

Discretionary Trust – Settlor Excluded (Scots Law)

Assistance with completing the trust deed



This guide is designed to assist with the completion of a discretionary trust deed (settlor excluded, Scots law version). This trust deed will create a new discretionary trust by assigning the ownership of a new or existing Collective Investment Bond to the chosen trustees.

Please note, neither Quilter Life & Pensions or its staff are authorised to provide legal advice and cannot be held responsible for any actions taken or refrained from being taken as a result of the guidance given in this document.

Tips for getting started

- ✓ Ensure you have the [latest version of the trust deed](#)
- ✓ Ensure you place an application for a Collective Investment Bond in the name of the settlor(s)

When you've completed the deed

- ✓ Remember to include the tax declaration and confirmation of identity forms which are attached to the trust deed.
- ✓ The settlor's financial adviser can deliver the deed to Quilter electronically via [PROMPT](#).
Else, post the deed to Quilter, Sunderland, SR43 4JP
- ✓ The trust will need to be registered within 90 days of the settlement date or risk a £5,000 fine. *The trustees must send Quilter the proof of registration document.*

Discretionary Trust

(Scots Law) Settlor excluded

Notice:

This draft document is provided strictly as a draft for consideration of the Settlor's legal advisers. Quilter accepts no responsibility for any loss of whatsoever nature occasioned by the adoption unamended or otherwise of this draft trust document.

Any advice given on completion of the Discretionary Trust is accordingly given on the basis that, having discussed the trust terms with legal advisers, the draft trust put forward for consideration is adopted duly completed but otherwise unamended.

1 – Introduction

This Declaration of Trust between

The Settlor

Name	<input type="text"/>
Address	<input type="text"/>
	<input type="text"/>
and	
Name	<input type="text"/>
Address	<input type="text"/>
	<input type="text"/>

(the Settlor) of the one part (and where there are two persons identified then 'Settlor' means both of them jointly and the survivor of them after the death of the first to die), and

The Original Trustees

Name	<input type="text"/>
Address	<input type="text"/>
	<input type="text"/>
and	
Name	<input type="text"/>
Address	<input type="text"/>
	<input type="text"/>
and	
Name	<input type="text"/>
Address	<input type="text"/>
	<input type="text"/>

▶ (The First Settlor) Insert the full name and address of the first settlor.

▶ The Second Settlor (if any) Insert the full name and address of the Second Settlor.

▶ See note 1. Insert the full name and address of the first Trustee. If the Settlor is to be a Trustee insert 'The Settlor'.

▶ Full name and address of the additional Trustee (if any).

▶ Full name and address of the additional Trustee (if any).

Enter the name and address of each settlor

The settlor is the person setting up the trust. They will also be the owner of the Collective Investment Bond.

If there are two settlors, then any reference to 'the settlor' in this deed and guide means both of them.

Does it matter which settlor is listed first / second?

No, the order in which you write the settlors does not have any impact.

Enter the name and address of each trustee

- ➔ There is space for three trustees on this page, and a further two on the next page.
- ➔ If the settlor is a trustee, you can write 'the settlor' in name box. You do not need to repeat their address.

Does the settlor have to be a trustee?

No, though keep in mind that only the trustees are entitled to access details about the bond and will receive all correspondence.

How many trustees should there be?

We recommend at least at least one trustee who is not also the settlor and a minimum of two trustees in total.

The Original Trustees (continued)

and

Name

Address

(the Original Trustees) of the other part.

Now this deed witnesses as follows:

- A. the Settlor assigns the property set out in Clause 14, to the Original Trustees and to any other persons who may hereafter be appointed or assumed as Trustees to hold on the following terms
- B. this Trust shall be known as

2 – Definitions

- (1) **'The Trustees'** means the Original Trustees or the trustees of this Trust for the time being.
- (2) **'The Trust Fund'** means:
- (i) the property specified in Clause 14, below;
 - (ii) all money investments or other property paid or transferred by any person to the Trustees or placed under the control of the Trustees and (in either case) accepted by the Trustees as additions to the Trust Property under clause (3), below; and
 - (iii) all property from time to time representing the above.
- (3) **'Trust Property'** means any property comprised in the Trust Fund.
- (4) **'Declaration Date'** means the last date of execution of this deed.
- (5) **'The Trust Period'** means the period of 125 years beginning on the Declaration Date.
- (6) **'The Accumulation Period'** means the period of 21 years beginning on the Declaration Date.
- (7) **'The Beneficiaries'** means
- (i) the children and descendants of the Settlor (or of either person constituting the Settlor where this is a Dual Settlor Trust);
 - (ii) the spouses, widows, widowers, Civil Partners and surviving Civil Partners of any persons in (i) above;
 - (iii) the widow, widower or surviving Civil Partner of the Settlor;
 - (iv) any nieces or nephews of the Settlor (or of either person constituting the Settlor where this is a Dual Settlor Trust);
 - (v) any brothers or sisters of the Settlor (or of either person constituting the Settlor where this is a Dual Settlor Trust);
 - (vi) the persons added under clause 4 'Power of addition of Beneficiaries' overleaf;
 - (vii) the persons or objects named in the following box (if any);

