

CNL**INCORPORATIONS****CNL**

Companies House
74-76 Campbell St
Sydney NSW 2010

www.incorporations.com.au

**Corporate
Network
Ltd**

abn : 79 079196768
Ph : 1800 25 7123
Fax : 1800 25 2905

cnl@incorporations.com.au

COMPANIES • TRUSTS • SUPERANNUATION FUNDS

Enclosed are our : current Fees & Terms

: instruction forms for a **Discretionary Trust package**

: notes re completion of the instruction forms

Note : these forms are intended for use only by accountants and solicitors

Suggestion : use these forms when collecting details from your client;
then, enter the details into our program and transmit to CNL from there.

General Features of CNL Packages:

- **CNL** is one of Australia's oldest and largest firms of its type. Our size and experience allow us to maintain the **highest standards and low fees**.
- **Flexibility.** Our packages and programs are structured to allow clients a high capacity to economically specify variations from standard.
- **Presentation.** Our packaging, documentation and explanatory notes are of the highest standards you are likely to find, regardless of the fees paid.
- **Speed.** Our well established and flexible computer systems minimise delays, and documents are delivered Australia-wide by overnight courier.
- **Leadership.** We constantly upgrade our precedents and procedures - many of our innovations over the years have later become common practice.

Compliance ++ : There is a higher probability of an internal dispute than a serious statutory compliance problem. So, as well as attending to all possible statutory compliance matters, we also pay special attention to the common law provisions re the determination of internal ownership and control disputes.

Sample Document sets : May be viewed or printed from our website.

Computer Interface: A client version of our own internally developed software is available for free to clients (download via our web site). This program contains:

- an electronic instruction facility (to CNL) + connections to government;
- extensive facilities (including notes) for you to modify the structure of a company or trust before sending the instruction;
- facilities to view and/or print all documents and constitutions in their final form (including your modifications) before you send an instruction;
- facilities to allow you to easily create unique "house styles" for repeated use - e.g: you can create as many "house" share structures as you want.

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FEES FROM 1-7-2006 (incl GST) :	ASIC	CNL	TOTAL
Company Formation - proprietary or public	\$ 400	\$ 330	\$ 730
Company - name change	\$ 330	\$ 200	\$ 530
Company - new constitution		\$ 250	\$ 250
Trusts - Superannuation, Discretionary, Unit - new		\$ 330	\$ 330
Trusts - Superannuation, Discretionary, Unit - update		\$ 250	\$ 250

Generally: All CNL packages are comprehensive and complete

All packages include paper originals + notes + PDF copies by email

Most also include free modification facilities (e.g: share classes)

Bulk Rates: Are flexible and vary according to volume - please call for a quote

Other: For miscellaneous packages not listed above - please call for a quote

TERMS & CONDITIONS:

Corporate Network Ltd ("CNL") accepts and processes instructions from instructing firms or individuals ("the Firm") only on the following basis:

- **Fees** are subject to change without notice, although they usually change only when ASIC filing fees are changed. The applicable fees are those most recently posted on CNL's web site. The Firm agrees to pay the due fees to CNL within 14 days of document delivery. If the Firm is incorporated, its directors accept personal responsibility for payment of the fees. The governing law and jurisdiction in the event of any dispute is that of the State of NSW.
- **Companies:** By giving CNL an instruction to register a company, the Firm: agrees to be the Applicant for registration; appoints CNL its agent for registration purposes; and advises CNL that it has complied with the obligations of an Applicant as set out in the Corporations Act.
- **Companies:** The Firm agrees to obtain written consents from the nominated directors and hold them on behalf of the company, and to advise the share applicants to provide cash or draw cheques payable to the company being formed (not to CNL) for the share application money.
- **Legal Advice - Companies & Trusts:** Neither the Firm nor its clients rely on CNL or its Solicitor for advice as to the suitability for purpose of any company or trust structure. CNL is not a legal advisor, and no part of the notes or precedents enclosed with its forms or software is intended or may be construed as legal advice.
- **Copyright: Software, Notes & Precedents** distributed by CNL are copyright protected by CNL and no part may be reverse-engineered or copied. They are for the use of clients of CNL and may only be used to create and manage business structures in a manner authorised by CNL.

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DISCRETIONARY TRUST INSTRUCTIONS

PART 1

COMPLETION NOTE: TO AVOID HANDWRITING INTERPRETATION ERRORS, **PLEASE TYPE OR PRINT**

FROM:	DATE	FIRM:
	ABN	ACN:
DESCRIPTION	(Accountants/Solicitors/etc)	
PARTNER	CONTACT:	
SUITE/FL	BUILDING:	
STREET NO. & NAME	SUBURB/CITY:	
STATE	POSTCODE:	
PHONE	FAX:	
EMAIL		

**I/WE ADVISE
CORPORATE NETWORK
LTD THAT:**

WE PROVIDE THE FOLLOWING DETAILS FOR YOU TO INSTRUCT YOUR SOLICITOR TO DRAW UP A TRUST DEED IN ACCORDANCE WITH THE TERMS & NOTES ISSUED WITH THIS INSTRUCTION FORM; AND, WE ACCEPT RESPONSIBILITY FOR PAYMENT OF YOUR CURRENT FEES.

