

A Personal Trust is flexible and the most effective instrument for tax planning, asset protection and their conveyance by inheritance. Trust is not a legal entity and its registration is not necessary. A trust is a particular way of contract relations where three sides participate:

- Settlor
- Trustee
- Beneficiary

The main trust document is a trust deed. According to this deed the settlor transfers the assets (shares of captive companies, real estate, investment portfolios and so on) he owns to the trustee (natural person or legal entity). Subject to the conditions determined by several settlors, the trustee is required to manage these assets in behalf of the beneficiary (owner of final interest). The settlor can appoint himself and/or other parties as the beneficiary. The beneficiary can receive the profit from trust assets according to trust deed conditions. The trustee earns the reward but has no right to receive the profit from the assets used. The trust's goal can be to receive the maximum profit or perform other instructions of the settlor.

Depending on the trust deed conditions:

- The trust can be revocable or irrevocable
- It is possible to transfer the assets directly to the beneficiary.
- A protector can be appointed (The protector has the right to control the actions of the trustee and replace one trustee with other)