



香港信託人公會  
Hong Kong Trustees' Association

## Hong Kong Trustees' Association

### Trust Training Certificate Course Part B (stream 2)

There are 7 units in stream 2.

The elective unit of International Taxation Part 2 (Unit 12) is not included in the course offering.

Unit	Module	Learning Objective	Outline
11 - International Taxation Part 1	M17: Tax with regard to Trusts, Settlers & beneficiaries	<p>This module aims to impart an overview of the tax effect to trusts and their settlors and beneficiaries, and how settlors and beneficiaries are impacted by HK tax compared with other jurisdictions of domicile and nationality.</p> <p>At the end of the module students will</p> <ul style="list-style-type: none"> <li>i) Understand the key elements of where taxation arises</li> <li>ii) Explain these key elements of taxation and the key triggers</li> <li>iii) Be able to compare HK and other key jurisdictions of China, US &amp; UK in regard to tax on settlors and beneficiaries.</li> <li>iv) Explain how residence may affect tax for individuals</li> </ul>	<p><b>Tax with regard Trusts, Settlers &amp; Beneficiaries</b></p> <p>(a) General application:</p> <ul style="list-style-type: none"> <li>- Persons involved (Settlor/Founder and Beneficiaries)</li> <li>- Retention of assets and income without IEPS</li> <li>- Transfer of assets to a Trust/Foundation</li> <li>- Future income, benefits and assets derived from the structure.</li> </ul> <p>(b) The triggers for taxation:</p> <ul style="list-style-type: none"> <li>- Nationality</li> <li>- Domicile</li> <li>- Residence</li> <li>- Source</li> </ul> <p>(c) Domicile of origin</p> <ul style="list-style-type: none"> <li>- dependency</li> <li>- choice</li> <li>- deemed</li> </ul> <p>(Comparisons between UK, USA and China)</p> <p>(d) Residence of individuals &amp; The tests:</p> <ul style="list-style-type: none"> <li>- Quantitative (183 days)</li> <li>- Quantitative (over more than one tax year)</li> <li>- Qualitative (connections with the country)</li> </ul>



Unit	Module	Learning Objective	Outline
			<ul style="list-style-type: none"> <li>- Reverse qualitative (connections with another country)</li> <li>- Mixed qualitative and quantitative (Comparisons between Australia, Canada, France, Singapore, UK, USA)</li> </ul>
11 - International Taxation Part 1	M18 - Tax With regard to assets	<p>Students will learn the effect of tax on assets in various jurisdictions and how they may apply under a trust structure</p> <p>At the end of the module students will</p> <ul style="list-style-type: none"> <li>i) Understand the key elements impacting where taxation arises on assets</li> <li>ii) Explain the key elements of taxation and the key triggers on assets for various jurisdictions</li> <li>iii) Be able to compare HK and other key jurisdictions of China, US &amp; UK in regard to tax on assets</li> </ul>	<p><b>Tax With regard to assets</b></p> <ul style="list-style-type: none"> <li>(a) Nature – situs – recipient</li> <li>(b) Tax and funds – issues for HK funds</li> <li>(c) Tax and retirement schemes in HK</li> <li>(d) Exemptions &amp; Reliefs:               <ul style="list-style-type: none"> <li>- Nature of assets/property</li> <li>- PPR</li> <li>- Business property</li> <li>- Agricultural property</li> </ul> </li> </ul> <p>[Comparisons between Hong Kong, Australia, Canada, UK and USA]</p> <p>(e) Recipient – surviving spouse – charities</p>



Unit	Module	Learning Objective	Outline
17 – Trusts and Issues for PRC Nationals	M26: Trusts and issues for PRC nationals	<p>This module is aimed at students who are dealing with PRC nationals and their estate planning issues. It covers some specific issues such as multi-jurisdictional assets and dual tax nationalities.</p> <p>At the end of this unit Students will ;</p> <ul style="list-style-type: none"> <li>i) understand how PRC trust law compares with trust law in common law jurisdictions;</li> <li>ii) understand the reasons why Chinese clients wish to make foreign trusts and the types of trust which they require;</li> <li>iii) be aware of and list the challenges of compliance for Chinese clients;</li> <li>iv) be able to explain the consequences of dual nationality of Chinese clients with regard to trusts and assets;</li> <li>v) understand how Chinese taxation specifically impacts Chinese clients as Settlers and as Beneficiaries.</li> </ul>	<p><b>Trusts and Issues for PRC nationals</b></p> <ul style="list-style-type: none"> <li>(a) PRC trusts compared with common law trusts</li> <li>(b) Types of trusts required</li> <li>(c) Challenges of compliance requirements, KYC, AML, SOF etc</li> <li>(d) Specific issues of dual nationality and consequences</li> <li>(e) US Foreign grantor trust</li> <li>(f) Trusts and PRC nationals - onshore versus offshore PRC trusts and compliance considerations</li> <li>(g) Overview of Tax provisions               <ul style="list-style-type: none"> <li>- RPC nationals as Settlers and Beneficiaries (including implications of the new PRC tax law)</li> <li>- PRC settlors with US beneficiaries</li> <li>- EBTs and tax consequences for employees</li> </ul> </li> </ul>



