The Private Trust Company
Structures & Strategic marketing

By

Michael F.L. Allen & Inell E. Collie
McKinney, Bancroft & Hughes
Who may own the PTC?

- An Individual
- A Company
- A Trustee upon a:
  - Fixed Trust
  - Discretionary Trust
  - Purpose Trust
- A Foundation
Ownership structure

Individual or Corporate Shareholder

Board of Directors – Secretary - Bahamas Agent
PTC

Family trust A

Family Trust B

Holding Company A

Holding Company B

Operating Company A

Operating Company B
Ownership structure

- **Beneficiary**: Individual or Corporate, Charitable or Non-Charitable Purposes

  - **Bahamian Corporate Trustee**: Holding Shares in PTC on Discretionary or Purpose Trust

  - **Board of Directors – Secretary – Bahamas Agent**: PTC

  - **Family Trust A**

  - **Family Trust B**
Factors to Consider When Marketing A PTC

• Designed to be used by high-net worth families as a tool for wealth management involving:
  
  – Efficient generating and management of wealth;
  – Asset protection; and
  – Controlling the transfer of wealth
Factors to Consider When Marketing A PTC

The Family is in Charge.

• Board of directors can consist of family members, close friends and trusted advisors allowing greater control over assets and centralization of management.

• PTC may itself generate income for family members who act as employee’s or consultants.

• Direct control over management of certain assets under specific family trusts may be ceded to individual family members.
Factors to Consider When Marketing A PTC

The Family Will Receive Support

The Board of Directors may include experienced trust professionals to assist with:

- Record keeping
- Consultancy and other service contracts
- Satisfying compliance requirements
- Trust Administration
  - Meetings reviews and decision making
  - Production of financial statements
  - Arranging for audits
Factors to Consider When Marketing A PTC

The Family Will Receive Support

The PTC may itself contract with consultants and experienced professionals who may be directly involved with the family in managing the trust assets.

The PTC may become the focal point for managing the family business. (family members, other directors advisors and consultants may meet together to discuss the business of the PTC).
Factors to Consider When Marketing A PTC

Additional Factors

1. Confidentiality
   a) Names remain off the public record
   b) Nominee settlors may be used

2. Light regulatory regime
   a) Easy startup
   b) User friendly management

3. Cost effective
   a) Low capital requirement
   b) May act as trustee for unlimited number of trusts
   c) May act as trustee for non Bahamian trusts
## Factors to Consider When Marketing A PTC

<table>
<thead>
<tr>
<th>Restricted Trust Licence</th>
<th>vs.</th>
<th>PTC</th>
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<tbody>
<tr>
<td>Licensing required – lengthy start up time</td>
<td></td>
<td>Exempted from licensing – quick start up</td>
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<tr>
<td>Capital requirement - $100,000</td>
<td></td>
<td>Capital requirement - $5,000</td>
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<tr>
<td>Annual audits required</td>
<td></td>
<td>Annual audits can be waived</td>
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<tr>
<td>Restrictions on number of trusts administered</td>
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<td>Can accept new trusteeships without Central Bank approval</td>
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<tr>
<td>Business Licence required</td>
<td></td>
<td>Business Licence exempted</td>
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<tr>
<td>Costly</td>
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<td>Cost efficient</td>
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<tr>
<td>Heavy Regulation</td>
<td></td>
<td>Light Regulation</td>
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Factors to Consider When Marketing A PTC
The Competitive Advantage

Customer Relationships
Within the Financial Services Sector

Minneapolis –based Carlson Marketing’s “Carlson Relationship Builder 2007 Study”

2000 [US] participants
Data Collected Oct 5th to 9th 2006

Critical Factors Leading to Increased Business:

1. Courtesy
2. Strong Relationship with Service Provider
3. Email Communication
4. Ethics / Shared Values
Thank You!