



Deed to remove settlor as a discretionary beneficiary of the Business Trust

Introduction

1. Following the 2005 Budget, HM Revenue & Customs issued the following statement regarding business trusts:

“In some cases, policies are taken out on each partner’s life solely for the purposes of providing funds to enable their fellow partners to purchase his/her share from the partner’s beneficiaries on their death. The partner is not a potential beneficiary of his/ her “own” policy. In such circumstances, a charge to tax under paragraph 8 of this schedule will not arise.

However, in many cases, the partner retains a benefit for themselves, for example they can cash in the policy during their lifetime for their own benefit. In such cases, even if the arrangement is on commercial terms so that it is not a gift with reservation for inheritance tax, the trust is a settlement for inheritance tax purposes and a charge to tax under paragraph 8 will arise.”

2. Paragraph 8 mentioned above refers to Paragraph 8 of Sch 15 to the Finance Act 2004. It was this schedule which provided for a charge to income tax on benefits received by a former owner of property. The schedule applies to individuals who continue to receive benefits from certain types of property they once owned after 17 March 1986 but have since disposed of. The schedule has effect for the tax year 2005/06 and subsequent years. In particular, Paragraph 8 applies to intangible property which includes life policies.

This form may be used with business trust forms provided by Royal London (and the divisions known as Bright Grey and Scottish Provident).

This form does not need to be returned to us.

Important Note

This deed is for general guidance only and is based on our current understanding of the law as it applies in the United Kingdom and HM Revenue & Customs practice. No responsibility can be taken by Royal London or any of its subsidiary companies for the interpretation of the law or future changes in the law or practice. Tax liabilities and the ability of the Settlor in law to set up a trust and alter the terms of an existing trust are dependent on individual circumstances. We recommend that you take separate legal and taxation advice prior to signing the deed and while the trust is in existence, particularly if any changes are to be made to the interests of the beneficiaries.

A

Note: Please use BLOCK CAPITALS

Note: Enter the date.

This DEED is made on by the following parties, that is:

Note: Enter here the details of the person who created the trust. This information will be used for the usual administration and analysis purpose – see more at royallondon.com/protectionprivacy. This also applies if you're the person covered.

The Settlor

Name

Address

 Postcode

Note: Enter here the details of the present Additional Trustees. These will be the original trustees of the trust (provided they have not been removed) and any Additional Trustee(s) added since the trust form was completed. Do not complete the Settlor's details, as you will have added the details above. Trustees' personal information will only be used to verify the Trustees' identity, and to confirm their instructions in the event of a claim being made. Information may also be shared with anti-money laundering and fraud prevention agencies in the rare instance that risks are identified. More information on these agencies are available in our full privacy notice at royallondon.com/protectionprivacy

Additional Trustee 1

Name

Address

 Postcode

Additional Trustee 2

Name

Address

 Postcode

Additional Trustee 3

Name

Address

 Postcode

Additional Trustee 4

Name

Address

 Postcode

This deed is supplemental to the Business Trust deed dated

("the Trust") by the Settlor.

Note: Enter the date of the Business Trust.

The trustees mentioned above (including the Settlor) are the present trustees of the Trust. Under the Trust, the Settlor is a discretionary beneficiary (as defined in the Trust).

The Settlor, with the concurrence of the trustees, wishes to renounce his/her status as a discretionary beneficiary.

Therefore, the Settlor hereby removes him/herself as a discretionary beneficiary under the Trust, and the trustees consent to such removal.

Save as amended by the foregoing, the terms of the Trust remain unaltered.

This deed shall be governed by the law of the country governing the Trust.

B Signatures

IN WITNESS whereof this instrument is executed as a deed on the day and year first mentioned above.

SIGNED AND DELIVERED BY:

Note: The Settlor should sign here in the presence of an independent witness who should sign and add their details.

Witnesses' personal information will only be used to process this form, or in the event of any dispute relating to the trust.

The Settlor

Name

Signature

Witness

Name

Address

Postcode

Signature

SIGNED AND DELIVERED BY:

Note: Each Additional Trustee should sign here in the presence of an independent witness who should sign and add their details.

Additional Trustee 1

Name

Signature

Witness

Name

Address

Postcode

Signature

Additional Trustee 2

Name

Signature

Witness

Name

Address

 Postcode

Signature

Additional Trustee 3

Name

Signature

Witness

Name

Address

 Postcode

Signature

Additional Trustee 4

Name

Signature

Witness

Name

Address

 Postcode

Signature



Royal London
royallondon.com

**We're happy to provide your documents in a different format, such as Braille,
large print or audio, just ask us when you get in touch.**

All of our printed products are produced on stock which is from FSC® certified forests.

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