NAME OF TRUST: THE

LEGAL JURISDICTION (NAME THE STATE WHERE THE DEED WILL BE STAMPED): _____

DATE TO BE SIGNED (IF BLANK, DATE TO BE INSERTED WHEN DEED IS SIGNED): _____

SERVICE ADDRESS: (FOR CORRESPONDENCE, SERVICE OF NOTICES, ETC)

AT THE OFFICE OF (C/-) _____

SUITE/FL _____ BUILDING: _____

STREET NO. & NAME _____ SUBURB/CITY: _____

STATE _____ POSTCODE: _____

BUSINESS ADDRESS: (FOR TRUSTEE MEETINGS, ETC)

AT THE OFFICE OF (C/-) _____

SUITE/FL _____ BUILDING: _____

STREET NO. & NAME _____ SUBURB/CITY: _____

STATE _____ POSTCODE: _____

MISC: NO. OF DEEDS (STANDARD = 3 COPIES) (ADDITIONAL COPIES @ \$10 EACH): _____

SUM SETTLED (BY THE SETTLOR) (SEE NOTES) \$ _____

DEED TICK HERE IF ANY MODIFICATIONS ARE SPECIFIED IN AN ATTACHED LETTER

NOTES: **SETTLOR:** PROVIDE ONE (ONLY) IN PART 2.
THE SETTLOR IS THE PERSON WHO CREATES THE TRUST AND PROVIDES THE SETTLED SUM. THE SETTLOR MAY NOT BE A TRUSTEE OR A BENEFICIARY.

NOMINATOR: PROVIDE ONE (ONLY) IN PART 2.
THE NOMINATOR IS USUALLY A BENEFICIARY, WITH THE POWER TO REMOVE AND APPOINT A TRUSTEE & TO NOMINATE BENEFICIARIES. THE NOMINATOR SHOULD BE DIFFERENT TO THE TRUSTEE IF THE TRUSTEE IS A COMPANY.

TRUST NAME:

PART 2

NAME	GIVEN NAMES		
	SURNAME	ACN (IF A COY):	
	OCCUPATION	DATE BORN:	
ADDRESS:	C/-		
	UNIT/SUITE/FL	BUILDING:	
	STREET NO. & NAME	SUBURB/CITY:	
	STATE	POSTCODE:	
	PHONE	FAX:	
ROLE IN TRUST	<input type="checkbox"/> SETTLOR	<input type="checkbox"/> TRUSTEE	<input type="checkbox"/> NOMINATOR
BENEFICIARY TYPE	<input type="checkbox"/> BENEFICIARY	<input type="checkbox"/> EXCLUDED BENEFICIARY	

NAME	GIVEN NAMES		
	SURNAME	ACN (IF A COY):	
	OCCUPATION	DATE BORN:	
ADDRESS:	C/-		
	UNIT/SUITE/FL	BUILDING:	
	STREET NO. & NAME	SUBURB/CITY:	
	STATE	POSTCODE:	
	PHONE	FAX:	
ROLE IN TRUST	<input type="checkbox"/> SETTLOR	<input type="checkbox"/> TRUSTEE	<input type="checkbox"/> NOMINATOR
BENEFICIARY TYPE	<input type="checkbox"/> BENEFICIARY	<input type="checkbox"/> EXCLUDED BENEFICIARY	

NAME	GIVEN NAMES		
	SURNAME	ACN (IF A COY):	
	OCCUPATION	DATE BORN:	
ADDRESS:	C/-		
	UNIT/SUITE/FL	BUILDING:	
	STREET NO. & NAME	SUBURB/CITY:	
	STATE	POSTCODE:	
	PHONE	FAX:	
ROLE IN TRUST	<input type="checkbox"/> SETTLOR	<input type="checkbox"/> TRUSTEE	<input type="checkbox"/> NOMINATOR
BENEFICIARY TYPE	<input type="checkbox"/> BENEFICIARY	<input type="checkbox"/> EXCLUDED BENEFICIARY	

NAME	GIVEN NAMES		
	SURNAME	ACN (IF A COY):	
	OCCUPATION	DATE BORN:	
ADDRESS:	C/-		
	UNIT/SUITE/FL	BUILDING:	
	STREET NO. & NAME	SUBURB/CITY:	
	STATE	POSTCODE:	
	PHONE	FAX:	
ROLE IN TRUST	<input type="checkbox"/> SETTLOR	<input type="checkbox"/> TRUSTEE	<input type="checkbox"/> NOMINATOR
BENEFICIARY TYPE	<input type="checkbox"/> BENEFICIARY	<input type="checkbox"/> EXCLUDED BENEFICIARY	

FOLLOWING PAGES:	<input type="checkbox"/> DETAILS OF MORE PARTIES ARE ATTACHED
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Execution of the Deed: The signatories will be the Settlor and the Trustee.

