The Settlor(s) certify that this instrument falls within category L in the Schedule to the Stamp Duty (Exempt Instruments) Regulations 1987.



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scottishwidows.co.uk/platform