

STEP DIPLOMA IN INTERNATIONAL TRUST MANAGEMENT

Syllabus



In association with



This document contains the detailed syllabus for the STEP Diploma in International Trust Management.

The Diploma comprises the following four Advanced Certificates:

- Trusts: Law and Practice (International),
- Company Law and Practice,
- Trustees' Duties: Investment and Management of the Trust Fund,
- Principles of International Tax, AML and Compliance.

This syllabus should be read in conjunction with the course brochure, which explains the method of delivery and assessment, entry requirements and personal and business benefits of completing the programme.

The course brochure, course dates and enrolment application form can also be found on the programme website at www.cltint.com

CONTENTS

	Page
Advanced Certificate in Trusts: Law and Practice (International)	4
Advanced Certificate in Company Law and Practice	17
Advanced Certificate in Trustees' Duties: Investment and Management of the Trust Fund	31
Advanced Certificate in Principles of International Tax, AML and Compliance	43
Contact Us	54

DIPLOMA IN INTERNATIONAL TRUST MANAGEMENT: TRUSTS: LAW AND PRACTICE (INTERNATIONAL)

MODULE 1: REVIEW OF THE TRUST CONCEPT

The purpose of this module is to:

- Define a common law trust and explore the identities of and roles played by the main actors
- Review the function and capacity of the settlor
- Explore the legal ownership in trust property and explain the trustee's role, powers and duties
- Explore the nature of the equitable ownership in trust property and identify the beneficiaries' rights
- Compare a trust with other legal concepts, namely:
 - A company
 - A contract
 - A testamentary instrument or will
 - A foundation.

By the end of this module you should:

- Be able to define a trust and describe a trust's essential characteristics
- Be able to advise a prospective settlor who is contemplating creating a new trust upon matters such as the settlor's role, capacity, control and reserved powers
- Recognise the conflicts that can arise in relation to a trust between the law of the settlor's domicile *and governing law of the trust*
- Define a legal ownership interest and understand how such interest is transferred
- Understand the role, powers and duties of a trustee
- Understand the rights of the beneficiaries, in particular their *in personam* and *in rem* equitable rights
- Be able to distinguish a trust from other legal concepts, in particular:
 - A company
 - A contract
 - A will, and
 - A foundation.

MODULE 2: MARKETING TRUST SERVICES AND ACCEPTING NEW BUSINESS

The purpose of this module is to:

- Review some of the elements involved in marketing trust services including selling:
 - The jurisdiction
 - Your institution
 - The trust concept
- Identify some of the pitfalls of over-selling the service or making unjustifiable claims
- Set out the theoretical rules relating to trustees' remuneration
- Describe the ways in which trust services are rewarded and practical marketing strategies employed by those involved in the fee bargaining process
- Review recommended best practice procedures before and upon acceptance of new business, both in terms of accepting a new trust and upon taking on an existing trust.

MODULE 2: MARKETING TRUST SERVICES AND ACCEPTING NEW BUSINESS CONTINUED

By the end of this module you should:

- Appreciate how trust companies can market trust services in a competitive environment
- Be able to explain to a third party the virtues of the offshore jurisdiction from which you carry on business
- Be able to explain the trust concept to a potential client who is unfamiliar with it
- Be in a position to market the trust concept in a responsible manner (and avoid the pitfalls of over-selling)
- Understand some of the marketing strategies adopted in negotiations with prospective settlors or protectors when discussing fees
- Appreciate the aspects of a trustee's fiduciary duty that apply to the charging of fees – the so-called remuneration rule – and be able to draft or construe a charging clause
- Know the proper procedures to follow before accepting the office of trustee in relation to:
 - Know your customer (KYC) requirements
 - The practice and procedures involved in the removal of an outgoing trustee
 - The appointment of an incoming trustee and vesting of trust property
 - The trustee's duty upon accepting a trust
- Be in a position to comply with the appointment process, in relation to both
 - New trusts, and
 - The taking on of existing trusts.

MODULE 3: THE TRUST INSTRUMENT – PART 1: PRELIMINARY PROVISIONS

The purpose of this module is to:

- Give an overview of the process of obtaining instructions from an international client to establish an offshore trust
- Review the use of precedents in the drafting process and analyse the pros and cons of using different forms of trust instrument
- Familiarise you with the framework of a typical trust instrument
- Review some of the standard preliminary provisions found in a typical trust instrument
- Illustrate the use of conventional supplementary documentation.

By the end of this module you should:

- Appreciate some of the issues involved in obtaining instructions to establish an offshore trust for an onshore settlor (in particular, the importance of obtaining specialist onshore legal and tax advice)
- Be familiar with some drafting techniques and the use of precedents in the drafting process
- Be able to construe some of the standard preliminary provisions found in a typical offshore trust instrument, including
 - The formal parts
 - Recitals
 - Use of definitions
 - Trusts for sale
 - Power to accept additional trust property
- Be familiar with relevant supplementary documentation.

MODULE 4: THE TRUST INSTRUMENT – PART 2: DISPOSITIVE PROVISIONS

The purpose of this module is to:

- Review some of the standard dispositive provisions found in different kinds of trust
- Describe trust industry practices and procedures when making distributions
- Illustrate the use of conventional supplementary documentation.

By the end of this module you should:

- Be able to construe some of the standard dispositive provisions found in a typical:
 - Discretionary trust
 - Settlor-directed trust, and
 - Life interest trust
- Understand how a trustee should exercise a dispositive power:
 - To pay or apply income
 - Of appointment of an absolute interest
 - Of appointment upon new trusts
 - Of re-settlement
- Appreciate the factors to consider when deciding whether to exercise a dispositive power
- Be able to follow common distribution procedures
- Be familiar with the express terms of a settlor-directed trust, the governing law relating thereto and how the administration of such a trust differs from a conventional discretionary trust
- Know how to manage a life interest trust.

MODULE 5: THE TRUST INSTRUMENT - PART 3: ADMINISTRATIVE PROVISIONS

The purpose of this module is to:

- Review some of the standard administration provisions found in a typical long-form trust instrument
- Help you decide whether a particular provision should be included in a draft trust instrument
- Explain the meaning of common clauses in order that you may interpret them for the settlor, a beneficiary or a third party
- Construe some of the standard provisions and powers that you may wish to exercise during the administration of a trust.

By the end of this module you should:

- Be able to construe some of the standard provisions and powers that you may wish to exercise during the administration of a trust
- Understand the administrative powers contained in modern trust legislation, which apply even if not listed in the trust instrument
- Be familiar with the standard administration provisions found in a typical long-form trust instrument
- Understand the prudent investor rule and its modifications
- Be able to explain the *Bartlett* rule
- Be able to explain when it is permissible to delegate and the clauses typically included to allow this
- Understand when it might, and might not, be appropriate to pay foreign taxes on behalf of the trust, the settlor or the beneficiaries
- Be able to decide the particular provisions that should be included in a draft trust instrument, given what the trust is designed for and the particular risks faced
- Be able to explain the meaning of common clauses in order that you may interpret them for the settlor, a beneficiary or third party
- Understand the limits on the indemnification and exoneration clauses that may be included in a trust instrument.

