



## Syllabus

# STEP Advanced Certificate in Administration of Trusts (England and Wales)



[www.step.org/diploma](http://www.step.org/diploma)

# Administration of Trusts

## Introduction

This document contains the detailed syllabus for the STEP Advanced Certificate in Administration of Trusts (England and Wales).

For more information about the course and how to apply, please visit the programme website: [www.cltint.com/courses/step-advanced-certificate-in-administration-of-trusts](http://www.cltint.com/courses/step-advanced-certificate-in-administration-of-trusts)



# Administration of Trusts

## Module 1

### DEFINING AND CLASSIFYING TRUSTS

#### **This module covers:**

- How common law and equitable principles developed
- The essential features of a trust
- The relationship of the parties to a trust
- The nature of a beneficiary's equitable interest
- The fiduciary relationship between trustee and beneficiary
- The classification of trusts
- Different types of trust
- The uses of trusts today

#### **By the end of this module you should be able to:**

- Explain the relationship between common law and equity
- Distinguish between legal and equitable rights
- Describe the nature of a beneficiary's equitable interest
- Appreciate how the trust concept has been allowed to develop
- Define the relationship between the settlor, trustees and beneficiaries of a trust
- Explain what is meant by a fiduciary relationship
- Describe the nature of the duties owed by a fiduciary to their principal
- Identify different types of trust
- State the ways in which trusts are used today

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## Module 2

### THE REQUIREMENTS FOR THE CREATION OF A VALID TRUST

#### **This module covers:**

- The 'three certainties'
- The requirements for creating various kinds of trust

#### **By the end of this module you should be able to:**

- Describe the requirements necessary to create a valid trust
- Apply the three certainties of intention, subject matter and objects
- Identify that the settlor must have capacity to create the trust
- Explain that any declaration of trust of land must be evidenced in writing
- Appreciate that any disposition of an equitable interest must be made in writing
- Describe the creation of fully and half-secret trusts

## Module 3

### THE RULES AGAINST PERPETUITIES AND ACCUMULATIONS

#### **This module covers:**

- The rules against perpetuities and accumulations under both common law and statute

#### **By the end of this module you should be able to:**

- Identify which perpetuity regime applies to a trust
- Identify that a trust does not offend the rules against perpetuities and accumulations

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## Module 4

### FIXED INTEREST TRUSTS

#### **This module covers:**

- Life interest trusts
- Protective trusts
- Trusts of land
- Accumulation and maintenance trusts
- Trusts for minors
- Simple or bare trusts
- Will trusts and trusts on intestacy

#### **By the end of this module you should be able to:**

- Explain and differentiate between different fixed interest trusts
- Appreciate the rights of beneficiaries of different kinds of trust, and the limitations on those rights

## Module 5

### DISCRETIONARY TRUSTS

#### **This module covers:**

- The key features of discretionary trusts, including:
  - The choice of the trustee
  - The use of a letter of wishes
  - The rights of beneficiaries
  - Asset protection trusts

#### **By the end of this module you should be able to:**

- Explain the key features of discretionary trusts, including:
  - The choice of the trustee
  - The use of a letter of wishes
  - The rights of beneficiaries
  - Asset protection trusts

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## Module 6

### VULNERABLE BENEFICIARY TRUSTS

#### **This module covers:**

- The nature and types of vulnerable beneficiaries
- The types of vulnerable beneficiary trust that will qualify for special treatment

#### **By the end of this module you should be able to:**

- Explain who will qualify as a disabled beneficiary
- Understand the two different types of disabled person's trust and their requirements
- Explain who will qualify as a bereaved minor or beneficiary of an 18-25 trust
- Explain the requirements of bereaved minor's and 18-25 trusts

## Module 7

### RESULTING TRUSTS

#### **This module covers:**

- The nature and types of implied and resulting trusts
- The situations where a resulting trust will arise

#### **By the end of this module you should be able to:**

- Identify the nature and types of implied and resulting trusts
- Analyse the situations where a resulting trust will arise
- Explain what happens on the failure of an express trust
- Explain what happens on the failure to divert the whole beneficial interest
- Explain the position on purchase in the name of another
- Describe the position on transfer into the name of others

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## Module 8

### CONSTRUCTIVE TRUSTS

#### **This module covers:**

- The nature of a constructive trust
- The situations where a constructive trust can arise
- The principle of proprietary estoppel

#### **By the end of this module you should be able to:**

- Understand the nature of a constructive trust
- Identify the situations where a constructive trust can arise
- Analyse the nature of the fiduciary relationship
- Understand the impact of a stranger's intermeddling with trust property
- Determine the extent of the 'dishonest assistance' principle
- Explain the consequences of fraudulent dealing with trust property
- Explain the principles behind the concept of mutual wills
- Outline the principle of proprietary estoppel
- Appreciate the uncertainties surrounding determination of ownership rights in property for cohabitees

