

NZ trust law to change – What does it mean to you?

March 2018

Trust law in New Zealand is undergoing significant change.

The new law will apply to old and new trusts, although there will be a transitional period for existing trusts to adapt to certain parts of the new law.

The proposed changes will make trust law more accessible. It will clarify and simplify core trust principles and the essential obligations for the trustees.

The new law will include:

- a description of the key features of a trust to help people understand their rights and obligations
- a description of the mandatory and default trustee duties to help trustees understand their obligations. These will include:
 - duty to know terms of trust
 - duty to act in accordance with terms of trust
 - duty to act honestly and in good faith
 - duty to act for benefit of beneficiaries or to further permitted purpose of trust
 - duty to exercise powers for proper purpose
- trustees' requirements for managing trust information and disclosing it so that the beneficiaries are aware of their position
- flexible trustee powers, allowing trustees to manage and invest trust property in the most appropriate way
- provisions to support cost-effective establishment and administration of trusts (such as clear rules on the variation and termination of trusts)
- options for removing and appointing trustees without having to go to the court to do so

In light of the above, it is important to understand, and where appropriate, action the changing rights and obligations. So give us a call, or drop us an email, if you would like more information regarding the above. We are more than happy to explain the impact the changes to the law may have on you and your affairs.

If you would like more information regarding the above, or have any questions, please contact us.

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