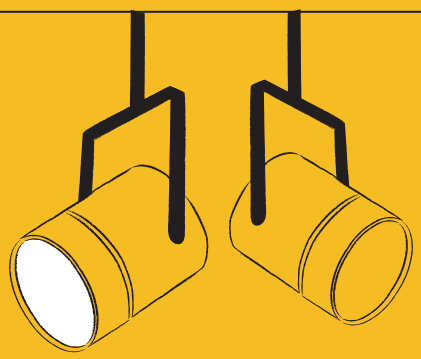
Spotlight

Protectors of Jersey Trusts



Protectors play a significant role in the administration of discretionary trusts in Jersey, adding an additional layer of oversight and protection.

They balance the powers of trustees and safeguard the interests of beneficiaries.

A Protector is an individual or entity appointed within a trust structure to supervise and, in some cases, influence trustee decisions. Their role is outlined in the trust deed, providing specific powers and duties.

There is no legal requirement to appoint a protector when creating a trust. It is up to the settlor (ie. the creator of the trust) to decide whether they wish to have one and who to appoint, it could be the settlor themselves, a beneficiary, professional or third party.

The Trusts (Jersey) Law 1984 provides a supportive framework for the establishment and operation of trusts, although, there is no statutory definition of a Protector. A Protector has also been described as an adviser, appointed person, appointor, supervisor or guardian.

KEY FUNCTIONS:

Protectors act as overseers, ensuring that trustees fulfil their duties according to the trust deed and the Trusts Law.

The position of Protector gives rise to a fiduciary relationship, meaning that he/she will owe a duty of care to the beneficiaries.

A protector may have the authority to reject certain decisions or give prior consent to specific key actions by the trustee, such as making distributions of capital or amending the terms of the trust.

Protectors ensure that the trust's objectives align with the beneficiaries' best interests. This includes monitoring distributions, investment decisions, and addressing conflicts of interest.

The powers granted to Protectors can vary widely, ranging from broad discretion to specific veto rights. The most common protector power is to appoint and remove the trustees of the trust.

Jersey trusts offer flexibility in tailoring the Protector's role to meet the unique needs of the trust and its beneficiaries.

The trust deed typically outlines the process for appointing and removing a Protector. In some cases, the settlor may reserve the right to appoint or remove the Protector, or the power may be granted to another party.

Jersey emphasises confidentiality in trust matters, and the identity of Protectors is generally kept private. This confidentiality ensures a level of privacy for the trust's affairs.

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