

# Discretionary Discounted Gift Trust from Aviva

(for use by single or joint settlors)

**Guide to completing the Deed:**

To help make it easier to complete this Deed, look out for the instruction notes.

These notes are for guidance only and do not form part of the Trust Deed.



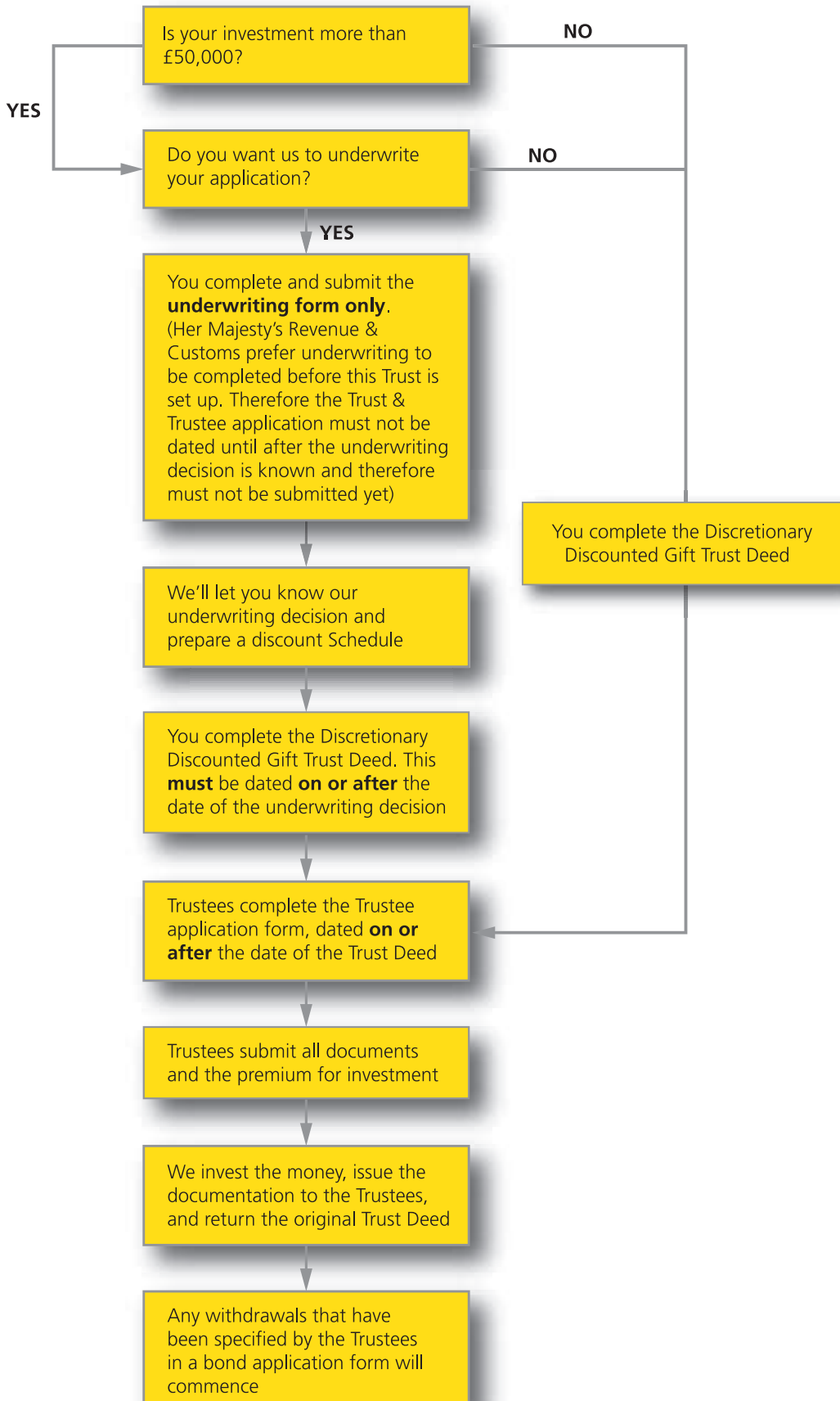
**Settlor retains right to regular payments**

# Discretionary Discounted Gift Trust

## New business application process for the Discretionary Discounted Gift Trust

This Trust is designed for use with Aviva investment bonds.

**Please note** to enable us to set up the Trust and make the appropriate investment(s), it's important that you follow the process below to ensure that all documents are correctly completed and submitted.



# Discretionary Discounted Gift Trust

## How to complete the Discretionary Discounted Gift Trust Deed

**Please note that creating a Trust can have legal and taxation consequences. You should consult your own professional advisers before continuing.**

Please complete the Trust Deed in ink and use block capitals (except for signatures) and always give full names (i.e. include middle names).