MODULE 6: CHOICE OF LAW TO GOVERN THE TRUST

The purpose of this module is to:

- Introduce some common law conflict of laws principles used to ascertain which system of law should govern a particular transaction or occurrence
- Explain the significance of conflict of laws rules in relation to multi-jurisdictional offshore trust issues whereby a trust is governed by its *proper law*
- Analyse typical modern statutory conflict of laws rules enacted in offshore jurisdictions in relation to the *governing law* of a trust
- Familiarise you with the terms of a typical trust instrument that:
 - Makes an express choice of law and forum selection
 - Provides for a change of governing law
 - Contains a flee clause.

DIPLOMA IN INTERNATIONAL TRUST MANAGEMENT: TRUSTS: LAW AND PRACTICE (INTERNATIONAL)

MODULE 6: CHOICE OF LAW TO GOVERN THE TRUST CONTINUED

By the end of this module you should:

- Have grasped some of the basic common law conflict of laws principles in order to be able to determine which system of law to apply to a multi-jurisdictional transaction, including broad knowledge of the meaning of:
 - Forum
 - Characterisation
 - Conflict of laws, and
 - Renvoi
- Understand the significance of conflict of laws rules in relation to issues affecting a multi-jurisdictional trust
- Appreciate that, according to common law principles, a trust is governed by its proper law and be able to establish the proper law of a trust
- Be able to construe modern offshore statutory provision whereby the validity of a trust, its interpretation and administration, etc. are determined by the governing law
- Be able to analyse simple conflict of laws problems affecting an offshore trust, to identify its governing law and appreciate the broad exceptions to the general rule whereby the governing law will not apply to certain transactions, issues and controversies
- Understand whether and in what circumstances the governing law of a trust may be changed to a new law
- Be familiar with the terms of a typical trust instrument that makes an express choice of law and forum selection, makes a provision for its change, and contains a flee clause.

MODULE 7: THE ROLE AND STATUS OF A PROTECTOR

The purpose of this module is to:

- Introduce the role of the trust protector
- Explore who may be appointed as protector
- Review some of the typical powers conferred upon the protector by the settlor in the trust instrument
- Ascertain the duties and obligations, if any, of the protector, as well as restrictions on the exercise of a protector's powers
- Analyse the position of a trustee who is obliged to administer the trust alongside a protector
- Summarise of the position of the beneficiaries in relation to the protector.

By the end of this module you should:

- Appreciate why a settlor may wish to appoint a protector
- Identify the various types of protector and be able to advise upon which type is most suitable in given circumstances
- Be familiar with the typical powers given to a protector, and be able to distinguish dispositive and administrative powers as well as positive and negative powers
- Be aware of the duties owed by a protector to comply with the terms of the trust, and to exercise his powers in a fiduciary manner and with reasonable care and skill
- Know how to manage a trust which confers extensive dispositive and/or administrative powers upon a protector
- Be able to summarise the broad rights and remedies of the beneficiaries against the trust protector.

MODULE 8: ESTATE PLANNING AND FORCED HEIRSHIP ISSUES

The purpose of this module is to:

- Review some of the basics of estate planning
- Explain the meaning of forced heirship and distinguish it from testamentary freedom
- Distinguish domestic laws of succession and international conflict of laws principles that determine which country's law of succession should apply
- Study interrelationship between forced heirship provisions of a foreign state and the validity of a trust created offshore when the settlor is a citizen of the foreign state.

By the end of this module you should:

- Understand basic estate planning methods
- Understand forced heirship provisions and be able to distinguish the concept from freedom of testamentary disposition
- Appreciate the opportunity to market *inter vivos* offshore trusts to persons from civil law jurisdictions who wish to take advantage of estate planning
- Be able to discuss not only how forced heirship provisions affect testamentary gifts on death, but also how claw back provisions affect the recipients of certain gifts made during the lifetime of the deceased (including the creation of an *inter vivos* trust)
- Understand the interrelationships between forced heirship provisions of a foreign state and the validity of a trust created offshore by a settlor from that foreign state. In particular, you should be able to advise upon:
 - The type of claim that the trustees may face in the forum of the foreign state
 - The type of claim that the trustees may face in the forum of the offshore jurisdiction
 - The terms of typical offshore statutory conflict of laws rules that confirm that all questions concerning the validity of the offshore trust and disposition of property thereto should be governed by the laws of the offshore jurisdiction.

MODULE 9: ASSET PROTECTION TRUSTS

The purpose of this module is to:

- Introduce the concept of asset protection planning
- Establish the common law principle that an person's assets should be available to meet their debts
- Review the remedies available to creditors of the settlor and related asset-protection legislation
- Explain how a settlor's bankruptcy may affect trusts created earlier
- Explore how offshore trusts may protect family wealth from the effects of asset division upon divorce.

By the end of this module you should:

- Appreciate the ethical tension between the principle that the entirety of an individual's assets ought to be available to meet their unpaid debts, and the asset protection objective of safeguarding and preserving assets transferred into trust
- Understand how a trust may protect assets from claims brought against the settlor by third parties
- Be able to explain how the Statute of Elizabeth sought to protect the interests of creditors
- Be able to advise upon how offshore asset protection legislation has repealed the Statute of Elizabeth in key areas
- Know how to structure an APT
- Discuss how bankruptcy legislation empowers a court-appointed trustee in bankruptcy to set aside transfers (including transfers to trustees) made by a bankrupt within 'X' years before being declared bankrupt
- Be able to apply asset protection principles to a typical divorce scenario.

DIPLOMA IN INTERNATIONAL TRUST MANAGEMENT: TRUSTS: LAW AND PRACTICE (INTERNATIONAL)

MODULE 10: PURPOSE TRUSTS

The purpose of this module is to:

- Explain why trusts established for the benefit of a purpose rather than persons are invalid under generally accepted equitable principles
- Identify the common law exceptions to the general rule that prohibits purpose trusts
- Examine modern trust legislation that permit trusts to be created in favour of a purpose
- Review some of the practical uses of purpose trusts, including trusts designed to hold shares of an operating company, private trust company or other commercial purposes.

By the end of this module you should:

- Appreciate the reasons why trusts that have purportedly been established for the benefit of purposes rather than persons are invalid under common law principles
- Be able to identify the common law exceptions to the general rule prohibiting purpose trusts
- Understand the basic terms of the first generation of purpose trust legislation found, and be able to explain the model form found in the Trusts (Special Provisions) Act 1998 of Bermuda
- Understand the basic terms of the second generation of purpose trust legislation found in the Trusts (Special Provisions) Amendment Act 1998 of Bermuda
- Be familiar with an alternative purpose and person trust regime found in the Special Trusts (Alternative Regime) law 1997 of the Cayman Islands
- Appreciate some of the practical uses of purpose trusts, including holding shares in operating companies and PTCs, and their use in commercial financing transactions and other business activities.