Roles of the Parties:

- **Settlor:** The Settlor is the person (or company) who makes a genuine gift (the Settled Sum) to establish the Trust. The role of the Settlor in establishing the Trust should not be confused with the capacity for other persons to make later gifts to the Trust.

The Settlor should NEVER be subsequently refunded the Settled Sum as this may infer that there was no genuine intention to create a trust.

The Settlor should NEVER be a Beneficiary, or a Nominator with the the power to self-nominate as a Beneficiary. The Deed specifically prevents this, as there are potential State and Federal taxation implications where this is possible.

If accountants or solicitors acts as Settlor, they must be aware that no charge can be made for the sum given as the Settled Sum. It must truly be a gift.

- **Trustee(s):** The Trustee (if only one) can not be a sole beneficiary. Note: this is a fundamental legal principle, not merely a drafting feature of the Deed,
- **Nominator:** Usually a beneficiary, but does not need to be - another common name for this role is Appointor. The role carries the power to remove and appoint a Trustee, and the power to nominate additional beneficiaries from time to time.

The Nominator can also be a Trustee, but a situation where the Nominator and Trustee are the same company should be avoided.

Beneficiaries: The Deed provides for three classes.

- **Nominated Beneficiaries.** These are listed in a Schedule to the Deed, and may include the Trustee(s), the Nominator, companies, associations, other trusts, etc.
 - **Eligible Beneficiaries.** A definition in the Deed defines these beneficiaries. The definition includes relatives (as widely defined) of the Nominated Beneficiaries, and related trusts and companies.
 - **Excluded Beneficiaries.** These are a persons (who can be named in a Schedule to the Deed from time to time) who are excluded from being Eligible Beneficiaries notwithstanding that they may otherwise satisfy the definition.
-

The Settled Sum: A trust can also be established by the gift of an asset rather than cash, but our standard Deed contemplates the gift of money only.

The gift (Settled Sum) should be a realistic sum and, ideally, sufficient to pay the intitial stamp duty on the deed - this is our recommendation, but it is not mandatory. We suggest \$200 for NSW, VIC, and the ACT; and \$100 for the other States.

Trustee Powers: The Trustee has wide discretionary powers, including the power to:

- carry on any business;
 - borrow money for the purposes of the fund, and guarantee same;
 - guarantee the liabilities of beneficiaries;
 - distribute capital gains;
 - differentiate between capital and income, and franked and unfranked income.
-

Delivery & Presentation: Delivery is usually by Australia-wide overnight courier. All CNL Trust packages include 3 copies of the Trust Deed, a comprehensive range of peripheral documentation (notes, minutes, forms, etc), plus a high quality indexed binder.

The role of Corporate Network Ltd in arranging for the drawing up of trust deeds is that of facilitator for the purposes of restraining costs. We also attend to peripheral documentation - minutes, forms, etc.

All trust deeds are drawn up in general purpose form by a solicitor selected by us. We do not carry out the work of a solicitor, and we should not be relied upon for legal advice regarding the affairs of the clients of an Instructing Firm.

Stamp Duty - on creation: The Deed must be lodged for stamping in each State (Note: CNL's fees do not cover Stamp Duty). The rates as at 1-10-2001 are:

NSW:	\$200	Fixed - that is, regardless of the amount of the Settled Sum
VIC:	\$200	Fixed - that is, regardless of the amount of the Settled Sum
QLD:	\$1-50	Minimum on Settled Sums up to \$100. Thereafter, conveyancing rates of duty apply.
SA:	\$10	Fixed - that is, regardless of the amount of the Settled Sum
WA:	\$20	Fixed - that is, regardless of the amount of the Settled Sum
TAS:	\$20	Minimum on Settled Sums up to \$1,300. Thereafter, conveyancing rates of duty apply.
ACT:	\$200	Fixed - that is, regardless of the amount of the Settled Sum
NT:	\$20	Fixed - that is, regardless of the amount of the Settled Sum

Stamp Duty - subsequent to creation: If assets are subsequently transferred into a discretionary trust after the payment of the Settled Sum and the creation of the trust, there may be additional stamp duty payable.