Unit	Module	Learning Objective	Outline
18- Trusts for Security arrangements, commercial and employee benefit needs	M27: Some commercial uses of trusts	<p>This module covers some other key commercial and employee benefit uses of trusts and the role of the trustees.</p> <p>After studying this module students should be able to :</p> <ul style="list-style-type: none"><li>i) Understand the structure and purpose of the various trusts (escrow, REITS, employee benefit, pre IPO) and their uses</li><li>ii) Identify the various parties to each of these trusts and explain what their role is</li><li>iii) Explain and compare when these types of trusts are needed and would be a suitable vehicle for a client</li><li>iv) List any key elements that must be present for these different types of trusts</li><li>v) Be able to list the advantages of Pre IPO Founder trusts</li><li>vi) Understand and explain the structure and tax implications of an employee share/option trust</li></ul>	<p>This Module concentrates on trusts for broader commercial uses which include:</p> <ul style="list-style-type: none"><li>1. Trusts as escrow arrangements</li><li>2. Trusts to provide for security – “Quistclose Trusts”</li><li>3. Trusts for security in litigation</li><li>4. Business trusts</li><li>5. Real Estate Investment Trusts (REITS)</li><li>6. Employee benefit &amp; medical scheme trusts</li><li>7. Pre IPO founder share trusts</li><li>8. Employee share/option plan trusts and their structure and tax implications</li></ul>



Unit	Module	Learning Objective	Outline
19 – Collective Investment Schemes - Part 1 Private Arrangements	M28: Collective Investment Schemes - Part 1 Private Arrangements	<p>In this module students will learn of the variety of vehicles available for collective investment schemes (“CIS”) in HK, their key provisions, regulatory requirements and when they are most appropriate as an investment vehicle. HK CIS vehicles will be compared with other jurisdictions, with a primary focus on the Cayman Islands.</p> <p>At the end of this Module, students should be able to :</p> <ul style="list-style-type: none"> <li>i) Understand and explain the key elements of what constitutes a Collective Investment Scheme (“CIS”), especially for private placement</li> <li>ii) Explain the differences between Unit Trusts (“UT”), Open-ended Fund Companies (“OFC”) and Limited Partnership Funds (“LPF”) in the context of private CIS, the documentation involved, as well as the relevant regulatory obligations</li> <li>iii) Explain the key parties necessary for UTs, OFCs and LPFs as well as their roles and licensing requirements</li> <li>iv) Comparison of private CIS in Hong Kong to Private Funds in the Cayman Islands</li> </ul>	<p><b>Collective Investment Schemes – Part 1 Private Arrangements</b></p> <p>The nature and use of Collective Investment Schemes (“CIS”) in form of:</p> <ul style="list-style-type: none"> <li>a) Unit Trust (“UT”)</li> <li>b) Open ended Fund Companies (“OFC”)</li> <li>c) Private Funds (Cayman)</li> </ul> <p>In respect of the ( UT’s, OFC’s PF’s):</p> <ul style="list-style-type: none"> <li>• Regulations and Regulatory requirements in respect of private placement and differences (comparison of jurisdictions HKvs Cayman)</li> <li>• Parties to each</li> <li>• Trustee &amp; Directors duties thereto,</li> <li>• Licensing and restrictions</li> <li>• Important drafting provisions</li> <li>• General administrative requirements</li> </ul>



