PRACTICAL USES

Enacted in 2006, The Bahamas’ Private Trust Company Legislation offers high net worth clients an effective and flexible solution to manage individual or family assets and financial affairs. A Private Trust Company (PTC) is an entity often created to form the nucleus of a family office that allows family members a moderate level of input and control.

ESTABLISHING A BAHAMAS PTC

Creating a Bahamas PTC is a straightforward process. Our experienced professionals will work with you and your advisors to structure a solution that meets your financial objectives, and need for confidentiality, with due regard for the requirements of the structures in place and the environment in which the structures operate. The PTC benefits from:

- a low capital requirement of US$5,000
- centralised management of assets
- ownership of “risky” assets such as mining companies, works of art, yachts and planes
- the ability to manage multiple trusts in multiple jurisdictions
- no audit requirement

Showcasing a high degree of flexibility, a PTC can be incorporated under the provisions of The Bahamas Companies Act or the International Business Companies Act.

OWNERSHIP STRUCTURE

A PTC manages the affairs of the Designated Person(s), commonly known as the Settlor or Grantor. To establish a trust under the PTC, an individual must be named in the “Designating Instrument” as a Designated Person(s).

Designated Persons must be related by “consanguinity” (blood relative) or other close family relationship (limited definition).

The PTC’s Board of Directors can consist of family members, trusted advisors, friends and confidantes empathetic to, and knowledgeable of, the family’s needs and requirements. Under this scenario, special distribution requests can be considered and handled with a heightened understanding of individual family members. This control also ensures that the in-depth knowledge required to effectively manage trading companies or other non-traditional assets forming part of a trust is maintained, mitigating the liability associated with third party trustees.

Often, families will not want individual family members to be shareholders of the PTC. When maintaining the PTC’s shares confidentiality is a key consideration, a Purpose Trust or Bahamas Foundation can be established to act as shareholder of the PTC.

A Registered Representative, licensed by the Central Bank of The Bahamas, must be appointed and may also act either as Secretary, Director or Bahamas Agent of the PTC. This service can be provided by a licensed bank or trust company or specifically licensed Financial or Corporate Service providers.

TRUSTEE OF MULTIPLE TRUSTS

A PTC can act as Trustee of both Bahamas domiciled and non-domiciled trusts (subject to any restrictions of that jurisdiction). Acceptance of new trusteeships do not require consent of The Central Bank of the Bahamas.
ENHANCING A PTC

Benefit from Butterfield’s proven expertise, professionalism and high standards of administration. We provide a variety of services including:

• Acting as the PTC’s Registered Representative
• Acting as Bahamas Agent
• Coordinating provision of a Director or Corporate Secretary
• Providing full accounting and Trust, Foundation, Corporate and advisory services
• Recommending ownership structures for the PTC and assisting with creation and management of the same

ADDITIONAL SERVICES

In addition to establishing and maintaining your PTC, we provide a number of products and services directly benefiting the PTC, including:

• Full Fiduciary services to manage the creation and administration of trusts established for Succession Planning, Effective Tax Planning / Mitigation and Simplification of Affairs, including Purpose Trusts for estate planning, commercial transactions or philanthropic objectives
• The Bahamas Foundation, used for Private, Commercial or Charitable purposes
• Corporate Administration services including the incorporation and administration of domestic, international and segregated cell companies in The Bahamas
• Personal Banking Services including tiered rate instant access or fixed term deposit accounts in most major currencies, bank drafts and full International Payment Services
• Lending Services including mortgage financing for Bahamian residential property, Property Investment Loans for the acquisition of residential investment property and purpose built commercial property, Cash Backed Loan Facilities, Leveraged Loans and Overdrafts against Investment Portfolios and Construction Financing for development in the Islands of The Bahamas
• Investment Services including Discretionary Investment Management for Private and Corporate Clients, Non-Discretionary Services, Global Custody Services and our Butterfield Family of Funds
• Institutional Services catering to international banks and trust companies

OPEN INVITATION

We invite you to contact us for an initial discussion of your requirements and the benefits that Butterfield in The Bahamas can provide.