

Amendments to Cayman trust law

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Amendments providing greater certainty and clarity to Cayman trusts law reaffirm the Cayman Islands' position as a market leading jurisdiction for the establishment and administration of sophisticated trust arrangements.

That's the view of Ogier partner and trusts expert Anthony Partridge, who says the amendments to the Trust Law (2018 Revision) gazetted on 15 May 2019 with a commencement date of 14 June 2019, will modernise fundamental aspects of the law.

Anthony said: "The amendments - largely the fruits of a Cayman Islands Law Reform Commission industry consultation process - were carefully crafted to ensure that the Trusts Law meets the evolving needs of the industry.

"Overall, these enhancements are a welcome addition to the trust offering of the Cayman Islands. An increase in the flexibility of the Courts' powers to vary trusts and confirmation of its jurisdiction to correct mistakes is to be applauded, further affirming the Cayman Islands' world class trust regime.

"The modernisation of the firewall provisions is desirable and will likely reduce enforcement attempts (at least in the Cayman Islands) in connection with beneficiaries' interests in Cayman discretionary trusts."

In summary, key changes to the law are:

(i) codification of the common law rules on trustee mistake, making clear that in the Cayman Islands, it is not necessary to establish a breach of a fiduciary duty before relief for mistakes may be granted;

(ii) simplification of the Court's ability to vary a trust, particularly in relation to children or unborn beneficiaries;

(iii) providing the Court power to resolve trust disputes by approving compromises on behalf of beneficiaries;

(iv) modernisation of the 'firewall' provisions which exclude certain adverse impacts of foreign law on

Cayman trusts;

(iv) unification and extension of the definition of 'trust corporation' to include all trusts largely to assist with discharging a retiring trustee.

Ogier has prepared a briefing explaining the Cayman trust law amendments in more detail. To read it please [go here](#) or contact Anthony Partridge at Ogier.

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