Unit	Module	Learning Objective	Outline
20 – Collective Investment Schemes - Part 2 Public Offering Arrangements	M29: Collective Investment Schemes - Part 2 Public Offering Arrangements	<p>Students will learn about HK specific regime for “funds” (being Unit Trusts or OFCs) compared with Mutual Funds and the key issues for trustees to be aware of.</p> <p>At the end of the module students will</p> <ul style="list-style-type: none"> <li>i) Explain the differences between UT’s OFC’s and MF</li> <li>ii) Be able to list the parties required for these three types of public CIS’s</li> <li>iii) Explain in depth the role of Trustees</li> <li>iv) Describe in overview the role of the other parties</li> <li>v) Understand the regulatory regimes in HK for UT’s and OFC’s</li> <li>vi) Be aware of offshore jurisdiction licensing regimes for funds</li> <li>vii) Understand the basic concepts of UCITS and MRF’s.</li> </ul>	<p><b>Collective Investment Schemes – Part 2 Public Arrangements</b></p> <p>In regard to Unit Trusts, Mutual Funds &amp; Open ended Fund Companies (OFC) :</p> <ul style="list-style-type: none"> <li>(a) Differences between UT, MF &amp; OFC and HK’s regime (Code on Unit Trust &amp; Mutual Funds , OFC Code)</li> <li>(b) Parties to each               <ul style="list-style-type: none"> <li>- Trustee,</li> <li>- Director</li> <li>- Distributor</li> <li>- Investment Manager/Investment Advisor</li> <li>- Custodian/ Sub-Custodian</li> </ul> </li> <li>(c) Roles, responsibilities of Trustees with overview of other parties</li> <li>(d) Regulations and Regulatory requirements</li> <li>(e) An overview of non-Hong Kong funds (such as funds from the Cayman Islands, Luxembourg, and Ireland) which are offered to the Hong Kong public.</li> </ul>



Unit	Module	Learning Objective	Outline
21- HK Mandatory Retirement Scheme Trusts – MPF	M30: Trusts as Compulsory Retirement Schemes - MPF	<p>In this module students learn about mandatory MPF schemes which are established under a trust structure. The module covers the regulatory and reporting requirements for the schemes, trustees and sponsors/employers.</p> <p>At the end of this module students will be able to :</p> <ol style="list-style-type: none"> <li>i) List the basic rules and provisions for MPF schemes</li> <li>ii) Explain the different types of MPF schemes</li> <li>iii) Describe the licensing and compliance requirements of MPF schemes and Trustees</li> <li>iv) Understand the role and licensing and requirements for Custodians, Sponsors, Intermediaries, Investment Products)</li> <li>v) Describe the reporting requirements under AML,FATCA, CRS</li> <li>vi) Explain the tax arrangements on MPF schemes and contributions</li> <li>vii) Understand the mandatory arrangements in Australia and Singapore as a comparison</li> </ol>	<p><b>Trusts as Compulsory Retirement Schemes – MPF :</b></p> <p>(a) HK MPF retirement schemes</p> <ul style="list-style-type: none"> <li>- MPF Regulations</li> <li>- Basic provisions of MPF retirement schemes in HK (including contributions, participation and exemptions from participation, Constituent Funds, APIF's, DIS)</li> <li>- Different types of MPF schemes</li> <li>- Licensing and compliance requirements of MPF schemes and Trustees, (and summary overview of licensing and requirements for Custodians, Sponsors, Intermediaries, Investment Products)</li> <li>- Administration requirements and reporting to MPFA &amp; Others e.g. scheme members by trustees</li> <li>- General Reporting Requirements under (AML, FATCA,CRS)</li> <li>- Tax with regard to HK MPF schemes</li> </ul> <p>(b) International mandatory pension plans comparison (Singapore &amp; Australia)</p>



Unit	Module	Learning Objective	Outline
22 – HK Private Retirement Scheme Trusts - ORSO	M31: Trust as Private/Voluntary Retirement Schemes - ORSO	<p>In this module students learn about ORSO voluntary savings schemes which are established under a trust structure. The module covers the scheme rules and differences, compliance and regulatory and the reporting requirements for the schemes, trustees and sponsor employers.</p> <p>At the end of this module students will be able to :</p> <ul style="list-style-type: none"> <li>i) Understand the basic requirements of ORSO schemes</li> <li>ii) Explain the different types of ORSO schemes</li> <li>iii) Describe the obligations and responsibilities of employers and trustee under ORSO schemes</li> <li>iv) Describe the administrative and reporting requirements of ORSO schemes</li> <li>v) Explain the tax position of ORSO scheme and contributions and benefits</li> </ul>	<p><b>Trust as Private/Voluntary Retirement Schemes – HK ORSO schemes</b></p> <ul style="list-style-type: none"> <li>(a) Overview of ORSO retirement schemes in HK</li> <li>(b) Different types of ORSO schemes</li> <li>(c) Basic requirements for ORSO schemes</li> <li>(d) Obligations and responsibilities of employers &amp; Trustee under ORSO scheme.</li> <li>(e) Administration and reporting requirements</li> <li>(f) Tax allowances with regard to HK ORSO plans and distributions</li> </ul>