and

- (viii) at any time during which there are no Beneficiaries under any of (i) to (vii) above, any company, body or trust established for purposes which are charitable under s.7(2) Charities and Trustee Investment (Scotland) Act 2005 and are also charitable under the Charities Act 2011.

- (8) **'Protector'** means the person (if any) shown in Clause 15 below, or such other person as is the Protector for the time being.
- (9) **'Civil Partner'** has the meaning given to it in the Civil Partnership Act 2004 of the United Kingdom (or any replacement legislation).
- (10) Unless the context otherwise requires, a reference to any gender includes a reference to the other genders and the singular includes the plural and vice versa.
- (11) Where the Settlor comprises one person at the Declaration Date, this is a **'Single Settlor Trust'**. Where the Settlor comprises two persons at the Declaration Date, this is a **'Dual Settlor Trust'**.

Enter the name and address of each trustee (continued)

→ There is space for one more trustees on this page

Enter the trust's name

You can give the trust any name you like but keep in mind that this name will be used by Quilter as the addressee for all correspondence – so it should be a name which you don't mind the postal service seeing.

Enter the name of any additional beneficiaries

This box is optional. You can use it to nominate beneficiaries which are not already covered by the standard definition of beneficiary which given section 2(5) (as outlined here) of the deed.

When would I use this box?

This discretionary trust defines the beneficiaries by describing classes.

For example 2(7)(i) includes children and descendants of the settlor. This means the children, grandchildren and great grandchildren of either settlor are automatically included. This is regardless of whether they're born after the trust's declaration date.

We strongly recommend reviewing the definition of beneficiary as given in the deed. If you would like to include a specific person who is not covered by these definitions, then use the box provided.

If you need more space:

You can write out a list separately. We recommend writing "Section 2(7) Continuation" and the name of your trust in the header.

Write "see continuation page" into this box within the deed.

Notwithstanding anything else in this deed, no power conferred by this settlement should be exercisable and no provision shall operate so to allow the Trust Fund or its income to become payable to or applicable for the benefit of the Settlor in any circumstances whatsoever.

Bond D

3

OR

Bond account number

A C

Other

Any policy of life assurance specified above, unless the context otherwise requires, includes all sums assured by, or to become payable by virtue of, that policy and all benefits, privileges or advantages attaching to it.

Protector's full name	
of	

1. Additional powers

The Trustees have the following additional powers:

(1) Investment

- (a) The Trustees may make any kind of investment that they could make if they were absolutely entitled to the Trust Fund. In particular the Trustees may invest in land in any part of the world and in unsecured loans.
 - (b) The Trustees are under no obligation to diversify the Trust Fund.
 - (c) The Trustees may invest in speculative or hazardous investments but this power may only be exercised at the time when there are at least two Trustees, or the Trustee is a company carrying on a business which consists of or includes the management of trusts.
- (2) **Joint property**
The Trustees may acquire property jointly with any person and may blend Trust Property with other property.
- (3) **General power of management and disposition**
The Trustees may effect any transaction relating to the management or disposition of Trust Property as if they were absolutely entitled to it.
- (4) **Powers in relation to life insurance policies and capital redemption contracts**
The Trustees may apply all or part of the Trust Property in purchasing or maintaining any policy of life insurance on the life or lives of any person, or any capital redemption contract, and shall have powers of an absolute owner in respect of any such policy or contract.
- (5) **Repair and Improvement**
The Trustees may repair, develop, or improve Trust Property in any way.
- (6) **Income and capital**
(a) The Trustees may acquire:
 - (i) wasting assets, and
 - (ii) assets which yield little or no income for investment or any other purpose.
- (b) The Trustees are under no duty to procure distributions from a company in which they are interested.

▶ Enter the bond ID OR account number for the Collective Investment Bond (CIB) to be assigned to trust.

