

CHANGING THE TRUSTEE OF A TRUST



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So you've set up a Family Trust to provide protection to your house and assets. You've carefully hand-picked a responsible and trustworthy friend, with similar views to your own, to act as your Trustee. Now you can simply sit back, relax and forget about the management of your Trust? Wrong.

Consider this example:

Laura and Blair are a young and well achieving couple who decide to purchase a new home together. They make the wise decision to set up a Family Trust in order to transfer their new home into the name of the Trust. They pick their good mutual friend 'Dan' as Trustee.

A couple of years later when they decide to sell the property, they have since lost touch with Dan who has moved to the UK and joined the British Army. They urgently need his signature on the paperwork to the sell the property because Dan's name is on the title as an owner. Despite their desperate attempts, Dan is nowhere to be found.

Laura and Blair must now go to a great financial and time consuming lengths applying to the High Court to have Dan removed as a Trustee. All of this hassle

could have simply been avoided if Laura and Blair had consulted their lawyer when they knew of Dan's plans to migrate.

Generally removing or changing a Trustee of a Trust requires consulting a lawyer to carry out the following:

- (a) To obtain consent of the mortgagee (usually the bank) or to have new mortgage documents signed recording a replacement Trustee;
- (b) To ensure that the departing Trustee, current Trustee, and new Trustee sign a document to legally retire the departing Trustee and appoint a replacement;
- (b) Signing of forms to authorise the change of ownership on the title.

It is important to note that this process is the same in relation to any asset owned by the Trust i.e term deposits, company shares and life insurance policies.

20 MINUTE FREE

WANT to review your Family Trust structure? THEN call us and take advantage of our 20 Minute Free interview