

Players, Laws, Regulations and Reporting Requirements Impacting the Development and Administration of Trusts

v8.9.22

Many players participate in the development and subsequent administration of trusts that are intended to benefit current and future beneficiaries. Each player possesses certain levels of knowledge, experience and conviction that contribute to their unique perspective regarding these interrelated processes. Additionally, the laws, regulations and reporting requirements impacting these processes are complex, subject to interpretation and constantly changing.

Here is a list of several such players and some of these laws, regulations and reporting requirements. They are numbered for reference purposes and not to indicate any hierarchy.

Players

1. Grantor
2. Advisors to the Grantor, including:
 - a. Attorney or legal team that drafts the trust agreement
 - b. Single-family office or multi-family office advisor to the Grantor
 - c. Other professional advisor to the Grantor
 - d. Family member or friend of the Grantor
 - e. Potential trustee/distribution director/investment director/trust protector
3. Named trustee/distribution director/ investment director/trust protector
4. Investment advisor
5. Current beneficiaries
6. Future beneficiaries (or their representatives)
7. Spouses and non-family-member parents of beneficiaries

Laws, Regulations and Reporting Requirements

8. State common law and statutes, regulations and procedures regarding trusts
9. Federal and state regulation of corporate trustees
10. Federal and state tax law, regulations, procedures and rulings
11. Financial, trust and tax accounting requirements
12. Laws and regulations impacting beneficiaries living outside the U.S.

The combinations of perspectives possessed by these players and the impacts of these laws, regulations and reporting requirements are unlimited. Notwithstanding the challenges presented by this situation, lots of trusts get drafted, signed and administered. Throughout this process, much attention is paid to how the trusts will produce meaningful tax and other financial benefits. Our goal is to increase the attention that is also paid to how the trusts will enrich the lives of their beneficiaries.

One way to achieve this goal is to help grantors and their advisors develop and communicate well-drafted Statements of Grantor Intent and Wishes that will then be administered by enlightened trustees/distribution directors/investment directors/trust protectors. A sample of such a statement directed to a trust's beneficiary or beneficiaries is provided separately.