

# Discounted Gift Trust (Discretionary Trust)

Please use black ink and CAPITAL LETTERS or tick  as appropriate. Any corrections must be initialled. Please don't use correction fluid as this will invalidate your application.

## Some information before you start

Information and references to law, legislation and tax treatment in this document and any accompanying brochure or other literature are based on Prudential and Prudential International's understanding of current law and legislation and HM Revenue & Customs practice. All of these are liable to change without notice and are likely to change in future. Any tax reliefs referred to are those currently available and may be subject to change and can depend on individual circumstances. Every care has been taken as to accuracy, but it must be appreciated that Prudential, Prudential International and their representatives cannot accept responsibility for loss, however caused, suffered by any person who has acted or refrained from acting as a result of any accompanying material published in or in conjunction with this draft trust instrument or from the use of the trust instrument itself. Full terms and conditions are available on request from Prudential or contact your financial adviser for more details.

Neither The Prudential Assurance Company Limited and Prudential International Assurance plc can accept responsibility for the use of this draft form as its suitability depends upon each investor's own individual, separate circumstances. Before considering the use of any part of this form, the investor(s) should discuss matters with their professional legal adviser(s).

### Trustees – Trust Registration Service (TRS) requirements

By completing this form it means that you must comply with the requirements under the Trust Registration Service (TRS).

Before you start to complete the process, we recommend that you read this guide which will help you understand what is required: [mandg.com/pru/adviser/trs](https://mandg.com/pru/adviser/trs)

- **IMPORTANT:** We will only be able to action your request when we have a complete and accurate Proof of Registration of the trust or the exemption reason, otherwise we will not be able to proceed further with your request and may face a delay in actioning your request.
- A copy of the Proof of registration document dated within the last 30 days will need to be sent to us along with this form unless there is an exemption.
- All details of the trust on the TRS (such as trustees, beneficiary classes and named beneficiaries) must match what's held on the trust document.
- If you need more general information, further details can be found at [gov.uk/guidance/register-a-trust-as-a-trustee](https://gov.uk/guidance/register-a-trust-as-a-trustee)

### Irish Central Register of Beneficial Ownership of Trusts (CRBOT) and Internal Trust Register

Prudential International Assurance (PIA) Bonds (with the exception of Prudential Onshore Portfolio Bond\*):

You'll need to register the trust on the Irish Central Register of Beneficial Ownership of Trusts (CRBOT). You also need to maintain an Internal Trust Register (ITR) and provide evidence of CRBOT and ITR to PIA.

If you need more information on CRBOT more details can be found on our website at: [mandg.com/adviser/crbot](https://mandg.com/adviser/crbot)

\* For Prudential Onshore Portfolio Bond, please follow the UK TRS requirements in the above box.

## Questions about this form?

If you have any questions while completing this application:

### Advisers

- in the first instance, get in touch with your usual Prudential contact
- or please contact us on the relevant number in the table below.

We might record your call for training and quality purposes.

### Policyholders

- please speak to your Financial Adviser

Product	Return address	Contact number
Prudential Investment Plan	Prudential, Lancing BN15 8GB	0808 234 0808
International Portfolio Bond	Prudential International Assurance, PO Box 5177, Worthing BN11 9HJ	0345 072 2009
Prudential International Investment Bond	Prudential International Assurance, PO Box 13395, Chelmsford CM99 2GH	0808 234 2200

## How to return this form

Please return to the relevant address in the table above.

## Section 1 – The Trust

This Declaration of Trust is made between the Settlor(s) of the one part and the Original Trustees of the other part with the intention that the “Trust Fund” will be held by the Trustees for the benefit of the Settlor(s) (to the extent of the Settlor’s rights to the regular payments shown in Section 3) and the Beneficiaries on the terms set out in the Trust Provisions of this document. The Settlor hereby declares that he intends (and has made an application to Prudential/Prudential International on the basis) that immediately upon its coming into existence he shall hold the Policy upon bare trust and as nominee for the Original Trustees who shall in turn hold their interest in the Policy upon with and subject to the Trust’s powers and provisions set out in this Declaration of Trust.

## Section 2 – The Policy (the Trust Fund)

Company: The Prudential Assurance Company Limited and/or Prudential International Assurance plc please delete as appropriate.

