



*Press release, April 9, 2013*

## **Ensuring the legitimate use of trusts**

**Over centuries trusts have been used as efficient and flexible instruments, as valid solutions for both personal as well as commercial issues. The Swiss Association of Trust Companies SATC aims to safeguard the integrity of the sector in Switzerland.**

Trusts and companies are predominantly used in perfectly appropriate and compliant ways by people with legitimate intentions, but obviously also can be misused by people with dishonest objectives. The tax treatment of assets held through a trust is often wrongly considered to be a central reason for the creation of a trust, though in reality it is more a consequence to be examined on a case by case basis depending on the respective residence of the settlor/beneficiaries.

Even though Switzerland does not have a substantive trust law, trusts are accepted and recognized within the Swiss legal system, since Switzerland has ratified the Hague Convention on the Law Applicable to Trusts and their recognition in 2007. Further, a circular letter of the Swiss tax conference published in 2007 describes in detail the tax rules applicable to trusts. The decisive factor for the taxation is how the trust has been set up.

### **Clear rules**

Since the foundation in 2007, the members of SATC have committed themselves to ascertain compliance of their organizations with laws and rules. These rules are defined in SATC's by-laws and further guidelines.

As financial intermediaries, trustees are subject to the anti-money laundering rules applicable in Switzerland. In addition, SATC and its members are actively promoting a business regulation of the trust industry. The proposals of SATC are contained in a White Paper which can be downloaded from SATC's website (<http://www.satc.ch/04-0-downloads.htm>). SATC and its members have engaged themselves to ensure a high level of quality, professionalism and integrity in the trust business in Switzerland.

### **Contact**

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**Additional information on SATC as well as the position paper governing the rules of trust services may be obtained under [www.satc.ch](http://www.satc.ch).**

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