DIPLOMA IN INTERNATIONAL TRUST MANAGEMENT: TRUSTS: LAW AND PRACTICE (INTERNATIONAL)

MODULE 11: PRIVATE FOUNDATIONS

The purpose of this module is to:

- Review the development of foundations in offshore centres
- Define a private foundation and summarise its essential characteristics
- Review the procedure to establish a private foundation
- Review the governance of a foundation and explain the roles, rights and duties of those involved
- Discuss factors that determine whether a private foundation or a trust is the most suitable structure for a client.

By the end of this module you should:

- Understand the origins and characteristics of a private foundation and be able to give a working definition
- Be able (to explain how) to establish a foundation
- Be aware of conflict of laws issues that could affect the validity of the endowment of assets to a foundation
- Be familiar with the constitutive documents of a foundation and construe their provisions
- Understand governance issues and how to manage a foundation and, in particular, appreciate the division of power between founder, foundation council and guardian/protector
- Understand the legal position of the beneficiaries and be familiar with typical dispositive provisions usually found in the regulations
- Be able to give objective advice to a HNWI client upon the pros and cons of the foundation when compared with a trust.

MODULE 1: AN INTRODUCTION TO COMPANY LAW AND PRACTICE

The purpose of this module is to:

- Introduce company law and the practice of private company management
- Review the position of the offshore company in context, i.e. as part of a structure used by trustees, private banking institutions and other firms to hold and manage clients' assets
- Summarise the role of this text, give a brief overview of the study of company law and introduce what is to come in subsequent modules.

By the end of this module you should:

- Understand why those working for an offshore trust company need an appreciation of company law
- Appreciate how the wealth management industry has developed in recent decades
- Appreciate the use made by trustees, private bankers and other service providers of offshore companies
- Appreciate why every company is potentially unique, given the permissive rules in relevant legislation, while still being governed by mandatory rules and presumptive rules.
- Understand the purpose of this study text and how to make it relevant to companies administered by your firm
- Know what to expect in forthcoming modules.

MODULE 2: CHARACTERISTICS OF A COMPANY

The purpose of this module is to:

- Define a company
- Outline the evolution of company law in England and assess its effect on company law in other common law jurisdictions, particularly the offshore financial centres
- Consider some of the fundamental features of a company and distinguish companies from other forms of undertaking
- Introduce the companies legislation applicable to the jurisdiction where you work or with which you have a substantial connection
- Analyse the arguments for and against the integrity of 'one-man' companies and the limited liability of shareholders
- Explore the typical use made of companies incorporated in an offshore jurisdiction.

MODULE 2: CHARACTERISTICS OF A COMPANY CONTINUED

By the end of this module you should:

- Understand the broad features of a private limited company and how it differs from a sole trader or partnership
- Appreciate the fundamental economic principles behind much company legislation which:
 - Provides a structure whereby entrepreneurs may raise capital from the public
 - Enables investors to contribute capital to an enterprise without having to manage and control the business on a day-to-day basis
 - Limits shareholders' liability for the debts of the company
 - Facilitates the transferability of an owner's interest in a business undertaking
 - Protects the capitalist investor against the actions of a rogue director who abuses his or her position
- Be able to see the private limited company in context by comparing it with other business media
- Appreciate how the company legislation in the common law offshore jurisdictions derives in the most part from English statutory provisions that are used as a model
- Be able to identify and describe the common features of an incorporated company
- Understand the implications that flow from a company having a separate legal personality
- Explain the significance of the 'veil of incorporation' and how it can be pierced
- Appreciate the typical uses made of companies incorporated offshore.

MODULE 3: COMPANY FORMATION AND RELATED ISSUES

The purpose of this module is to:

- Explain the role, duties and rights of a promoter
- Raise awareness of pre-incorporation contracts and relevant modern offshore companies legislation
- Review the theoretical and practical aspects of incorporation of a private limited company
- Introduce the skill of drafting minutes
- Review some of the preliminary issues relating to the migration of companies
- Outline the main features and characteristics of a variety of offshore vehicles.

By the end of this module you should:

- Understand the role of promoters, both offshore and onshore, their duties to the company upon incorporation and how they may be paid and recover their expenses
- Understand the issues, at common law, affecting enforceability of pre-incorporation contracts and be able to indicate how problems are solved by modern offshore legislation
- Be able to analyse the theoretical and practical aspects of incorporation of a private limited company in the offshore jurisdiction where you work
- Know how to incorporate a company in the jurisdiction where you work or have some other substantial connection
- Know how to draft certain key documents, in particular minutes of the first meeting of directors
- Be able to describe some of the distinguishing features of a number of different types of company and, in particular, the types of company that you tend to manage in the office, in practice.

MODULE 4: REGISTRATION AND MIGRATION OF FOREIGN COMPANIES

The purpose of this module is to:

- Review the requirements that must be complied with when a foreign company wishes to establish a place of business in, and operate such business from, a typical offshore financial centre
- Review the requirements that must be complied with when a foreign company wishes to migrate to, and re-domicile in, a typical offshore financial centre.

By the end of this module you should:

- Understand how the continuation procedure can allow companies to migrate from one jurisdiction to another, and why they might want to do so
- Understand what is meant by 'establishing a place of business' in a particular state
- Know the kind of information that a company established in one state is likely to need when registering in another
- Appreciate the role of the authorised agent/representative
- Know what is involved in an application for continuation and the legal effect of continuation
- Be able to comply with statutory requirements when a foreign company wishes to establish a place of business, and to operate such business, in the jurisdiction where you work
- Be able to comply with statutory requirements when a foreign company wishes to migrate to, and re-domicile in, the jurisdiction where you work.

MODULE 5: THE COMPANY'S CONSTITUTION

The purpose of this module is to:

- Review the historical development of the corporate constitution
- Discuss the principles behind modern rules and their original basis
- Examine the functions and typical content of the memorandum and articles of association and determine how they can be changed to meet the requirements of the client
- Analyse corporate capacity and trace the evolution of the *ultra vires* doctrine
- Examine whether, and if so how, the memorandum may be altered
- Examine how the articles may be altered.

By the end of this module you should:

- Appreciate the historical development and current theories relating to the constitution of a company
- Understand the typical content of the memorandum of association, and be able to determine how it can be moulded, within the legislative framework, to meet the requirements of the client
- Analyse the capacity of a company to transact business under modern companies legislation that repeals the *ultra vires* doctrine
- Amend the memorandum to meet the client's requirements
- Understand the functions and typical content of the articles of a company, and to determine how they can be moulded, within the legislative framework, to meet the client's requirements
- Determine the rights, powers of and procedures affecting the shareholders, directors and officers of a company
- Be able to amend, or re-state, the articles.

MODULE 6: EQUITY, CAPITAL AND DISTRIBUTIONS

The purpose of this module is to:

- Introduce the concept of equity finance and 'capital' in different contexts
- Explain how a company may issue shares to raise capital and is required to allocate and preserve the consideration received
- Review how the capital maintenance rules restrict the funds that can be used to distribute as dividends to shareholders
- Investigate how such restrictions are circumnavigated.

