



TRUSTEES: ITCHING TO KNOW ABOUT FLEE CLAUSES?

Trusts in 2 Minutes
20 April 2020

What is a flee clause?

If 'X' trigger event happens the trust assets, trusteeship and forum for the trust administration will automatically be transferred to another 'safe' jurisdiction.



What are we fleeing from?

Example trigger events:

- Natural disaster
- Breakdown of law and order
- Imposition of government control or new taxation rules



COVID consequences?

Does your trust have a flee clause?

Potentially emergency powers enacted into law could adversely impact the ability of the trustees to administer the Trust Fund or carry out their powers and duties.

Is the disruption caused by current circumstances caught by the terms of a flee clause in the Trust Deed?



Keep calm and carry on

Flee or emergency clauses are fairly rare and largely untested.

It will be interesting to see if any clauses do exist which could be caught by the COVID situation and, if so, if the 'safe' jurisdiction is in fact itself caught.

In these uncertain times it is even more important for trustees to review the terms of their trusts, ensure they have robust minute and record keeping policies and review the strength of indemnity, exoneration and anti-Bartlett provisions.



Contact Details

Annemarie Hughes
Director

annemarie@dq.im

+44 1624 632965

For further information, please get in touch

www.dq.im • +44 1624 626999 •  

Disclaimer

The information and/or opinions contained in this note is necessarily brief and general in nature and does not constitute legal or taxation advice. Appropriate legal or other professional advice should be sought for any specific matter. Any reliance on such information and/or opinions is therefore solely at the user's own risk and DQ Advocates Limited (and its associates and subsidiaries) is not responsible for, and does not accept any responsibility or liability in connection with any action taken or reliance placed upon such content.