The bond ID and account number can be found on the confirmation schedule issued during the application process.

The whole CIB will be assigned. Alternatively, you can use 'Other' to specify individual policy segments to be assigned.

The CIB must be owned by the settlor of this trust

Other - This box is optional. You can use it to specify other assets other than a QB to be assigned to this trust.

▶ See note 2. Insert the full name and address of the Proletarian (if any)

This is where we define the asset which is to be placed into the trust. This is particularly important as a trust cannot be declared unless the gift is clearly defined.

Bond ID

Begins with a 3.

Example: 3000012345

Or, Account number

Begins with AC and ends with a hyphen and three digits

Example: AC123456- 002

On the confirmation scheduled issued after onboarding the application for the bond via our website.

This box is optional. It can be used to either:

- A) *Add property other than a Collective Investment Bond* into the trust.
E.g. Cash.
- B) *Assign part of a Collective Investment Bond.*
Example: Writing 1 – 500 would assign the first 500 segments of the Collective Investment Bond identified above.

13 - Exclusion of the Settlor

Notwithstanding anything else in this deed, no power conferred by this settlement should be exercisable and no provision shall operate so to allow the Trust Fund or its income to become payable to or applicable for the benefit of the Settlor in any circumstances whatsoever.

14 - The Trust Property

Bond ID

OR

Bond account number

Other

Any policy of life assurance specified above, unless the context otherwise requires, includes all sums assured by, or to become payable by virtue of, that policy and all benefits, privileges or advantages attaching to it.

15 - The Protector

Protector's full name

of

16 - Administrative provisions

1. Additional powers

The Trustees have the following additional powers:

(1) Investment

- (a) The Trustees may make any kind of investment that they could make if they were absolutely entitled to the Trust Fund. In particular the Trustees may invest in land in any part of the world and in unsecured loans.
- (b) The Trustees are under no obligation to diversify the Trust Fund.
- (c) The Trustees may invest in speculative or hazardous investments but this power may only be exercised at the time when there are at least two Trustees, or the Trustee is a company carrying on a business which consists of or includes the management of trusts.

(2) Joint property

The Trustees may acquire property jointly with any person and may blend Trust Property with other property.

(3) General power of management and disposition

The Trustees may effect any transaction relating to the management or disposition of Trust Property as if they were absolutely entitled to it.

(4) Powers in relation to life insurance policies and capital redemption contracts

The Trustees may apply all or part of the Trust Property in purchasing or maintaining any policy of life insurance on the life or lives of any person, or any capital redemption contract, and shall have powers of an absolute owner in respect of any such policy or contract.

(5) Repair and improvement

The Trustees may repair, develop, or improve Trust Property in any way.

(6) Income and capital

(a) The Trustees may acquire:

- (i) wasting assets, and
 - (ii) assets which yield little or no income for investment or any other purpose.
- (b) The Trustees are under no duty to procure distributions from a company in which they are interested.

Enter the bond ID OR account number for the Collective Investment Bond (CIB) to be assigned to trust.

The bond ID and account number can be found on the confirmation schedule issued during the application process.

The whole CIB will be assigned. Alternatively, you can use 'Other' to specify individual policy segments to be assigned.

The CIB must be owned by the settlor of this trust.

Other - This box is optional. You can use it to specify other assets other than a CIB to be assigned to this trust.

See note 2. Insert the full name and address of the Protector (if any).

Enter the name and address of the protector (if any)

The protector is an optional role which can provide additional oversight of the action of the trustees. For example:

- ➔ The protector has the power to dismiss a trustee with 30 days' notice.
- ➔ The trustees must obtain the consent of the protector to exercise certain powers, such as power of appointment in section 6.

Who can be the protector?

Any person aged 18+, including anyone who is already a settlor or trustee.

However, we recommend using a person who is not otherwise party to the trust to ensure independence.

17 – Law of the Trust

The governing law of this Trust, and of its validity, construction, effects and administration, shall be that of Scotland. All rights or obligations under this deed shall be subject to the jurisdiction of the Scottish courts.

18 – The Settlor's signatures and witnesses

IN WITNESS WHEREOF this deed consists of this and the preceding pages is signed by the Settlor(s) as shown below and before the Witnesses hereto subscribing.

