



A NEW SOLUTION

## Florida Family Trust Companies (FTCs)

Florida opens its doors to private trust companies

New Florida trust legislation came into effect on 1 October 2015. The legislation provides for the first time a framework for the effective operation within Florida of local family trust companies (also known as private trust companies, or PTCs). Rhône is working with families to facilitate the best use of this new highly flexible structure.

### US CONNECTION

The increase in the number of international families in need of a US domestic trustee is remarkable. Indeed it is becoming increasingly rare to find large families who do not have some significant connection with the US, such as a US resident family member, business or investment. Where there are connections to the US, complicated anti-avoidance rules can heavily penalise so called “foreign” structures. A US domestic trustee can be a vital tool to navigate these pitfalls.

### PRIME LOCATION

Until recently the options for a US domestic trustee were restricted to relatively remote States with limited international connections or infrastructure. The move by the Florida legislator to open up the State for business in this area is potentially a game changer.

### THE LEGISLATION

The Florida Family Trust Company Act establishes a statutory framework authorising the organisation, operation, and regulation of family trust companies (FTCs) in Florida. A Florida FTC can operate in the same way as a traditional offshore private trust company, with the notable difference that a FTC can be incorporated and controlled in Florida.

Florida is an attractive location for a family trust to be based. Advantages include:

1. A single Florida FTC can act as trustee of multiple family trusts, including acting both for US tax resident “domestic trusts” and for non-US tax resident “foreign grantor” and “foreign non-grantor trusts”.
2. A jurisdiction where clients and intermediaries actually spend time already, no need to go “offshore”.
3. Benefit from the longstanding international financial and legal expertise available in Miami.
4. Potential for simpler compliance and tax reporting.

As a result of these advantages clients are increasingly seeing Florida as the logical choice where a US trustee is required.

Rhône is well placed to assist clients with all aspects relating to the creation and operation of Florida FTCs. We may provide you with more information about the opportunities relating to this new Florida law and the operation of FTCs. If you have any questions relating to how best to establish and structure an FTC, please let us know.

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### Disclaimer

The information and comments contained herein are for the general information of the reader and are not intended as advice or opinions to be relied upon in relation to any particular circumstances. For particular application of the law to specific situations, the reader should seek professional advice.