### Part A

1. Insert the date when the last person (Settlor or Trustee) signs the document. **Please note, if you have requested underwriting, you should not date the Trust or send it to Aviva until you have received the underwriting decision.**
2. The first or only Settlor should insert their full name alongside (Settlor 1 full name) and then their full address alongside (Settlor 1 address).
3. If there are two Settlers, then the second Settlor should insert their full name and their address alongside the appropriate (Settlor 2) sections.
4. Insert the full name and address of any Additional Trustee you are appointing alongside (full name of Trustee) and (address of Trustee). You are automatically a Trustee, so you don't have to include your own name again. The Trustees (including you) are responsible for administering the Trust.

**We strongly recommend that you appoint at least one Additional Trustee.**

### Part B Constitution of Trust

Put the total amount of cash you are giving to the Trust/Trustees in the box.

### Part C Definitions

**Default Beneficiaries.** Insert the names of the Beneficiaries (your children or grandchildren, for example) you want to benefit from the Trust after your death, and the share each is to receive. The shares must total 100%. These Beneficiaries will only benefit if no other appointment is made within the trust period (125 years). You should insert only names i.e. not a beneficiary clause.

### Part E Schedule

Insert the amount you want to get back for each payment.

Select only **one** of the payment frequency options by ticking either the **monthly or annual** option.

### Part G Signatures

1. You should insert your full name(s) alongside (Settlor 1 name) and (Settlor 2 name) as appropriate and sign the Trust Deed.
2. Your signature(s) should be witnessed by an independent Witness who is not party to the Trust (i.e. not a Settlor or a Trustee). That Witness' name and address should also be inserted.
3. Each Additional Trustee you are appointing should insert his/her name alongside (Original Trustee name), and sign alongside (signature of Original Trustee).
4. Each Trustee signature should be witnessed (as with the Settlor above) by an independent Witness.

### Important notes

1. Anyone thinking of using the Discretionary Discounted Gift Trust, or doing anything under the provisions of the Trust, must rely on the advice of their legal or financial advisers. We would urge you to seek appropriate professional advice before proceeding. This is important for a number of reasons:
  - Creating a Trust can have taxation as well as legal consequences.
  - Once the Trust has been created it cannot be revoked.
  - The Trustees have a special duty to the Beneficiaries and the misuse of a Trust power by a Trustee can make him/her personally liable for any resulting loss to the Beneficiary.
2. Any references to tax treatment for the Discretionary Discounted Gift Trust are based on Aviva's understanding of legislation and HM Revenue & Customs practice at the time of publication. Both of these are likely to change in the future, and a liability to tax may arise under an existing arrangement. Every care has been taken as to accuracy, but it must be appreciated that neither Aviva nor its representatives can accept responsibility for loss, however caused, suffered by any person who has acted or refrained from acting as a result of material published.

# Discretionary Discounted Gift Trust

## Trust Deed

### Part A

This Trust is made the

day of	20
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by (Settlor 1 full name)

--

of (Settlor 1 address)

postcode	

by (Settlor 2 full name)

--

of (Settlor 2 address)

postcode	

(hereinafter called 'the Settlor') of the one part.

And the Settlor

and (full name of Trustee)

--

of (address of Trustee)

postcode	

and (full name of Trustee)

--

of (address of Trustee)

postcode	

(hereinafter called 'the Original Trustees') of the other part.

Insert the date when the last person (Settlor or Trustee) signs the document. **If you have requested underwriting, you should not date the Trust or send it to Aviva until you have received the underwriting decision.**

The first or only Settlor should insert their full name and then their full address.

If there are two Settlers, then the second Settlor should insert their full name and address.

Insert the full names and addresses of any Additional Trustees you are appointing. You are automatically a Trustee, so you don't have to include your own name again. We strongly recommend that you appoint at least one Additional Trustee.

# Discretionary Discounted Gift Trust

## Trust Deed continued

### Part B Constitution of Trust

The Settlor intends to give the sum of £  to the Original Trustees (or where there are two Settlers each intends to give the sum of half that amount) and the Original Trustees agree to invest that sum in a single premium investment bond ("the Policy") with the Company.

Put the total amount of cash you are giving to the Trust/Trustees in the box.

### Part C Definitions

In this Deed the following terms have the following meanings and unless the context does not permit, words signifying the singular shall include the plural and vice versa and a gender shall include all genders (including the neuter).