By the end of this module you should:

- Appreciate what is meant by the term 'capital' in the context of a business, company law generally and the doctrine of capital maintenance
- Be able to issue shares in a private company under your administration
- Be able to transfer shares that have been issued by a company under your administration
- Understand the capital structure of a company and how capital is allocated between the share capital and the share premium
- Understand the principles of, and justification for, the capital maintenance rules and how these can be circumnavigated by:
 - funding the company by a nominal share capital and substantial shareholder loan, and
 - the amendment or total repeal of the capital maintenance doctrine by modern offshore companies legislation.
- Compare typical onshore regulations with the liberal and flexible distributions provisions that exist in most offshore jurisdictions
- Make a distribution from a typical offshore company, either
 - under flexible IBC and similar legislation, or
 - under less flexible legislation by repayment, in whole or part, of the shareholder loan.

MODULE 7: DIRECTORS PART I – ROLE, APPOINTMENT AND REMOVAL OF DIRECTORS

The purpose of this module is to:

- Carry out an initial review of corporate governance under the traditional onshore corporate model
- Illustrate how the traditional Anglo-American corporate model has been used as a template by legislators and service providers offshore
- Examine the provisions conferring powers of management upon the directors
- Analyse the different methods of appointing the initial directors during the incorporation process
- Review typical provisions dealing with the removal of directors and the appointment of subsequent directors.

By the end of this module you should:

- Be able to explain what is meant by the ‘traditional corporate model’ and the term ‘corporate governance’ and their relevance to companies registered offshore
- Appreciate how the traditional corporate model is used by legislators and by corporate service providers when drafting standard articles and the differences commonly found offshore
- Be able to construe the following standard articles conferring powers of management upon the directors, namely:
 - Article 80, Table A, Companies Act 1948
 - Article 70, Table A, Companies Act 1985
 - Article 3, Model Articles for Private Companies (old Table A), Companies Act 2006
- Know how to appoint the initial directors upon incorporation of a company and understand the factors affecting the choice of directors
- Appreciate why it might be necessary to remove directors and appoint new ones, how these processes are governed, and know how to remove directors and appoint replacements.

MODULE 8: DIRECTORS PART II – DIRECTORS' POWERS AND DUTIES

The purpose of this module is to:

- Review the powers usually conferred upon directors
- Introduce the mechanics of board meetings and the directors' decision-making process
- Analyse of the legal effect of a transaction purportedly entered into on behalf of a company, but which was beyond the powers conferred upon the directors
- Outline the duties owed by the directors to their company
- Examine a director's fiduciary duty
- Examine a director's duty to exercise his powers of management with appropriate care and skill
- Consider what is expected of a director of an offshore company
- Explain the circumstances in which a director may become liable to the company and to creditors of the company.

MODULE 8: DIRECTORS PART II – DIRECTORS’ POWERS AND DUTIES

CONTINUED

By the end of this module you should:

- Be able to construe the usual powers conferred upon the directors by the articles of association
- Understand the basic procedures involved in the directors’ decision-making process
- Be able to advise upon the legal effect of a transaction entered into by the directors but which involved the exercise of powers the directors did not possess
- Appreciate the constituent parts of a director’s fiduciary duty to the company, and be able to apply the relevant principles to typical factual scenarios encountered in offshore corporate management practice
- Understand the directors’ duty to use appropriate care and skill in the management of the company, both at common law and under modern companies legislation, and be able to apply the relevant principles to typical factual scenarios encountered offshore
- Know how to protect a director from liability for breach of certain duties by obtaining shareholder approval
- Appreciate the methods whereby a director may be protected by express provisions in the articles and/or director’s service agreement and/or directors’ indemnity insurance policy.

MODULE 9: OTHER OFFICERS OF A COMPANY: SECRETARY AND REGISTERED AGENT

The purpose of this module is to:

- Place company officers in context
- Explain the procedures for the appointment, removal and retirement of company secretaries
- Review the usual duties and functions of a company secretary
- Highlight the potential liability of the company secretary
- Review the role, powers and duties of a registered agent.

By the end of this module you should:

- Be able to ascertain whether a company secretary is required for private companies in the jurisdiction where you work or have some other connection
- Know the procedures for the appointment, removal and retirement of a company secretary and how these are covered in typical articles
- Be able when appointed, to comply with the duties of a secretary
- Be able to describe the usual powers conferred upon, and delegated responsibilities of, a company secretary
- Be able to demonstrate an understanding of the functions and practice of the company secretary
- Be able to advise upon the potential liability of the company secretary
- Appreciate the role, powers and duties of a registered agent under jurisdiction-specific, (I)BC, statutory provisions.

MODULE 10: COMPANY DECISION-MAKING PROCEDURES

The purpose of this module is to:

- Explain the difference between the decision-making powers of the board of directors and the powers of shareholders of a company in general meetings
- Review the procedures involved in convening and conducting general meetings of shareholders
- Review the procedures for convening and conducting board meetings
- Summarise and illustrate other decision-making procedures
- Develop your drafting skills, with particular emphasis on drafting notices, resolutions and minutes of meetings.

By the end of this module you should:

- Understand the division of powers between the directors, who manage the business, and the members, who own it and be aware of the legal aspects of this and the importance of the articles in defining some aspects
- Be able to take the required steps to convene, hold and conduct a general meeting including
 - giving notice to members
 - permitting members to appoint proxies
 - determining the quorum for a meeting and the importance of its being quorate
 - appointing the chairman and secretary
 - conducting the vote, counting votes and recording resolutions
- Know how to convene, hold and conduct meetings of directors, according to correct procedure
- Be able to draft appropriate minutes for a variety of meetings, including recording all resolutions passed.

MODULE 11: THE PROVISION OF COMPANY MANAGEMENT SERVICES AND BENEFICIAL OWNER CONTROL

The purpose of this module is to:

- Describe the range of company services that are provided by corporate service providers from offshore centres
- Review potential problems when the beneficial owner of a company wishes to exercise too much control.

By the end of this module you should:

- Be familiar with the range of company services that are provided from offshore centres including:
 - Incorporation
 - Registration and continuance
 - Provision of directors and officers
 - Provision of shareholders
 - Registered office facilities
 - Corporate filing and general secretarial and accounting services
- Be able to avoid problems associated with allowing beneficial owners too much control over the affairs of their companies, including the risk that:
 - The company will be liable to pay tax in the beneficial owner's home state
 - The service company and its officers will become liable for losses suffered by the company owing to the beneficial owner's actions
 - That the beneficial owner will use the company for illegal purposes and the service company will become criminally liable to prosecution under AML and CFT legislation.

MODULE 12: TERMINATION OF COMPANIES

The purpose of this module is to:

- Review the giving of security by fixed and floating charge and enforcement thereof by the appointment of a receiver
- Outline ways in which an insolvent company may continue to trade as an alternative to liquidation
- Review the typical process and procedures involved in
- A compulsory winding-up or liquidation of a company
- A voluntary winding-up
- Explain the difference between dissolution and striking off and take a look at voluntary striking off.

By the end of this module you should:

- Understand how creditors may recover moneys owed to them when a company is in difficulties and be able to distinguish fixed from floating charges
- Be able to take steps, as a director of an insolvent company, to try to avoid liquidation
- Understand the role of a receiver and manager, where appointed by a secured creditor
- Appreciate the grounds for compulsory winding-up, the role of the court, the consequences of making a winding-up order, and the role of the liquidator
- Be able to take the required steps to initiate a members' voluntary winding-up and follow the requisite procedure for voluntarily striking a company off the register
- Be able to reinstate a company to the register when it has been struck off on a compulsory basis.

