

Trust Reforms...

The Law Commission has issued its final report recommending wholesale changes to the Trustee Act. The report has been tabled in Parliament and is awaiting the Government's response.

It is not expected that the reforms will curtail the use of trusts but nevertheless it is inevitable that higher standards of care will be imposed on trustees. Use of a corporate trustee will not offer a saviour in this respect because one of the proposals is that directors of a corporate trustee owe fiduciary duties directly to the beneficiaries of the trust. This would offer beneficiaries far greater avenues to take action against the directors of a corporate trustee.

Legislation in this area is still a long way off. Until draft legislation is tabled, the proposals remain too unheralded to warrant greater discussion here, but I will endeavour to report again on this topic when legislative progress is tangible.