Type of Policy

Date of Application

D	D	M	M	Y	Y	Y	Y
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Please put the date of the application for the policy you wish to put into trust.

## Section 3 – Details of the Settlor’s rights to payments

### Settlor

The “Settlor” is the person who is creating the Trust. If two persons are creating the Trust (e.g. husband and wife) they will both be Settlers and the “Settlor” will then mean both of them and the survivor of them. If two persons are creating the Trust (e.g. husband and wife) while both Settlers are alive each shall be entitled to a sum equal to half the amount of each payment. During the life of the survivor of the Settlers the survivor shall be entitled to the whole amount of each payment.

You must enter a fixed amount. Once selected, the amount and frequency cannot be changed. Complete a) and b) below.

#### a) Amount

How much is **each payment** to be?

#### b) Frequency

How often do you wish to receive your payments? (Please tick the relevant box below)

- Every month
- Every three months
- Every four months\*
- Every six months
- Every year

\* Only available for Prudential Investment Plan.

You don’t need to complete the regular withdrawal instructions contained in the product application form. The information you provide in this form is how we will set up the regular withdrawals, regardless of any other information provided.

## Section 4 – Additional Beneficiaries

### 1. Beneficiaries

For single Settlor trusts, the Settlor's spouse is included in the list of Beneficiaries unless the following box is signed by the Settlor.

Signature

This provision shall not exclude the Settlor's widow(er) from being a beneficiary.

### 2. Additional Discretionary Beneficiaries (full names or description, address and date of birth)

This should only be completed if you want to extend the standard list of Beneficiaries contained in Part 2 of the Trust Provisions. If you are adding Beneficiaries please make sure you identify them in a way that makes it clear who they are.

Do not add or include the Settlor(s)' name(s) as Beneficiaries. No person who is a Settlor may be a Beneficiary.

## Section 5 – Signatures & date: to be completed and signed by the Settlor(s), additional Trustees and Witnesses

### Important note – There must be at least one Additional Trustee for single Settlor trusts.

Please ensure that this document is executed in accordance with the legal requirements in the place where it is executed and the law governing the Trust. If a company is a Trustee the Trustee Company's common seal may be required as well as the signature of an Officer or Officers of the Trustee Company.

All witnesses must be over the age of 18 and independent of the trust – not a Settlor, additional Trustee or beneficiary.

In Witness Whereof the parties have executed this document as a Deed on: 

D	D	M	M	Y	Y	Y	Y
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If you are applying for a new policy, this date must not be a date before the application date shown in Section 2.

#### (1) The Settlor (the person(s) who is creating this Trust)

##### (a) Signed as a Deed by the Settlor named below:

Signature

Name

Address

  

##### In the presence of the Witness named below:

Signature

Name

Address

  

Leave 1(b) below blank if there is only one Settlor

##### (b) Signed as a Deed by the Settlor named below: (if there are two Settlers):

Signature

Name

Address

  

##### In the presence of the Witness named below:

Signature

Name

Address

  

#### (2) The Additional Trustee(s) (the person(s) who will be the Initial Trustee(s) of the Trust with the Settlor)

##### (a) Signed as a Deed by the Additional Trustee named below:

Signature

Name

Address

  

##### In the presence of the Witness named below:

Signature

Name

Address

**Section 5 – Signatures & date: to be completed and signed by the Settlor(s), additional Trustees and Witnesses – continued**

Leave 2(b) below blank if there is only one Additional Trustee

**(b) Signed as a Deed by the other Additional Trustee named below:**  
(if there are two Additional Trustees)

**In the presence of the Witness named below:**

Signature

Signature

Name

Name

Address

  

Address

  

If there are more than two additional trustees, please photocopy this form and return it to us when returning this declaration form.

## Trust Provisions – definitions

In this Trust the following expressions shall have the following meaning and unless the context does not permit the singular shall include the plural and vice versa and words denoting any gender shall include all genders.

### 1. The Settlor(s)

“**The Settlor**” means the person who is shown as the Settlor in Section 5.1. If two persons are shown as Settlers in Section 5.1: “**Settlor**”, “**Settlers**” and “**Settlor(s)**” mean those persons.