DIPLOMA IN INTERNATIONAL TRUST MANAGEMENT: TRUSTEES' DUTIES: INVESTMENT AND MANAGEMENT OF THE TRUST FUND

MODULE 1: TRUSTEE INVESTMENT AND MANAGEMENT OF THE TRUST FUND – LAW AND PRACTICE

The purpose of this module is to:

- Trace the historical evolution of the law and practice relating to a trustee's power of investment in England, and to illustrate how such powers were traditionally exercised;
- Examine typical offshore legislation conferring upon trustees implied investment powers that operate in default of any express provisions to the contrary;
- Review how express powers of investment conferred by the trust instrument modify the trustee's statutory powers;
- Consider the standard of care that trustees must observe when exercising their powers of investment and management of the trust fund;
- Analyse the restrictions that apply at common law to reduce a trustee's ability to delegate part of their investment function to agents;
- Summarise modern provisions that limit the liability of a trustee who appoints an agent; and
- Consider the importance of monitoring investments.

By the end of this module you should:

- Understand how trustees' powers of investment have evolved;
- Appreciate that express investment powers may be conferred upon trustees by the trust instrument and how statutory powers of investment conferred by modern legislation apply in default;
- Superficially comply with the standard of care expected of professional trustees when exercising their investment powers;
- Appreciate why it is necessary to obtain advice from investment advisers and managers, or to delegate your discretion to invest to investment advisers and managers;
- Understand that, having properly delegated the investment function, you are duly protected from liability for loss suffered by the trust fund arising from the negligence or other default of the investment manager or adviser; and
- Understand the requirement for trustees to monitor investment performance.

DIPLOMA IN INTERNATIONAL TRUST MANAGEMENT: TRUSTEES' DUTIES: INVESTMENT AND MANAGEMENT OF THE TRUST FUND

MODULE 2: ASSET ALLOCATION

The purpose of this module is to:

- Explain the concepts of risk and return;
- Explore the theory of diversification;
- Help you establish a suitable and appropriate investment policy for a trust under administration and draft an investment policy statement; and
- Enable you to construct a suitable and appropriate asset allocation.

By the end of this module you should:

- Understand and calculate the *historic* total return of a security (and a portfolio of securities);
- Understand and calculate the *expected* total return of a security (and a portfolio of securities);
- Appreciate the meaning of risk, how it can be measured and its relationship with return;
- Identify sources of risk;
- Explain how a prudent investor can invest for the best return but lowest risk;
- Establish an investment policy for a trustee of a given trust; and
- Understand the components of, and be able to establish, an asset allocation for a trustee of a given trust.

DIPLOMA IN INTERNATIONAL TRUST MANAGEMENT: TRUSTEES' DUTIES: INVESTMENT AND MANAGEMENT OF THE TRUST FUND

MODULE 3: INVESTING IN CASH AND ON THE MONEY MARKETS

The purpose of this module is to:

- Review a trustee's options when investing trust funds in cash or liquid assets;
- Describe some of the common types of accounts used for holding cash and consider why cash is necessary;
- Introduce the money markets;
- Analyse the money market securities market; and
- Explain how a trustee may gain access to the money markets.

By the end of this module you should:

- Appreciate the options available to trustees when investing trust funds in cash or an equivalent liquid security, including bank accounts and various ways of investing on the money markets;
- Identify the salient features of some of the common types of account used for holding cash and know why these features make them suitable for use by trustees;
- Understand the features of the main money market securities, namely T-bills, negotiable CDs and CP; and
- Appreciate how to gain exposure to the money markets by engaging money market brokers, opening a money market sweep account and/or investing in a money market fund.

DIPLOMA IN INTERNATIONAL TRUST MANAGEMENT: TRUSTEES' DUTIES: INVESTMENT AND MANAGEMENT OF THE TRUST FUND

MODULE 4: BONDS

The purpose of this module is to:

- Introduce the concept of debt;
- Define bonds and analyse their general characteristics;
- Review the primary and secondary bond markets;
- Analyse the behaviour of bond prices and identify factors that influence the price of a bond in the secondary market;
- Calculate yields, looking at the different ways in which bondholders obtain value from their bonds;
- Explain how credit ratings are used to assess risk and ascertain an appropriate yield;
- Describe the investment characteristics of different types of bond; and
- Explain how to construct, manage and monitor a portfolio of bonds.

By the end of this module you should:

- Understand the differences between debt and equity, and the different rights of creditors and shareholders;
- Explain what a bond is and describe the main features and investment characteristics of these debt instruments;
- Appreciate the main features of the primary and the secondary bond markets and how bonds are traded on them;
- Understand why bond prices move inversely to interest rates and appreciate other factors that affect secondary market prices;
- Establish the 'clean price', 'accrued interest' and 'the spread';
- Calculate the yield from bonds and distinguish coupon interest, current annual yield and yield to maturity;
- Use the credit rating systems (e.g. Standard and Poor's, Moody's, and Fitch) as a guide to assessing risk when investing trust funds;
- Appreciate the investment characteristics of different types of bonds; and
- Create and monitor a portfolio of bonds by reference to the spread over Treasuries, or a bond index.

DIPLOMA IN INTERNATIONAL TRUST MANAGEMENT: TRUSTEES' DUTIES: INVESTMENT AND MANAGEMENT OF THE TRUST FUND

MODULE 5: STOCKS AND SHARES

The purpose of this module is to:

- Introduce the concept of equity finance;
- Summarise the regulation of, and the practices and procedures common to, most of the world's major primary equity markets;
- Summarise the common practices and procedures of the world's major secondary equity markets;
- Review types of stock according to general characteristics;
- Describe how to put together a portfolio of stocks to minimise risks; and
- Provide guidance on how a trustee should monitor risk and the performance of a stock portfolio.

By the end of this module you should:

- Understand the differences between equity finance and debt;
- Explain the regulation, practices and procedures of the primary equity markets;
- Explain the common practices and procedures of the secondary equity markets when investors trade shares on an exchange;
- Appreciate some of the common characteristics of stocks according to industry and sector, size or capitalisation, and stage of the issuer's life cycle;
- Understand how to assemble a portfolio of stocks to achieve the maximum return and the minimum risk; and
- Comply with a trustee's duty of supervision and oversight by conducting periodic investment reviews.

DIPLOMA IN INTERNATIONAL TRUST MANAGEMENT: TRUSTEES' DUTIES: INVESTMENT AND MANAGEMENT OF THE TRUST FUND

MODULE 6: DERIVATIVES, OPTIONS

The purpose of this module is to:

- Introduce derivatives; define the product known as an option and review the standard terms of options contracts;
- Review stock options and ascertain typical rights acquired;
- Explore how stock options may be used by trustees to hedge or speculate;
- Explain the different values of components of an option to ascertain whether the premium sought by option writers is fair; and
- Review index options and establish how they can be used by trustees to reduce risk.

