



COURSE UNIT DESCRIPTION

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| Course Unit Title | Property, Equity and International Trusts | |
| Course Unit Code | FL750 | |
| Type of Unit | Core | |
| Level of Course Unit | First cycle | |
| Year of Study | First/second year | |
| Semester | On demand | |
| Number of ECTS Credits | 9 ECTS | |
| Course Unit Objectives | <p>This course will presume that tax plays a pivotal role in the shaping of trust use both worldwide and in Cyprus. There is no demonstrable need to move away from the settlor-based regime, nevertheless, it is an appropriate time to take proper account of the origins and motivations of the taxation of trusts regime, as well as its lasting implications and any tensions it has occasioned. In essence, this course will originally focus on the development of trusts worldwide, while simultaneously exploring the causative effect of tax on the origins of trust use. This course will further seek to achieve the converse goal of analysing the influence of the important trust law distinction between income and capital on the shaping of the income tax as it stands today. Subsequently, the basic principles of the taxation of trusts and the settlor-based regime will be outlined. Thirdly this course will try to elaborate on the international concern with BEPS and its potential implications for the foreign trust industry given national Inland Revenues authorities' stated desire of review. Finally, this course will seek to explore the way trusts are used domestically and the approach of Cyprus Inland Revenue and the Courts to the settlor-based regime.</p> | |
| Learning Outcomes | On completion of this course students are expected to: | |
| | CILO 1 | Analyze trust law, followed by an overview of the taxation regime governing trusts worldwide |
| | CILO 2 | Comprehend the status of double taxation treaties and their interpretation with respect to certain critical provisions of the OECD MTC to determine how national jurisdictions are to apply these provisions to International trusts. |
| | CILO 3 | To understand Estate Planning through usage of Trusts |
| | CILO 4 | Comprehend the Use of International Trusts As Estate Planning Vehicles and how possible solutions for conflicts of attribution in the application of double tax conventions to trusts are investigated |
| | CILO 5 | Understand the actual structural features of a trust itself that make them one of the chosen vehicles used for offshore avoidance |
| | CILO 6 | Become aware of measures put in place addresses the problem of tax avoidance through the use of offshore trusts in Cyprus |
| Name of Instructor | TBA | |
| Mode of delivery | TBA | |
| Prerequisites or | None | |
| Course Content | The Definition, Nature, and Key Features of a Trust | CILO 1 |
| | The Wealth Management Industry | CILO 2, 3,4 |
| | Interpretation and Status of Double Tax Treaties | CILO 2,3, |
| | Trust as a Person for Purposes of the OECD MTC | CILO 1,3 |
| | The Residence of a Trust Under the OECD MTC | CILO 3 |
| | Conflicts of Attribution of Income in Relation to Trusts | CILO 4 |
| | Beneficial ownership and anti-hybrids | CILO 4,5, |
| Recommended or | Lecture notes | |



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| required reading | <p>Textbooks:</p> <p>Hudson, Equity and Trusts, 9th Ed, (2016), Routledge (required)</p> <p>Glister and Lee (eds), Hanbury & Martin, Modern Equity, 20th Ed, (2015), Sweet & Maxwell</p> <p>Penner, The Law of Trusts, 9th Ed, (2014), OUP</p> <p>Pettit, Equity and the Law of Trusts, 12th Ed, (2012), Oxford University Press</p> <p>Further reading</p> <p>A. Joseph, New Regime for Managed Investment Trusts, 18 Derivs. & Fin. Instrums. 2 (2016), Journals IBFD.</p> <p>N. Fritsch, J. Prebble & R. Prebble, Real Estate Investment Trust Regimes Viewed through the Lens of the US Paradigm, 64 Bull. Intl. Taxn. 4 (2010), Journals IBFD.</p> <p>T.C. Cabollet, The Impact of ATAD 2 on Real Estate and Private Equity Funds, 21 Derivs. & Fin. Instrums. 3 (2019), Journals IBFD.</p> <p>K. Yim, How the European Union's Concerns Result in a Positive Development of the Asset and Wealth Management Industry in Hong Kong, 21 Derivs. & Fin. Instrums. 3 (2019), Journals IBFD.</p> |
| Planned learning activities and teaching methods | Lectures; in-class discussion and debates; in-class exercises; problem sets; teamwork. |
| Assessment methods and criteria | 10% Participation 15% In class open book interim exam 75% Final exam |
| Language of Instruction | English |
| Work Placement(s) | Not applicable |