### 2. Beneficiaries

“**The Beneficiaries**” means:

- (a) The children and remoter descendants of the Settlor and includes adopted or illegitimate children and remoter descendants.
- (b) The children and remoter descendants of any spouse or widow(er) of the Settlor.
- (c) Any persons or class of persons or object shown in Section 4.2.
- (d) The spouses and widow(er) of the Beneficiaries at (a) and (b) above.
- (e) Any spouse of the Settlor unless the box in Section 4.1 has been signed.
- (f) Any widow(er) of the Settlor.
- (g) Any additional discretionary beneficiaries included at Section 4.2.

### 3. Trustees

The “**Additional Trustee(s)**” means the person(s) shown as Additional Trustee(s) in Section 5.2. The “**Original Trustees**” means the Additional Trustee(s) and the Settlor (both Settlers if there are two Settlers). The “**Trustees**” means the Original Trustees or the Trustees of the Trust for the time being. A “**Trust Company**” means a company carrying on a business which consists of or includes the management of Trusts.

### 4. Civil Partner

“**Civil Partner**” has the same meaning as in Section 1 of the Civil Partnership Act 2004.

### 5. Spouse

“**Spouse**” includes a Civil Partner.

### 6. Widow/Widower

“**Widow/Widower**” of a person includes the individual who was the Civil Partner of that person immediately before that person’s death.

### 7. The Company

The “**Company**” means the company indicated in Section 2.

### 8. The “Policy”

The “**Policy**” means the life insurance policy or bond (and if more than one each policy or bond) issued pursuant to the application(s) referred to in Section 2.

### 9. The Trust Fund

The “**Trust Fund**” means:

- (1) all the benefits rights and interest of the Trustees in the Policy and all money assured by or payable under it; and
- (2) all property from time to time representing the above.

### 10. The Settlor’s Rights

The Settlor’s rights shall be as defined in Clause 1 of the **Trust Provisions**.

### 11. The Beneficiaries’ Fund

The “**Beneficiaries’ Fund**” means the Trust Fund less the Settlor’s Rights.

### 12. The Trust Period

The “**Trust Period**” means the period of 125 years beginning with the date shown in Section 5. That is the perpetuity period applicable to this Trust under the rule against perpetuities.

### 1. The Settlor's Rights

#### 1.1 The Settlor's Right to Regular Payments from the Trust Fund

- (1) From the moment the Trust comes into being the Settlor(s) shall, subject to being alive on the date payment becomes due, have an absolute and indefeasible right to regular payments of capital from the Trust Fund. The amount of each payment and the frequency of the payments shall be as specified in Section 3.
- (2) If two persons are shown as Settlers in Section 5 while both Settlers are alive each Settlor shall have a right to half the amount of each regular payment specified in Section 3 (provided that where there are two Settlers who have contributed unequal amounts to the Trust, each Settlor shall have an entitlement to such proportion of each regular payment as reflects the proportion of the total contribution to the trust made by such Settlor) and during the life of the survivor of the Settlers the survivor shall have a right to the whole amount of each regular payment specified in Section 3.
- (3) The Settlor's right to regular payments shall cease on death (or the earlier expiration of the Trust Period).
- (4) The Settlor(s) shall have no right to increase the amount or frequency of the payments specified in Section 3 and shall have no rights or interests in, to or over the income or capital of the Trust Fund apart from the payments specified in Section 3.
- (5) The first of the regular payments for the Settlor(s) shall become due according to the commencement date of the Trust.

#### 1.2 Bare Trust of the Settlor's Rights

The Trustees shall hold the Settlor's Rights described in 1.1 above on bare trust for the Settlor(s) absolutely.

### 2. The Trustees' Overriding Powers

#### 2.1 The Powers

The Trustees shall have the powers set out below in respect of the Beneficiaries' Fund (the "Overriding Powers"). These Overriding Powers shall be subject to the restriction at 2.5 and shall be exercisable only:

- (1) during the Trust Period; and
- (2) at a time when there are at least two individual Trustees or the Trustee is a Trust Company.

#### 2.2 Power of Appointment

- (1) The Trustees may appoint that they shall hold the Beneficiaries' Fund and the income thereof or any part of the Beneficiaries' Fund and the income thereof for the benefit of any of the Beneficiaries on such terms as the Trustees think fit.
- (2) An appointment may create any provisions and in particular an appointment may create:
  - (a) discretionary trusts
  - (b) dispositive powers
  - (c) administrative powersexercisable by any person.
- (3) Any appointment shall be made by deed and may be revocable or irrevocable.