By the end of this module you should:

- Appreciate the character of derivatives and know who invests in them, where and with what objectives;
- Understand stock options and appreciate typical rights acquired by purchasing call and put options;
- Determine when and in what circumstances an option should be abandoned, exercised or traded;
- Understand how option premiums are priced and be able to break down the value of an option into an *intrinsic* value and a time value to establish which of the various options to acquire; and
- Use stock index options to hedge against adverse, or speculate upon anticipated, movements in the market as a whole.

DIPLOMA IN INTERNATIONAL TRUST MANAGEMENT: TRUSTEES' DUTIES: INVESTMENT AND MANAGEMENT OF THE TRUST FUND

MODULE 7: INVESTMENT FUNDS

The purpose of this module is to:

- Introduce collective investment as an alternative to direct investment in stocks, bonds or other securities;
- Identify the advantages of investing in funds;
- Review some of the investment strategies that may be followed by a fund manager of a retail fund;
- Explain how to buy shares in a collective investment company and how to monitor performance;
- Consider the merits of an exchange traded fund; and
- Introduce alternative investment (hedge) funds.

By the end of this module you should:

- Understand the concept of collective investment vehicles;
- Explain the advantages of collective investment for retail investors and trustees;
- Understand the different structures adopted by collective investment companies – open-ended and closed-ended funds;
- Interpret investment strategies published by investment fund managers;
- Appreciate how to buy and sell shares in an investment fund;
- Use published information to monitor the performance of a typical investment fund;
- Understand the essential features of ETFs and how they differ from index funds; and
- Appreciate how and in what circumstances sophisticated-investor hedge funds may be used by a trustee with trust funds to invest.

DIPLOMA IN INTERNATIONAL TRUST MANAGEMENT: TRUSTEES' DUTIES: INVESTMENT AND MANAGEMENT OF THE TRUST FUND

MODULE 8: STRUCTURED INVESTMENT PRODUCTS

The purpose of this module is to:

- Introduce and attempt to define structured investment products;
- Review some typical investment characteristics;
- Examine the primary market to establish how investors buy structured products; and
- Explore examples from the vast range of structured products.

By the end of this module you should:

- Understand the broad characteristics of structured products;
- Know how to invest in such product;
- Understand how to interpret a Term Sheet; and
- Draft, and explain the meaning of, a payoff diagram.

MODULE 9: PRIVATE EQUITY

The purpose of this module is to:

- Introduce the asset class of private equity;
- Investigate the subcategories of private equity and review their investment characteristics;
- Explain how a client invests in private equity; and
- Review a typical partnership agreement and offering memorandum.

By the end of this module you should:

- Understand what is meant by private equity;
- Determine risks associated with different types of private equity according to the stage in the lifecycle of the investee;
- Appreciate how to invest in private equity by joining a limited partnership as a limited partner;
- Interpret the critical clauses of a limited partnership agreement and offering document; and
- Comply with market regulations that restrict who can invest in private equity investment.

DIPLOMA IN INTERNATIONAL TRUST MANAGEMENT: TRUSTEES' DUTIES: INVESTMENT AND MANAGEMENT OF THE TRUST FUND

MODULE 10: THE SETTLOR'S PRIVATE OPERATING COMPANY

The purpose of this module is to:

- Review some of the reasons why a prospective settlor may wish to transfer the shares of their private operating company into trust;
- Establish the standard of care owed by trustees to monitor the affairs of a private operating company (whose shares are held in trust) and to supervise the actions of its directors;
- Consider ways in which trustees can assess whether action is required to protect the trust assets and the value of their shares;
- Review some of the ways in which a trust may be established to protect the trustees by modifying their duty to monitor the affairs of the underlying operating company;
- Consider estate planning options for the continued good management of the private operating company after the settlor's death; and
- Review some of the dispositive provisions that may be included in a trust comprising shares in a private operating company, and related issues.

DIPLOMA IN INTERNATIONAL TRUST MANAGEMENT: TRUSTEES' DUTIES: INVESTMENT AND MANAGEMENT OF THE TRUST FUND

MODULE 10: THE SETTLOR'S PRIVATE OPERATING COMPANY CONTINUED

By the end of this module you should:

- Appreciate the reasons why a settlor may wish to transfer the shares in their private business to trustees;
- Comply with a trustee's standard of care to monitor the affairs of an operating business (held in trust) and supervise the actions of its directors;
- Keep informed of the company's business activities and know how to act in circumstances when you determine that action is required to protect the trust assets;
- Appreciate when and in what circumstances the *Bartlett* duty (to supervise management and monitor the affairs of the company) may be removed, modified or avoided by:
 - Anti-*Bartlett* clauses
 - Obtaining a release from the beneficiaries and an indemnity from the settlor
 - The use of a purpose trust
 - The use of a private trust company; and
 - Utilising jurisdiction-specific trust legislation; and
- Discuss estate planning options with a settlor for the continued good management of the company after their death, including:
 - Family succession to management
 - Non-family succession to management
 - Public flotation IPO; and
 - A sale of the business as a going concern.

DIPLOMA IN INTERNATIONAL TRUST MANAGEMENT: TRUSTEES' DUTIES: INVESTMENT AND MANAGEMENT OF THE TRUST FUND

MODULE 11: REAL ESTATE

The purpose of this module is to:

- Compare and contrast the management requirements of real estate and a portfolio of stocks to illustrate that ownership of real estate involves more onerous and time-consuming responsibilities;
- Illustrate how trustees establish the investment objectives of a trust that comprises real estate;
- Review how and why it may be necessary for trustees to appoint a property investment manager and/or a managing agent in respect of real estate held in trust; examine how to set a benchmark to measure the performance of real property;
- Review how a real estate portfolio is created by the acquisition (and subsequent letting) of different types of property; and
- Emphasise the importance of periodically monitoring the performance of a real estate portfolio.

By the end of this module you should:

- Appreciate the reasons why ownership of real estate can be more complex and time consuming than ownership of a portfolio of stocks;
- Establish the investment objectives of a trust that includes real estate, whether for capital growth, rental income or low-risk investment, or indeed for non-investment purposes;
- Decide whether it is necessary (and, if so, how) to appoint a property investment manager and/or a managing agent;
- Set a benchmark to compare the investment performance of real property;
- Understand how a real estate portfolio is created by the acquisition (and subsequent letting) of commercial, agricultural and/or residential property; and
- Measure the investment performance of real estate held by trustees in terms of both net rental income and capital appreciation.

DIPLOMA IN INTERNATIONAL TRUST MANAGEMENT: TRUSTEES' DUTIES: INVESTMENT AND MANAGEMENT OF THE TRUST FUND

MODULE 12: MOVABLE CHATTELS

The purpose of this module is to:

- Review a trustee's duties in relation to, and some of the procedures involved in, accepting movable chattels into trust;
- Discuss whether a trustee is empowered to invest in the purchase of chattels and consider whether it is prudent to do so;
- Suggest ways to minimise risk when purchasing and transporting chattels;
- Discuss the acquisition of chattels for the purpose of enjoyment by a beneficiary; and
- Consider some of a trustee's special duties in relation to chattels held in trust.

