

How to pick a trustee

Ask the following questions and fill in the box: ✓ for Yes ? for Not Sure X for No	Individual	Rockwills	Other Licensed Trustees
Accountability – <i>Will trustee be accountable and provide quarterly financial reports?</i>		✓	
Commitment – <i>Will trustee be committed to go through all the hassle?</i>		✓	
Competency – <i>Is trustee well versed with the whole process?</i>		✓	
Compliance – <i>Will trustee ensure strict compliance, such as reporting of income to the Inland Revenue?</i>		✓	
Continuity – <i>Is there continuity (without disruption due to old age, illness, incapacity, senility or dementia)?</i>	X	✓	✓
Control – <i>Are there checks and balances to avoid fraud when handling assets?</i>		✓	
Costliness – <i>Can distribution be achieved at a reasonable cost?¹</i>		✓	
Impartiality – <i>Will trustee be impartial, especially if related and have favourites among children?</i>		✓	✓
Independence – <i>Is trustee independent of a vendor of financial services or investment products?</i>		✓	
Personal attention – <i>Will there be personal attention, especially if from a large impersonal organisation, and no delegation of function?</i>		✓	
Resources – <i>Will person involved have access to comprehensive resources?²</i>		✓	
Risk of fraud or negligence – <i>If there is fraud or negligence, is there indemnity?³</i>	X	✓	
Risk of bankruptcy/insolvency – <i>If this happens, will assets be protected?⁴</i>	X	✓	✓
Specialisation – <i>Are the people involved specialised in this business?</i>	X	✓	

¹ Individuals may charge up to 5% of estate value under the law. Professional trustees have a published list of charges.

² This means access to legal, tax, financial, investment and valuation services and advice. For access at reasonable costs, economies of scale are necessary.

³ Indemnity would be possible only if there is a large capital base or if there is indemnity insurance.

⁴ While banks are in the business of financial risk, professional trustees as custodians are in the low risk category. In the event a Trustee Company becomes insolvent (which have not been heard of thus far), the trust assets remain intact and the government appointed Official Assignee would be responsible for arranging a licensed Trustee Company to take over.

After completion, pick the one with the most ticks!