

ISSUED ON BEHALF OF THE SCOTTISH LAW COMMISSION
NOT FOR PUBLICATION OR BROADCAST
BEFORE 0001 HOURS 26 AUGUST 2014

REPORT ON TRUST LAW

The Scottish Law Commission has today published a major report recommending substantial reform of the law of trusts in Scotland. The legal framework governing trusts in Scotland is out of date and urgently in need of modernisation. The main statute on trust law dates from 1921. Our work is aimed at providing Scotland with a modern system of trust law. The project has involved a comprehensive review of the current law, and we have conducted extensive consultation as to what improvements should be made. In addition, we have looked at developments elsewhere in the world. The fact that a trust can be set up in any suitable jurisdiction has meant that many countries have recently updated their trust laws. The recommendations in the Report take full account of this, and our draft Trusts (Scotland) Bill will not only modernise the domestic law of trusts so as to bring it into line with current demands and expectations, but will also allow Scotland to compete more effectively in the global trusts world.

Lord Pentland, the Commission's Chairman, welcomed the Report, saying: "Trusts are used nowadays by a very wide range of people and organisations for a great variety of different purposes. They are common in wills, and pension funds and other investments are often held in trust. In addition, the commercial world depends on trusts as a flexible and effective means of doing business. This is particularly important for the financial services sector. Trusts are important also for families and companies. In our Report we make recommendations which will bring the current law up to date and will benefit all those using trusts in Scotland, whether professionals or lay people. We will continue to work to support the introduction of draft legislation on this subject into the Scottish Parliament."

NOTES TO EDITORS

1. The Scottish Law Commission was set up in 1965 to promote the reform of the law of Scotland. The Chairman is the Hon Lord Pentland, a Court of Session judge. The other Commissioners are Laura J Dunlop QC, Patrick Layden QC TD, Professor Hector L MacQueen, and Dr Andrew J M Steven. The Chief Executive is Malcolm McMillan.

2. Further information can be obtained by contacting Charles Garland, Scottish Law Commission, 140 Causewayside, Edinburgh EH9 1PR (Tel: 0131 668 2131, Fax: 0131 662 4900, email: info@scotlawcom.gsi.gov.uk).

3. The paper may also be viewed on our website at <http://www.scotlawcom.gov.uk/> or purchased from TSO (<http://www.tsoshop.co.uk/>).