By the end of this module you should:

- Appreciate the extent of a trustee's duty and the procedural mechanics involved in accepting movable chattels into trust or otherwise acquiring them by way of voluntary transfer and/or purchase;
- Establish whether you, as trustee, have the power to invest in the purchase of chattels and consider whether it is prudent to do so;
- Minimise the risks inherent in purchasing chattels and transporting works of art and antiquities across borders by checking that a seller is the true owner and ensuring that appropriate export licences are obtained;
- Establish when and in what circumstances a trustee may acquire chattels for the purpose of enjoyment by a beneficiary; and
- Comply with a trustee's special duties in relation to chattels, including:
 - The duty to prepare an inventory;
 - The duty to protect the chattels and keep them safe; and
 - The duty to insure.

DIPLOMA IN INTERNATIONAL TRUST MANAGEMENT: PRINCIPLES OF INTERNATIONAL TAX, AML AND COMPLIANCE

MODULE 1: PRINCIPLES OF RISK MANAGEMENT

The purpose of this module is to:

- explore risk management in context;
- examine what risk is and how to identify it;
- introduce risk strategy and how to analyse risk;
- review what types of risks most concern financial services businesses and how they affect them;
- explain what risk management is and how it can be put into practice;
- consider monitoring risk and why it is important; and
- discuss what is involved in reporting and review.

By the end of this module you should be able to:

- critically evaluate and discuss the basics of risk management;
- review and systemically assess examples of risks that are likely to affect a financial services business;
- provide a comprehensive summary of the importance of identifying, analysing, managing, monitoring, reporting and communicating risk;
- reflect on the importance of risk culture and what problems there may be for a business which fails to inculcate an appropriate risk culture throughout its staff;
- analyse how regulatory and conduct risk affect financial services businesses, including how anti-money laundering (AML) and combating the financing of terrorism (CFT) compliance and other regulatory failures place a financial services business at risk;
- formulate a basic risk strategy and risk management plan; and
- articulate the importance of risk monitoring and review.

DIPLOMA IN INTERNATIONAL TRUST MANAGEMENT: PRINCIPLES OF INTERNATIONAL TAX, AML AND COMPLIANCE

MODULE 2: PRINCIPLES OF INTERNATIONAL TAX LAW I: INTRODUCTION

The purpose of this module is to:

- explain the term international tax;
- identify and discuss the main issues in international tax;
- introduce some of the basic concepts and terminology associated with international tax;
- explore what is meant by tax planning in the international arena;
- identify various types of domestic tax; and
- examine the meaning of the term 'residence' in relation to the taxation of individuals.

By the end of this module you should be able to:

- provide a comprehensive and detailed summary of the principles of tax and the different forms tax may take;
- demonstrate a deep understanding of the redistributive effect of tax;
- critically evaluate the significance of conflict of laws in relation to tax;
- articulate what role source and residence play in relation to tax and how residence is determined; and
- reflect on the importance of double taxation treaties in alleviating double taxation.

DIPLOMA IN INTERNATIONAL TRUST MANAGEMENT: PRINCIPLES OF INTERNATIONAL TAX, AML AND COMPLIANCE

MODULE 3: PRINCIPLES OF INTERNATIONAL TAX LAW II: INTERNATIONAL TAX LAW ISSUES AFFECTING COMPANIES, PARTNERSHIPS, TRUSTS AND FOUNDATIONS

The purpose of this module is to:

- explain the criteria used to determine the fiscal residence of companies;
- review the concept of central management and control in relation to companies;
- discuss the issues associated with changing the residency of a company;
- identify the domestic and international tax issues associated with different types of partnerships;
- explain the concept of the taxation of trusts;
- compare the taxation treatment of different types of trust; and
- summarise the tax treatment of foundations.

By the end of this module you should be able to:

- demonstrate a comprehensive and analytical understanding of the principles of taxation in relation to companies, partnerships, trusts and foundations;
- critically evaluate the significance of conflict of laws in relation to taxation;
- demonstrate a deep understanding of how revenue collectors onshore try to prevent tax avoidance by their citizens, by means of withholding tax (the classical system) and the imputation system of tax collection;
- reflect on what role source and residence play in relation to tax and how residence is determined; and
- provide a comprehensive and detailed summary of some of the tax planning opportunities that arise in connection with the residency of companies and the source of their income and profits, and different methods of taxation.

DIPLOMA IN INTERNATIONAL TRUST MANAGEMENT: PRINCIPLES OF INTERNATIONAL TAX, AML AND COMPLIANCE

MODULE 4: PRINCIPLES OF INTERNATIONAL TAX LAW III: COMPULSORY DISCLOSURE OF TAX RELATED INFORMATION

The purpose of this module is to:

- explain the purpose and historical context of CRS;
- instruct you, as a trust and corporate services provider, on how to comply with FATCA; and
- ensure you can comply with CRS.

By the end of this module you should be able to:

- provide a comprehensive and detailed summary of the purpose and historical context of FATCA and CRS;
- comply with the reporting requirements imposed by FATCA; and
- comply with the reporting requirements imposed by CRS.

DIPLOMA IN INTERNATIONAL TRUST MANAGEMENT: PRINCIPLES OF INTERNATIONAL TAX, AML AND COMPLIANCE

MODULE 5: ANTI-MONEY LAUNDERING I: PROCEEDS OF CRIME

The purpose of this module is to:

- explain the concept of money laundering from a global perspective;
- explain the theoretical laundering process, namely the three stages of placement, layering and integration;
- review international initiatives to control money laundering and examine some common themes;
- examine different anti-money laundering (AML) models;
- enable you to comply with your statutory duties in relation to customer due diligence (CDD) and reporting suspicious activities;
- compare the AML provisions enacted in the jurisdiction where you work with international standards; and
- provide a background to your understanding of the subject, which will be developed further in Module 6.

By the end of this module you should be able to:

- appreciate the problems caused by money laundering from a global perspective;
- identify the three stages of the theoretical money laundering process, namely placement, layering and integration;
- review international initiatives to control money laundering;
- comply with the AML provisions in force in the jurisdiction where you work or have a substantial connection;
- fulfil your statutory duty in relation to CDD and suspicious activity reporting; and
- appreciate common themes running through AML initiatives in relation to detection, investigation and prosecution of offenders.

DIPLOMA IN INTERNATIONAL TRUST MANAGEMENT: PRINCIPLES OF INTERNATIONAL TAX, AML AND COMPLIANCE

MODULE 6: ANTI-MONEY LAUNDERING II: COUNTER TERRORIST FINANCING, TAX EVASION AND CIVIL LIABILITY

The purpose of this module is to:

- review international initiatives that counter terrorist financing;
- examine the methodologies typically used to finance terrorism and explain the CDD and duty to disclose required in relation to such financial transactions;
- continue our in-depth analysis of money laundering, with emphasis on the laundering the profits derived from tax evasion;
- explore a service provider's civil liability for assisting another to launder the proceeds of a breach of fiduciary duty; and
- review the principles of dishonest assistance.