#### 2.3 Power to add or exclude Beneficiaries

- (1) The Trustees may add a person or a class of persons (other than the Settlor(s)) to the Beneficiary class provided the addition is requested or agreed to in writing by the Settlor (or by one of the Settlers if there are two Settlers) or if no Settlor is living by at least two persons who are already Beneficiaries and at least 18 years old.
- (2) The Trustees may exclude a person or class of persons from being or becoming Beneficiaries in relation to the Trust Fund or in relation to any specified part of the Trust Fund.
- (3) Any exercise of this exclusionary power shall be made by Deed and may be revocable during the Trust Period or irrevocable.
- (4) If there is any change in the parties to the trusts eg any trustees or beneficiaries (including class of beneficiaries) change or a letter of wishes is received, the trustees must notify Prudential of the changes, the date it became effective and within 14 days from the date any of the trustees became aware of the change.

#### 2.4 Power of advancement

Subject to the Settlor's rights in clause 1, the Trustees may pay any Trust Property to any of the Beneficiaries for the advancement or benefit of the Beneficiary or Beneficiaries concerned.

### 2.5 The Overriding Powers subject to Settlor's Rights

None of the Overriding Powers shall be exercisable in any way that would reduce the value (whether directly or indirectly) or extent (whether directly or indirectly) of the Settlor's Rights to capital under clause 1.1 above or otherwise impede, or negate or adversely affect the ability of the Trustees to meet payments arising in respect of the Settlor's Rights as they become due. This restriction shall cease on the Settlor's death (the last death if there are two Settlers).

### 3. No Additions to the Trust Fund

No money or other property shall be added to the Trust Fund while the Settlor is alive (or while either of the Settlers is alive, if there are two Settlers).

### 4. Shortfall

If at any time there is a shortfall [that is to say, if at any time the value of the Trust Fund is less than the amount of a payment due to the Settlor(s)] the Settlor's right to a capital payment from the Trust Fund will be limited to the value of the Trust Fund at that time. The Trustees will not be personally liable to the Settlor(s) in any way for any such shortfall.

### 5. Trust Income

Subject to the Trusts in clause 1 and the Overriding Powers in clause 2,

5.1 The Trustees may accumulate the whole or part of the income of the Beneficiaries' Fund (if any). That income shall be added to the Beneficiaries' Fund

5.2 The Trustees shall pay or apply the remainder of the income to or for the benefit of any Beneficiaries, as the Trustees think fit, during the Trust Period.

### 6. Default Trusts

Subject to the Overriding Powers and the Trusts in clauses 1 and 5, the Beneficiaries' Fund and income thereof shall be held on trust for the benefit of any one or more of the Beneficiaries and in such shares (or wholly to one) and for such interests as the Trustees may during the Trust Period appoint. Subject to and in default of any appointment at the end of the Trust Period the remaining Trust Fund shall be distributed absolutely between the children, grandchildren and great grandchildren of the Settlor that are still living in equal shares per stirpes. Subject to that if no such persons are living to any company, body or trust established for charitable purposes only.

### 7. Exclusion of the Settlor

Subject strictly to the Settlor's Rights in clause 1 hereof:

The Trust Fund shall be possessed and enjoyed to the entire exclusion of the Settlor and of any benefit to him by contract or otherwise and no provision of this Settlement and no discretion or power shall operate so as to allow any of the capital or income of the Trust Fund to become payable to or applicable for the benefit of the Settlor in any circumstances whatsoever.

If there are two Settlers this exclusion applies to both of them.

### 8. Appointment, Retirement and Dismissal of Trustees

- (1) The power of appointing Trustees shall be exercisable by:
  - (a) the Settlor while living and of full mental capacity (and if there are two Settlers this shall mean both Settlers jointly while they are both alive, and then the Survivor).
  - (b) the Trustees (after the death of the Settlor or the Survivor).
- (2) Any Appointment of New Trustees or retirement of existing Trustees shall be by Deed.
- (3) Part II of the Trusts of Land and Appointment of Trustees Act 1996 shall not apply to this Settlement.
- (4) The Settlor, while living and of full mental capacity, may dismiss by deed any Trustee provided there remains at least one Trustee who is not the Settlor or the Settlor's spouse.
- (5) (a) Where the Settlor is alive and of full mental capacity, any Trustee may retire provided there remains at least one Trustee who is not the Settlor or the Settlor's spouse.  
(b) Where the Settlor has died or is not of full mental capacity and provided there is not a single Trustee, any Trustee may retire.

