

KEY FACTS UNIT TRUSTS

GUERNSEY UNIT TRUSTS (GUTs) ARE WIDELY USED BY INSTITUTIONAL AND PRIVATE INVESTORS SEEKING A FLEXIBLE AND INTERNATIONALLY RECOGNISED STRUCTURE FOR HOLDING A BROAD RANGE OF ASSETS.

Governed by Guernsey's modern and robust trust law framework, GUTs can be tailored to meet the needs of both regulated and unregulated strategies, including real estate, private equity, credit, and bespoke investment structures. The following Key Facts provide a high-level overview of GUTs, their specialised variant, the Guernsey Property Unit Trust (GPUT), and how they compare with UK unit trusts.

WHAT ARE THEY?

- > Any type GUT, not limited to real estate
- > Can be regulated (as a collective investment scheme) or unregulated (private, bespoke structure)
- > Can hold any asset class such as securities, loans, private equity, mixed portfolios, etc.
- > Structurally similar to UK unit trusts but governed by Guernsey trust law
- > Often used for private, bespoke fund structures

LEGAL STRUCTURE

- > Formed by a trust instrument (trust deed)
- > Governed by the Trusts (Guernsey) Law 2007
- > Parties
 - > trustee
 - > manager (not a regulatory requirement)
 - > unitholders
- > Can be open-ended or close-ended
- > Extremely flexible, as Guernsey law allows the trust deed to define most terms

GUERNSEY PROPERTY UNIT TRUSTS

- > A specialised subset of GUTs
- > Designed specifically for UK real estate investment
- > Optimised for UK tax transparency and Stamp Duty Land Tax (SDLT) efficiency
- > Very common in institutional real estate deals

KEY DIFFERENCES

FEATURE	GUT	PUT
ASSET FOCUS	Any asset class	UK real estate
TAX TREATMENT	Depends on structure; not inherently tax-driven	Designed for UK tax transparency and SDLT efficiency
REGULATORY STATUS	Can be regulated or unregulated	Usually unregulated but structured for property
INVESTOR FAMILIARITY	Niche – private arrangements not marketed publicly	Very high in UK real estate market

HOW DO GUTs COMPARE TO UK UNIT TRUSTS?

LEGAL FOUNDATION	GUERNSEY UNIT TRUST	UK UNIT TRUST
GOVERNING LAW	Trusts (Guernsey) Law 2007	UK Trust Law / FSMA / FCA rules
NATURE	Pure common-law trust	Trust within a statutory regulatory regime
CREATION	Trust deed only	Trust deed and statutory compliance
FLEXIBILITY OF DEED	Extremely high	Restricted (especially authorised unit trusts)

REGULATORY ENVIRONMENT	GUERNSEY UNIT TRUST	UK UNIT TRUST
REGULATION REQUIRED?	Optional	Mandatory for authorised unit trusts
REGULATOR	GFSC (if regulated)	FCA
REGULATORY BURDEN	Light to none	Heavy for authorised unit trusts; moderate for unauthorised unit trusts
INVESTOR PROTECTION RULES	Defined by trust deed	Strict FCA rules for authorised unit trusts

ROLES	GUERNSEY UNIT TRUST	UK UNIT TRUST
TRUSTEE	Required; can be licenced or unlicenced	Required; must be FCA authorised for authorised Unit Trusts (UTs)
MANAGER	Optional	Mandatory for authorised UTs
DEPOSITORY/CUSTODIAN	Optional	Mandatory for authorised UTs
ADMINISTRATOR	Optional	Usually required in practice

ASSET CLASSES	GUERNSEY UNIT TRUST	UK UNIT TRUST
PERMITTED ASSETS	Any	Restricted for authorised UTs
TYPICAL USE CASES	Private funds, bespoke structures, cross-border investment	Retail funds for authorised UTs; institutional tax structure for unauthorised UTs
PROPERTY FOCUS?	Only if structured as a GPUT	Common for unauthorised UTs

SUMMARY

- > GUTs combine flexibility, stability, and international appeal, making them an attractive choice for investors seeking a well-regulated and tax-efficient structure.
- > Supported by Guernsey's strong reputation as a leading financial centre, they offer a streamlined way to hold diverse assets while benefiting from expert local administration and a robust governance framework.
- > Their adaptable design allows managers and investors to tailor the structure to their needs, creating a sophisticated yet practical vehicle for long-term, cross-border investment strategies.

HOW WE CAN HELP

We provide comprehensive support throughout the establishment and administration of GUTs and GPUTs. Our services are designed to assist private investors, family offices, institutional investors and fund managers who use these structures for long term, cross border investment.

Whether the trust is regulated or unregulated, open ended or closed ended, we help clients manage the practical requirements of operating a Guernsey Unit Trust in a clear and efficient way, creating confidence in the day-to-day administration of the structure.

For more information, please reach out to Donna Shorto, Client Services Director, Guernsey, at dshorto@tridenttrust.com.

- ▶ PEOPLE LED
- ▶ TECH ENABLED
- ▶ GLOBAL COVERAGE
- ▶ TAILORED SERVICE
- ▶ 1,100 STAFF
- ▶ 25 JURISDICTIONS
- ▶ 47,000 ENTITIES
- ▶ \$177BN AUA
- ▶ FUNDS
- ▶ PRIVATE CLIENTS
- ▶ CORPORATE CLIENTS
- ▶ MARITIME

TRIDENTTRUST.COM