By the end of this module you should be able to:

- identify the hallmarks of terrorist financing and be able to comply with your CDD and disclosure requirements in relation to such funds;
- understand the importance of getting to know your client, your client's business and the source of your client's wealth and the funds used in the transaction to avoid the risk of incurring both criminal and civil liability;
- appreciate that, in certain contexts, money laundering not only includes the laundering of the proceeds of crime, but also the profits that derive from tax evasion;
- comply with your statutory duties in relation to disclosures when the predicate crime is tax related;
- understand the AML/CTF requirements that apply in the jurisdiction where you work or have some connection and compare the same with international standards;
- understand the risk to a company which is found to facilitate tax evasion; and
- evaluate the liability incurred by service providers who assist third parties in laundering the proceeds of a breach of fiduciary duty for dishonest assistance and constructive trusteeship.

DIPLOMA IN INTERNATIONAL TRUST MANAGEMENT: PRINCIPLES OF INTERNATIONAL TAX, AML AND COMPLIANCE

MODULE 7: ANTI-MONEY LAUNDERING III: UNEXPLAINED WEALTH ORDERS, CIVIL FORFEITURE OF THE PROCEEDS OF CRIME AND SANCTIONS 175

The purpose of this module is to:

- examine Unexplained Wealth Orders to enable you to know when and how to respond to one;
- explain how a trust fund may be subject to criminal and civil forfeiture;
- define and describe sanctions and explore who has power to impose them; and
- enable you, as a trustee or corporate services provider, to comply with applicable sanctions and not inadvertently breach same.

By the end of this module you should be able to:

- demonstrate a deep understanding of the consequences of a UWO and know when and how to respond to one;
- critically evaluate when and in what circumstances a trust fund may be subject to criminal and civil forfeiture;
- provide a comprehensive and detailed summary of the consequences of the imposition of economic sanctions when money is transferred across the globe; and
- comply with the requirements of sanctions imposed on offshore financial institutions.

DIPLOMA IN INTERNATIONAL TRUST MANAGEMENT: PRINCIPLES OF INTERNATIONAL TAX, AML AND COMPLIANCE

MODULE 8 COMPLIANCE I: THE REGULATION OF FINANCIAL SERVICES PROVIDERS

The purpose of this module is to:

- examine the rules which apply to the professional conduct of STEP members;
- examine the philosophy of, and rationale for, the regulation of financial services;
- review the legal process of authorisation and standard setting;
- explore the different sources of regulation and standard setting;
- discuss the main developments which have shaped our thinking on financial regulations; and
- review the regulatory models that apply in certain jurisdictions and the role of international compliance bodies.

By the end of this module you should be able to:

- critically evaluate and discuss the need for regulation of professional service providers;
- review and systematically assess the responsibilities the STEP Code of Professional Conduct places on STEP members, including specifically confidentiality and conflicts of interest;
- demonstrate a deep understanding of the need for regulation of financial services and the main models that apply;
- reflect on how some of the scandals and banking failures of the past have shaped the current regulatory regime; and
- provide a comprehensive and detailed summary of the main legislative and regulatory provisions that are likely to apply in any given jurisdiction.

DIPLOMA IN INTERNATIONAL TRUST MANAGEMENT: PRINCIPLES OF INTERNATIONAL TAX, AML AND COMPLIANCE

MODULE 9: COMPLIANCE II: THE REGULATION OF TRUST AND COMPANY MANAGEMENT SERVICES PROVIDERS

The purpose of this module is to:

- review the international initiatives relating to the regulation of fiduciary business, summarise their recommendations and explore the rationale behind them;
- examine how the provision of trusts, foundations and company services have been regulated in most offshore financial centres; and
- analyse the concept of transparency and how this affects the provision of trusts, foundations and company services.

By the end of this module you should be able to:

- critically evaluate recent international initiatives relating to the regulation of trustee and company management business;
- demonstrate a mature and analytical understanding of how the provision of trustee and company management services is regulated by licensing requirements and how such provision is supervised and enforced; and
- scrutinize the concept of transparency, why it is desirable and how it may be achieved.

DIPLOMA IN INTERNATIONAL TRUST MANAGEMENT: PRINCIPLES OF INTERNATIONAL TAX, AML AND COMPLIANCE

MODULE 10: COMPLIANCE III: CONFIDENTIALITY AND COMPULSORY DISCLOSURE OF INFORMATION

The purpose of this module is to:

- introduce the concept of confidentiality and how it affects a trustee;
- explore when and in what circumstances a trustee is required to disclose trust-related information to the beneficiaries of a trust;
- explore the duty of a trustee to account, including the requirement to keep accurate accounting records and to prepare annual financial statements;
- review when and under what circumstances a trustee is obliged to disclose trust documents and other information as part of the trustee's public duties; and
- consider how data protection legislation affects a trustee when holding and retaining personal information of the beneficiaries.

By the end of this module you should be able to:

- demonstrate a deep understanding how and why the duty of confidentiality arose and how it affects the provision of financial services;
- comply with a trustee's duty to provide trust-related information to beneficiaries;
- comply with a trustee's duty to account, appreciate how such duty is satisfied and the penalty for breaching the duty;
- evaluate when and in what circumstances a third party related to the trust, such as the settlor, enforcer or the protector, is entitled to trust accounts and other information relating to the trust;
- comply with your public duty to disclose documents and other information relating to the trust to the regulator, the money laundering authority and/or the courts; and
- articulate the basics of data protection legislation and how this may, or may not, affect a trustee's disclosure requirements.

DIPLOMA IN INTERNATIONAL TRUST MANAGEMENT: PRINCIPLES OF INTERNATIONAL TAX, AML AND COMPLIANCE

MODULE 11: COMPLIANCE IV: INTERNATIONAL TRANSPARENCY INITIATIVES – FATF, EU AND OECD

The purpose of this module is to:

- summarise the impact of the beneficial ownership registers on offshore trust and company providers;
- explain the rationale behind and the differences between the EU's Fourth Anti-Money Laundering Directive (4MLD), its Fifth Anti-Money Laundering Directive (5MLD) and its Sixth Anti-Money Laundering Directive (6MLD);
- outline the features of the OECD's BEPS Action Plan and its impact on offshore financial centres;
- describe the activity of transfer pricing and how the measures under BEPS are designed to counter it;
- identify the possible impact of the UK's DOTAS regime on service providers in offshore financial centres; and
- list the tests that demonstrate whether a company has economic substance in a particular jurisdiction under the EU substance rules.

By the end of this module you should be able to:

- provide a comprehensive and detailed summary of the harmful tax practices which the FATF, OECD and EU have attempted to prevent by measures outside of CRS;
- review and systematically assess the rationale behind and features of the EU's 4MLD, 5MLD and 6MLD;
- demonstrate a mature understanding of how the beneficial owner registers impact offshore financial centres; and
- critically evaluate and explain what is meant by 'entities in scope' and 'relevant activities' under the EU economic substance provisions.

CONTACT US

For full details of the programme visit:

www.cltint.com/step-diploma-ITM

If you have any queries please contact us:

Email: cltinternational@centlaw.com

Phone: +44 (0) 121 362 7733

CLT International

6th Floor | Fort Dunlop | Fort Parkway

Birmingham | B24 9FD | United Kingdom