### 9. The Governing Law

This declaration of Trust is irrevocable and shall be governed by the Law of England and Wales.

### Administrative Provisions

- (1) The Trustees may administer the Trust Fund for the benefit of the Beneficiaries in whatever manner they may determine and to that end shall have the widest possible powers (which they may exercise or omit to exercise from time to time at their absolute discretion) of managing and dealing with the Trust Fund and of carrying out any transaction in connection therewith in all respects as if the Trustees were the absolute beneficial owners thereof.
- (2) Without prejudice to the generality of paragraph 1, the Trustees shall have the power:
  - (i) to invest any money requiring investment in any property of whatever nature (including any policies of assurance or capital redemption contracts) and wherever situated whether producing income or not and upon such security (if any) as the Trustees shall in their absolute discretion think fit.
  - (ii) to borrow money on such terms as to interest repayment and otherwise as they may think fit and whether upon the security of the whole or any parts of the Trust Fund or upon personal security only.
  - (iii) to delegate any power or powers in making, managing, realising or otherwise dealing with any property included in the Trust Fund to any person or persons (but excluding the Settlor or the Settlor's spouse) upon such terms as to remuneration or otherwise as the Trustees may think fit and no Trustee shall be responsible for the default of any such agent if the Trustees in question employed or incurred expense in employing him in good faith.
  - (iv) to pay or transfer any capital or income to be paid to or applied for the benefit of a Beneficiary who is under a legal disability to any parent or guardian of that Beneficiary or to such person on behalf of such Beneficiary as the Trustees shall think fit and the receipt of such person shall be a complete discharge to the Trustees who shall be under no obligation to see to the proper application thereof.
- (3) The Trustees shall have the power by deed or deeds revocable during the Trust Period or irrevocable wholly or partly to release or restrict the future exercise of any power hereby conferred on them as if the same were not conferred on them in a fiduciary capacity and so as to bind their successors.
- (4) The Trustees shall have power to deal with any policy of assurance or insurance as if they were the absolute owners of it and in particular may surrender, convert or exchange the same in whole or in part and exercise any power of election or option under a policy and borrow on its security and the receipt by the Trustees for any money payable under the said policy shall be a full and sufficient discharge.
- (5) Trustees' Remuneration  
A Trustee (other than the Settlor or Settlor's spouse) carrying on a business which consists of or includes the management of Trusts or advising Trustees may charge for work done by him or his firm in connection with the trust.
- (6) Liability of Trustees  
A Trustee shall not be liable for a loss to the Trust Fund unless that loss was caused by his own fraud or negligence.

## How we use your personal information

To understand how and why we use your personal information (including any sensitive personal information) that we collect from you, who we may share it with and your rights around your personal information you can review a copy of our Data Protection Notices:

- [pru.co.uk/mydata-dc](https://pru.co.uk/mydata-dc) in respect of The Prudential Assurance Company Ltd bonds;
- [pru.co.uk/mydata-pia](https://pru.co.uk/mydata-pia) in respect of Prudential International Assurance plc bonds and;
- [pru.co.uk/mydata-piaon](https://pru.co.uk/mydata-piaon) in respect of Prudential International Assurance plc, UK Branch bonds;
- [pru.co.uk/mydata-ipb](https://pru.co.uk/mydata-ipb) in respect of the International Portfolio Bond.

Alternatively, you can request a copy to be sent to you by writing to **The Data Protection Officer, Customer Service Centre, Lancing BN15 8GB** in respect of The Prudential Assurance Company Ltd bonds or for Prudential International Assurance plc bonds and Prudential International Assurance plc, UK Branch bonds by writing to **The Data Protection Officer, PO Box 13395, Chelmsford CM99 2GH**.

For International Portfolio Bond, please write to **Prudential International, PO Box 5177, Worthing BN11 9HJ**.

Please note that we only collect personal information from you that is necessary to provide you with the product or service you have requested. So while we will not use your personal information for all of the purposes set out in the Data Protection Notice, we may need to use it, for example, to contact you further about your request or for legal or regulatory purposes.

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