Signed by

In the presence of:

Witness

signature

Witness

full name

Witness

address

Date
(dd/mm/yyyy)

Place of signing

Signed by

In the presence of:

Witness

signature

Witness

full name

Witness

address

Date
(dd/mm/yyyy)

Place of signing

19 – The Original Trustees' signatures and witnesses

Delivery of Policies

The above named Original Trustee(s) hereby acknowledge and accept our appointment as Trustee(s) and request that the policies be delivered to the Original Trustee(s) or where the box below is completed, an agent acting on behalf of the Original Trustee(s)

as our agent.

Signed by

Trustee

Date of birth
(dd/mm/yyyy)

In the presence of:

Witness

signature

Witness

full name

Witness

address

Date
(dd/mm/yyyy)

Place of signing

► All signatures must be made in blue or black ink. Digital signatures are not permitted.

► The First Settlor's signature

► Each Settlor, Trustee and Protector signature must be witnessed. A witness must be age 18 or over and cannot be a Settlor, Beneficiary, Trustee or Protector. One person may act as witness for all signatures.

For each witness signature, provide full name and address.

► The Second Settlor's signature (if any).

► See note 4.

► Trustee signature and date of birth.

► See note 1. Where the Settlor is also a Trustee they must sign this deed twice. Once in each capacity.

Signatures and witnesses - General guidance

The deed must be signed by the settlor, protector (if any) and all trustees. Each signature requires an independent witness.

- ➔ All signatures must be made in ink. Digital signatures are not permitted.
- ➔ Where the settlor is also a trustee they must sign the deed twice. If they're also the protector, then they must sign in this capacity as well.
- ➔ An independent witness is any adult who is not otherwise a settlor, protector, trustee or potential beneficiary of the trust.
- ➔ The same witness may be used for multiple signatures.
- ➔ You must include the place of signing. This is the town or city where the signature was made.
- ➔ The date of signing is the day which the signature was made.

17 - Law of the Trust

The governing law of this Trust, and of its validity, construction, effects and administration, shall be that of Scotland. All rights or obligations under this deed shall be subject to the jurisdiction of the Scottish courts.

18 - The Settlor's signatures and witnesses

IN WITNESS WHEREOF this deed consists of this and the preceding pages is signed by the Settlor(s) as shown below and before the Witnesses hereto subscribing.

Signed by

In the presence of:

Witness
signature

Witness
full name

Witness
address

Date
(dd/mm/yyyy)

Place of signing

Signed by

In the presence of:

Witness
signature

Witness
full name

Witness
address

Date
(dd/mm/yyyy)

Place of signing

19 - The Original Trustees' signatures and witnesses

Delivery of Policies

The above named Original Trustee(s) hereby acknowledge and accept our appointment as Trustee(s) and request that the policies be delivered to the Original Trustee(s) or where the box below is completed, an agent acting on behalf of the Original Trustee(s)

Signed by _____ as our agent.

Signed by

Date of birth
(dd/mm/yyyy)

In the presence of:

Witness
signature

Witness
full name

Witness
address

Date
(dd/mm/yyyy)

Place of signing

All signatures must be made in blue or black ink. Digital signatures are not permitted.

The First Settlor's signature

Each Settlor, Trustee and Protector signature must be witnessed. A witness must be 18 or over and must not be a Settlor, Beneficiary, Trustee or Protector. One person may act as witness for all signatures.

For each witness signature, provide full name and address.

The Second Settlor's signature (if any).

See note 4.

Trustee signature and date of birth.

See note 1. Where the Settlor is also a Trustee they must sign this deed twice. Once in each capacity.

Settlor signs

Settlor's witness signs

Settlor's witness name

Settlor's witness address

Date of signature

Place of signing

Settlor signs

Settlor's witness signs

Settlor's witness name

Settlor's witness address

Date of signature

Place of signing

Delivery of Policies

Under Scots law, the settlor's gift must be 'delivered' to the trustees or their agent to complete the declaration of trust.

In the context of a Collective Investment Bond, this may take the form of the delivery of the policy schedule from the settlor to the trustees. The policy confirmation schedule is issued to the settlor once the bond starts.

The box here allows the trustees to specify whether the policy confirmation schedule should be delivered to an agent acting on their behalf. For example, the trustee's legal adviser.

Only complete this box if there is an agent acting for the trustees. If left blank, then the settlor must deliver the policies to the trustees.

17 - Law of the Trust

The governing law of this Trust, and of its validity, construction, effects and administration, shall be that of Scotland. All rights or obligations under this deed shall be subject to the jurisdiction of the Scottish courts.

18 - The Settlor's signatures and witnesses

IN WITNESS WHEREOF this deed consists of this and the preceding pages is signed by the Settlor(s) as shown below and before the Witnesses hereto subscribing.

