

10. UNITED KINGDOM

10.1. General

What comes closest to the Austrian private foundation in the United Kingdom is the *trust*. This survey describes the most frequent forms of the *private family trust* as the legal form that is the most similar to the private foundation we know.

The persons involved are the *trustee*, the *beneficiary*, and the *settlor*. The settlor is the person who endows money, investments, land or buildings or other assets, such as paintings, to the trust. This may happen when the trust is formed or at a later point in time.

A trust is established by means of a *trust deed*. This may also be based on a final will. The *trustee* manages the assets endowed while the beneficiaries benefit in one form or another from these assets.

In the UK, there are different forms of trusts, such as:

- bare trusts
- interest in possession trusts
- discretionary trusts
- accumulation and maintenance trusts
- mixed trusts
- settlor-interested trusts
- non-resident trusts
- special trusts

10.2. Bare Trust

This trust form is also referred to as *simple trust*. In this form of trust, the beneficiary has immediate and full right of disposition to the assets and the income earned. The rights of the trustee under the name of which the assets are held are very limited. The trustee has no active obligations either.

Taxation

The beneficiary is personally taxed, that is, he or she is taxed as if the *bare trust* did not exist. The beneficiaries must declare income earned in their personal income tax declaration.