- "Appointor"** means:
  - if there are two Settlers of full capacity, both Settlers;
  - if there is only one Settlor of full capacity, that Settlor;
  - if no Settlor is of full capacity, the Trustees (being at least two in number or a Trust Company).
- "Beneficiaries"** means the Default Beneficiaries (if any) and the Potential Beneficiaries.
- "Default Beneficiaries"** means the one or more persons named in the box below and in the shares specified and if there are no shares specified then in equal shares.

Beneficiary name	% Share

Insert the names of the Beneficiaries (your children or grandchildren, for example) you want to benefit from the Trust after your death, and the share each is to receive. The shares must total 100%. These Beneficiaries will only benefit if no other appointment is made within the trust period (80 years). You should insert only names i.e. not a beneficiary clause.

- "Potential Beneficiaries"** means:
  - any spouse, former spouse or widow(er) of any Settlor (but not where such person is also a Settlor);
  - any child or remoter descendant of any Settlor;
  - any spouse, former spouse or widow(er) of any such child or remoter descendant;
  - any person (other than a Settlor) or charity nominated in writing by a Settlor (and if there are two Settlers of full capacity both Settlers) to the Trustees to be a Potential Beneficiary;
  - any person (other than a Settlor) who has an interest in the estate of any Settlor by will or codicil, under intestacy rules, by right of survivorship or otherwise.
- "Trustees"** means the Original Trustees or other Trustees for the time being hereof.
- "Trust Fund"** means:
  - the Policy specified in the Part B Constitution above, and
  - all moneys, investments or other assets at any time paid or transferred to and accepted by the Trustees by way of further settlement, accumulation of income, capital accretion or otherwise and all property from time to time representing the foregoing respectively.
- "Trust Period"** means the period of one hundred and twenty five years commencing on the date of this Trust Deed.
- "Spouse"** includes a civil partner and "widow" or "widower" also includes a surviving civil partner.
- "Child or remoter descendant"** includes any illegitimate, step, adopted or legitimated child or remoter descendant.
- "Person"** includes a person anywhere in the world and includes a Trustee.
- "the Company"** means any company within the Aviva plc group of companies.

# Discretionary Discounted Gift Trust

## Trust Deed continued

### Part D Principal Trust terms

The Trustees shall hold the Trust Fund as two funds as set out below.

#### 1. The Settlor's Fund

The right to take the regular cash payments specified in the Schedule below by exercise of powers in the Policy or any substituted policy to make periodic surrenders ("the Settlor's Fund") shall be held on Bare Trust as follows:

- (a) If there is a single Settlor, for that Settlor absolutely; or
- (b) If there are two Settlers, for those Settlers as joint tenants absolutely.

The Trustees shall be obliged to make the regular cash payments described in the Schedule below in satisfaction of the Settlor's Fund and to do all such acts as may be necessary or desirable to secure their payment unless and until the value of the Trust Fund is insufficient to meet those payments. If at any time while the right to the payments subsists the Policy shall determine the Trustees shall employ any funds in their hands in taking out a replacement policy capable so far as possible as giving effect to the rights of the Settlor's Fund.

#### 2. The Beneficiaries' Fund

Subject always to the Settlor's Fund and the provisions of the Schedule below, the remainder of the Trust Fund ("the Beneficiaries' Fund"), being the whole of the Trust Fund excluding the Settlor's Fund, shall be held for the benefit of the Potential Beneficiaries as follows:

- a) During the Trust Period, the Appointor may by Deed or Deeds revocable or irrevocable appoint the whole or any part or parts of the Beneficiaries' Fund for such one or more of the Potential Beneficiaries in such one or more shares and for such interests as the Appointor shall in their absolute discretion think fit.
- b) An appointment may create any provisions and in particular discretionary Trusts and dispositive or administrative powers, exercisable by any person.
- c) A revocable appointment may only be revoked during the Trust Period.

#### 3. The Income of the Beneficiaries' Fund

- a) The Trustees may accumulate the whole or part of the income of the Beneficiaries' Fund during the Trust Period. That income shall be added to the Beneficiaries' Fund.
- b) The Trustees shall pay or apply the remainder of the income to or for the benefit of any Beneficiary.

#### 4. Default Clause

Subject to the above, the Beneficiaries' Fund shall be held on Trust for the absolute benefit of the Default Beneficiaries.

### Part E Schedule

The "Settlor's Fund" means the right to the capital payments specified below.

The specified capital amount is £  for each payment.

The specified frequency of the regular capital payment is:

- monthly starting on the 28th day of the month following the month in which the Trust Deed is dated, **or**
- every twelve months starting on the 28th day of the twelfth month following the month in which the Trust is dated

and ending with the payment immediately preceding the death of the Settlor or the death of the survivor where there are two Settlers.

