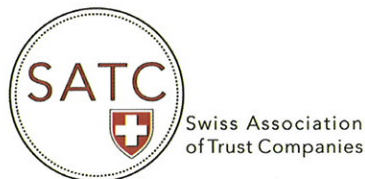


Swiss changes mean a bright future for trusts



The outlook for trusts in Switzerland has improved markedly since the Swiss parliament chose to ratify the Hague Convention on this area.

Ratification sends a clear signal to the international finance community that Switzerland recognises the importance of the Anglo-Saxon trust concept. The authorities have now accepted that an adequate legal framework is vital when dealing with trust structures and that trusts are an essential component of the wider wealth management proposition.

This is a major development in the international trust landscape and it dissipates much of the uncertainty for trusts in the Swiss legal system.

Clients will be the ones to benefit most from ratification as more and more high-net worth individuals place their confidence in the Swiss financial sector, opening bank accounts and viewing trusts as sound vehicles for wealth management.

Private banks and other trust providers in the jurisdiction will also benefit as trusts allow for a broader wealth planning option. However, there is one point to bear in mind, only those banks and professionals with the necessary expertise and understanding of the trust concept will succeed.



Members of SATC Executive Committee, Secretariat and Advisory Board at the launch. From left to right: Stuart Clements, Xavier Isaac, Stephanie Jarrett, Kecia Barkawi, Prof. Luc Thévenoz, Mark Barmes, Adrian Escher and Daniel Martineau

There are no short cuts to providing excellent trust work. It is a great opportunity but there is also a danger that some in the finance industry will jump on the bandwagon even if they do not fully understand trust structures. They will see an opportunity to offer trusts as part of a bigger financial package without appreciating the related risks.

There are those in the finance industry who have built their businesses solely on Switzerland's reputation for secrecy. This is not good enough anymore. In that respect trusts offer value-added alternatives to the reliance on secrecy.

Over time, the level of interest and expertise in trusts should improve steadily in Switzerland. Indeed, the success of the Society of Trust and Estate Practitioners in Switzerland shows that this is already beginning to happen.

Legal ratification is just one step on the way. Another step has been the formation of the Swiss Association of Trust Companies (SATC). This fledgling organisation promotes higher standards for trust work in the jurisdiction and Investec Trust is a founding member.

The SATC was established on 5 July 2007 and officially launched on 11 September in Zurich and 12 September in Geneva. Its purpose is to: engage in the expansion and development of trustee activities in Switzerland; ensure a high level of quality and integrity; and encourage the adherence to professional and ethical standards in the trust business.

The SATC will offer an excellent forum for Swiss-based corporate trustees to exchange information and know-how on trust related matters. The association will also seek to strengthen the standing of trust activities carried out from within Switzerland.

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