



Teton Trust
Company

US Trusts and Other Asset Holding Structures

Trusts

Uniform Trust Code – approved in 2000

The first comprehensive Trust Act in the United States

A number of States have built on the UTC to develop some innovative trust laws



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Alaska, Delaware, Nevada, New Hampshire, South Dakota,
Wyoming, Florida and New York

The first five provide significant tax advantages, and a high
degree of privacy

And they have developed significant and original changes
to standard trust law



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- Directed Trusts
- Asset Protection Trusts
- Qualified Spendthrift Trusts
- Grantor Trusts
- Incomplete Non-grantor Trusts
- Elimination of the Rule against Perpetuities
- Mixed Charitable Trusts

Other Structures

LLCs

- Series LLCs
- Close Corporations
- Foundations



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Jurisdictional Risks

- FATCA
- The Common Reporting Standard
- Political pressure inside and outside of the US
- The IRS



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Recent Innovations

Foundations

- A foundation is a legal entity
- A foundation may be created for any lawful purpose
- It is created by a Founder, but assets may be contributed by any person
- Property rights in a foundation may be deferred in a variety of way
- The key document – the operating agreement, and most other information, is private
- Private Foundations may be formed in Wyoming and New Hampshire
- Foreign foundations may be migrated to these states.
- Forced heirship rules do not apply



Other Innovations

- Anti-force heirship
- Blockchain legislation
- Custody of digital assets



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The effect of Blockchain

Blockchain is a system protocol, deployed over a network of computers (a farm) allowing for a virtually incorruptible (and unhackable) database, by reason of the impossibility of obtaining sufficient information to access the block of data at any one time.



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Digital Assets

Digital assets are notional bundles of rights and obligations, contained in a block of data, which is only accessible by the case of a token (the equivalent of a bitcoin)



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The Swiss Financial Markets Supervisory Authority categorises digital tokens in 2018

- Payment tokens: what we call cryptocurrencies
- Utility tokens: tokens that give access to a digitally stored application or service
- Assets tokens: these can encompass assets such as company shares, bonds or derivations. These include physical assets that can be traded as a blockchain.



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Wyoming and Digital Assets

Wyoming has adopted a similar categorisation. Further, it has eliminated the need for ownership of these assets by a custodian.

Under Wyoming law investors in digital assets will still directly own their digital assets under custody as a bailment, which means they retain direct ownership while merely giving up control ⁽¹⁾



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⁽¹⁾ Caitlin Long – Forbes, 4 March 2019