(Please tick only **one** of the above options.)

Insert the amount to be made for each payment.

To meet the Settlor's requirements, please ensure you specify the required withdrawals on the application form.

Select only **one** of the payment frequency options by ticking either the monthly or annual option.

# Discretionary Discounted Gift Trust

## Trust Deed continued

### Part F Powers and provisions

1. In managing and dealing with the Trust Fund, the Trustees shall have the widest possible powers as if they were the absolute Beneficial owners thereof and were capable of carrying out any transaction whatever in connection with this Trust and without prejudice to the generality of the foregoing, the Trustees shall have the following specific powers provided always that none of the powers conferred by this clause shall be capable of being exercised in such a way as shall be inconsistent with their obligations under the Bare Trust created by Part D (1) and Part E Schedule (the Settlor's Fund):
  - (a) Power to effect any policy of life insurance on the life of any person or persons.
  - (b) Power to exercise all options conferred by any policy of life insurance.
  - (c) Power to sell, charge or assign any policy of life insurance and to surrender the whole or any part of such policy.
  - (d) Power to borrow money on such terms as they may think fit and whether upon the security of the whole or any part or parts of the Trust Fund or upon personal security only.
  - (e) Power to pay or transfer any capital or income to be paid to or applied for the benefit of a Beneficiary who is under legal disability to any parent or guardian of that Beneficiary on behalf of such Beneficiary 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.
  - (f) Power after the death of the Settlor (or the death of both Settlers where there are two Settlers) to lend with or without security to any Beneficiary the whole or any part or parts of the Beneficiaries' Fund upon such conditions as to interest (if any) and repayment and generally upon such terms as the Trustees in their absolute discretion think fit provided always that any such loan must be repayable during the Trust Period.
2. The statutory power of appointing new or Additional Trustees shall be vested in the Appointor.
3.
  - (a) Any Trustee hereof being a person engaged in any profession or business shall be entitled to charge and be paid the usual professional or proper charges for business transacted, time expended and acts done by such Trustee or any partners of such Trustee in connection with the aforesaid Trusts including acts which a Trustee not being in a profession or business could have done personally. Any Trustee being a Trust Company shall be entitled to remuneration and expenses in accordance with the provisions of its Trustee prospectus in force at the date of its appointment.
  - (b) Any Trustee hereof shall be entitled to retain any brokerage or commission which may be received personally or by such Trustee's firm in respect of any transaction carried out in connection with these Trusts for which such Trustee or Trustee's firm is in the normal course of business allowed such brokerage or commission notwithstanding that the receipt of such brokerage or commission was procured by an exercise by such Trustee or Trustees of his statutory or non-statutory powers.
  - (c) Any Trustee may exercise or concur in exercising all powers and discretions given to him by this Deed or by law notwithstanding that he has a direct or other personal interest in the mode or result of any such exercise but any of the Trustees may nevertheless abstain from acting except as a merely formal party in any matter in which he may be so directly or personally interested and may allow his one or more co-Trustees to act alone in relation thereto.
4. If there are two Settlers of full capacity both Settlers shall together have power to dismiss any Trustee by Deed giving 30 days' notice to such Trustee and if there is only one Settlor of full capacity that Settlor shall have that power provided always that no dismissal shall take effect unless and until there is at least a Trust Company or two individual Trustees to act as continuing Trustees.

# Discretionary Discounted Gift Trust

## Trust Deed continued

### Part F Powers and provisions continued

5. Where one Trustee ("the Missing Trustee") cannot be found and the other Trustees ("the Remaining Trustees") have made all reasonable efforts to trace him, the Remaining Trustees being not less than two in number or a Trust Company may by Deed discharge the Missing Trustee. A recital in that Deed stating that the Missing Trustee cannot be found and that the Remaining Trustees have made all reasonable efforts to trace him shall be conclusive evidence in favour of any person dealing with the Trustees in good faith.
6. During the Trust Period the Appointor may by Deed exclude any one or more persons from the Potential Beneficiaries to the intent that thereafter no Beneficial appointment may be made in favour of that person or those persons.
7. Notwithstanding any provision in this Deed no power conferred by this Deed or by law shall be exercisable, and no provision other than those contained in Part D (1) and Part E Schedule shall operate, so as to allow the Trust Fund or its income to be or to become lent to or in any way paid or payable to or applied or applicable for the benefit of any Settlor in any circumstances whatsoever.
8. This Deed is irrevocable and shall be governed by the law of England.
9. The Settlor certifies that this Deed falls within categories L and N of the Stamp Duty (Exempt Instruments) Regulations 1987.







Aviva

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