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## Module 9

### PURPOSE TRUSTS

#### **This module covers:**

- Why trusts established to benefit a purpose rather than persons are invalid
- The exceptions to the general rule
- The main features of a charitable trust

#### **By the end of this module you should be able to:**

- Explain the reasons why trusts established to benefit a purpose rather than persons are invalid
- Identify the exceptions to the general rule, namely:
  - An anomalous group of private trusts of imperfect obligation
  - Trusts in favour of incorporated associations
  - Valid charitable trusts
- Outline the main features of a charitable trust
- Provide a working definition of a charity
- Evaluate the content of charitable trusts
- Explain the extent of public benefit required for a trust to be classified as charitable
- Describe the operation of the cy-près doctrine
- Understand how charities are administered
- Outline the advantages of charitable status



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## Module 10

### PRINCIPLES OF THE TAXATION OF TRUSTS

#### **This module covers:**

- The impact of taxation on the main types of trust

#### **By the end of this module you should be able to:**

- Describe the impact of taxation on the main types of trust, including
  - Inheritance tax
  - Capital gains tax
  - Income tax

## Module 11

### THE OFFICE OF TRUSTEE

#### **This module covers:**

- The role of the trustee
- How trustees are appointed
- The rules on retirement and removal of trustees

#### **By the end of this module you should be able to:**

- Describe the responsibilities of the trustee
- Explain who can act as a trustee
- Explain how trustees are appointed
- Specify some special types of trustee
- Set out the rules on retirement and removal of trustees
- Describe how property is vested in new trustees

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## Module 12

### FIDUCIARY AND GENERAL DUTIES OF TRUSTEES

#### **This module covers:**

- General duties of a trustee
- Trustees' duties in respect of investment of trust assets
- Trustees' duties of conversion, apportionment and distribution

#### **By the end of this module you should be able to:**

- Identify the key duties of trustees
- State the trustees' duties in respect of investment of trust assets
- Outline the trustees' duties of conversion, apportionment and distribution

## Module 13

### POWERS OF A TRUSTEE

#### **This module covers:**

- Fiduciary powers
- How fiduciary powers should be exercised
- Trustees' general powers

#### **By the end of this module you should be able to:**

- Explain the general principles applicable to the exercise of trustees' decision-making powers
- Explain how trustees should comply with fiduciary obligations and meet appropriate standards of care
- Identify the extent of trustees' powers of:
  - maintenance
  - advancement
  - appointment
  - appropriation
- Outline the trustees' other general powers

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## Module 14

### BREACH OF TRUST

#### **This module covers:**

- The alternative actions that a trustee may take when faced with an anticipatory breach of trust
- The general principles of liability governing a breach of trust

#### **By the end of this module you should be able to:**

- Explain the alternative actions that a trustee may take when faced with an anticipatory breach of trust
- Describe the general principles of liability governing breach of trust
- Explain how courts measure loss in breach of trust cases
- Describe the extent to which a trustee may be indemnified or receive contribution from co-trustees
- Explain the potential defences that may be raised by a trustee who is being sued for breach of trust
- Outline the remedies available to courts to rectify loss resulting from a breach of trust
- Explain the proprietary remedy of tracing

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## Module 15

### VARIATION OF TRUSTS, REMEDIES FOR MISTAKE AND SETTING TRUSTS ASIDE

#### **This module covers:**

- The indirect ways in which a variation of the terms of a trust can be made without having recourse to the assistance of the court
- The rules governing the court's inherent jurisdiction to vary a trust
- The court's jurisdiction to remedy mistakes in relation to the creation of trusts and dispositions
- The circumstances in which the courts will set aside a trust on the grounds of public policy

#### **By the end of this module you should be able to:**

- Explain the indirect ways in which a variation of the terms of a trust can be made without having recourse to the assistance of the court
- State the rules governing the court's inherent jurisdiction to vary a trust
- Explain the use of statutory provisions to vary a trust
- Explain when a court can rectify a trust instrument
- Understand the basis for equitable mistake
- Understand what is meant by the rule in *Hastings-Bass*
- Outline the circumstances in which the courts will set aside a trust on the grounds of public policy
- Describe the rules governing trusts that are designed to evade creditors

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## Module 16

### TRUST ADMINISTRATION: REGISTRATION, REMUNERATION AND THE TRUSTEE INDEMNITY FOR EXPENSES

#### **This module covers:**

- The types of trust that need to be registered with the trust registration service (TRS)
- The trusts which are excluded from the requirement to register
- The information required to register trusts with the TRS
- The rules governing trustee remuneration and reimbursement for expenses

#### **By the end of this module you should be able to:**

- Identify which trusts need to be registered with the TRS and what information needs to be provided
- Explain the basis of trustee remuneration
- Identify the extent of a trustee's right of indemnity

# Contact us

**For full details of the programme visit:**

[www.cltint.com/courses/step-advanced-certificate-in-administration-of-trusts](http://www.cltint.com/courses/step-advanced-certificate-in-administration-of-trusts)

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