The Remuneration Trust (RT)

To protect your personally owned assets, use the **Remuneration Trust.**

You can use the **Remuneration Trust** if you are:

- A Company
- Self-employed
- A Partnership

The assets held within the **Remuneration Trust** are protected **from Income Tax, Capital Gains Tax and Inheritance tax.**

This planning uses statutory reliefs.

- Used successfully since 1994.
- The Trust is structured so that Part 7A (Disguised Remuneration) cannot apply.

The funds never physically leave the UK. A Fiduciary Services Agreement with the Trust will enable you to manage the funds in your own UK tax exempt *Personal Management Company*.

Your *Personal Management Company*
Is a simple English incorporated company. Use any available name. You are the shareholder and director. You are the signatory on the UK bank account.
Your PMC:

- can use fiduciary funds to invest and trade in anything
- is exempt from tax on profits and gains
- can lend money to you
- has no value in its shares, so they pass IHT free in your Will.

This gives you tax free wealth: but with personal control.

<u>Fees</u>

- Future Income protected is charged at 10%, as it arises to the trust.
- Trustee Fees are £400 per annum per trust

TECHNICALS

Structure

(1) Client makes Contribution of £X to RT.
(2) RT has "Tardis" clauses. Upon any enquiry by HMRC, trust is automatically void, and a new trust (with the same assets) is created.
(3) RT is – by definition – outside Part 7A.
(4) Trust delegates management of assets to UK PMC.
(5) Profits and gains arising from such assets are exempt from UK tax: s.6 CTA 2009.
(6) The client is director & shareholder of PMC. Therefore, client has (in that capacity) effective control over those assets.

Fiduciary Note

A UK resident fiduciary company is not subject to tax:

> CTA 2009
>
> **6 Profits accruing in fiduciary or representative capacity**
>
> (1)A company is not chargeable to corporation tax on profits which accrue to it in a fiduciary or representative capacity except as respects its own beneficial interest (if any) in the profits.
>
> (2) The exception under subsection (1) from chargeability does not apply to profits arising in the winding up of the company.

IHT Note

(1) The PMC files Dormant Company accounts.
(2) The shares in the PMC are worth £0. That is so, by definition. It is a Fiduciary company. It does not own (in its own beneficial behalf) those assets.
(3) Thus (by definition) when the client passes the PMC shares in his will, those shares have £0 value in his death estate.

Tax Note

(1) All of the above is sophisticated, but not contentious.
(2) HMRC has been aware of this Planning for over 25 years.
(3) HMRC has never suggested that any of this constitutes 'avoidance'. It is using statutory reliefs, in exactly the way intended. The PMC technology transforms the effective client utility of those reliefs. HMRC has equally known of the PMC structure for a quarter of a century. Never once has HMRC sought to challenge any aspect of it. Because there is nothing challenge.