Signed by

In the presence of:

Witness

signature

Witness

full name

Witness

address

Date
(dd/mm/yyyy)

Place of signing

Signed by

In the presence of:

Witness

signature

Witness

full name

Witness

address

Date
(dd/mm/yyyy)

Place of signing

19 - The Original Trustees' signatures and witnesses

Delivery of Policies

The above named Original Trustee(s) hereby acknowledge and accept our appointment as Trustee(s) and request that the policies be delivered to the Original Trustee(s) or where the box below is completed, an agent acting on behalf of the Original Trustee(s)

as our agent.

Signed by

Date of birth
(dd/mm/yyyy)

In the presence of:

Witness

signature

Witness

full name

Witness

address

Date
(dd/mm/yyyy)

Place of signing

► All signatures must be made in blue or black ink. Digital signatures are not permitted.

► The First Settlor's signature

► Each Settlor, Trustee and Protector signature must be witnessed. A witness must be age 18 or over and cannot be a Settlor, Beneficiary, Trustee or Protector. One person may act as witness for all signatures.

For each witness signature, provide full name and address.

► The Second Settlor's signature (if any).

► See note 4.

► Trustee's signature and date of birth.

► See note 4: where the Settlor is also a Trustee, they must sign this deed twice. Once in each capacity.

Trustee signs

Trustee date of birth

Trustee's witness signs

Trustee's witness name

Trustee's witness address

Date of signing

Place of signing

19 - The Original Trustees' signatures and witnesses (cont.)

Signed by Trustee Additional Trustee signature and date of birth (where applicable)

Date of birth (dd/mm/yyyy)

In the presence of:

Witness signature

Witness full name

Witness address

Date (dd/mm/yyyy)

Place of signing

Signed by Trustee Additional Trustee signature and date of birth (where applicable)

Date of birth (dd/mm/yyyy)

In the presence of:

Witness signature

Witness full name

Witness address

Date (dd/mm/yyyy)

Place of signing

Signed by Trustee Additional Trustee signature and date of birth (where applicable)

Date of birth (dd/mm/yyyy)

In the presence of:

Witness signature

Witness full name

Witness address

Date (dd/mm/yyyy)

Place of signing

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Trustee signs
Trustee date of birth
Trustee's witness signs
Trustee's witness name
Trustee's witness address
Date of signing
Place of signing
Trustee signs
Trustee date of birth
Trustee's witness signs
Trustee's witness name
Trustee's witness address
Date of signing
Place of signing
Trustee signs
Trustee date of birth
Trustee's witness signs
Trustee's witness name
Trustee's witness address
Date of signing
Place of signing

19 – The Original Trustees' signatures and witnesses (continued)

The common seal of the Original Trustees has been affixed on this date:
(dd/mm/yyyy)

In the presence of:

Director/Secretary/
Authorised Signatory

Name of person
signing

Place of sealing
and signing

and the Protector signifies consent to act as Protector of this Trust

20 – The Protector's signature and witness

Signature of
Protector

Date of birth
(dd/mm/yyyy)

In the presence of:

Witness
signature

Witness
full name

Witness
address

Date
(dd/mm/yyyy)

Place of signing

Reset



Where a company is to be appointed as a Trustee, the common seal of the company may be affixed here. If the company does not use a common seal, the authorised signatory(ies) should sign in the Trustee signature boxes above.

See note 2. Signature and date of birth of the Protector (if any).

Corporate trustee's seal

A corporate trustee may sign the deed by placing the company's seal here. You must include:

- ➔ Date on which the seal was applied
- ➔ Signature of a director / secretary or other authorised signatory
- ➔ Address where the seal was applied (usually the company's address)

If the corporate trustee does not use a seal, the signatory(ies) may sign in the trustee signature boxes above.

Protector signs

Protector's date of birth

Protector's witness signs

Protector's witness name

Protector's witness address

Date of signing

Place of signing

quilter.com

Please be aware that calls and electronic communications may be recorded for monitoring, regulatory and training purposes and records are available for at least five years.

Quilter is the trading name of Quilter Investment Platform Limited which provides an Individual Savings Account (ISA), Junior ISA (JISA) and Collective Investment Account (CIA) and Quilter Life & Pensions Limited which provides a Collective Retirement Account (CRA) and Collective Investment Bond (CIB).

Quilter Investment Platform Limited and Quilter Life & Pensions Limited are registered in England and Wales under numbers 1689071 and 4163431 respectively.

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QIP 04754/131/7872/September 2024

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