



# COOK ISLANDS PRIVATE TRUST COMPANY FACT SHEET

## OVERVIEW

A Cook Islands Private Trust Company (PTC) is a company established for the purpose of acting as trustee to up to three trusts, typically for a single family or related group. Unlike an institutional trustee, a PTC allows families to retain meaningful involvement in trust governance while benefiting from the Cook Islands' internationally recognised trust and asset protection framework.

The Cook Islands is one of the few jurisdictions that expressly permits a PTC to operate without a trustee licence, subject to statutory limits. Legislative amendments have provided increased certainty, flexibility, and practicality for PTC structures, making the Cook Islands a leading jurisdiction for family-controlled trustee arrangements.

## PURPOSE AND USE

Cook Islands PTCs are commonly used where:

- A settlor wishes to retain a high degree of control or influence over investment and trust administration
- Family members wish to participate in trustee decision-making in a structured and compliant manner
- Trust assets are complex, illiquid, or require real-time decision-making
- Privacy is important and information sharing beyond immediate family is undesirable
- A succession plan is required to transition control smoothly across generations
- Institutional trustee fees or risk appetite are unsuitable
- Professional trustees are unwilling to act due to asset type or litigation sensitivity

PTCs are particularly well suited to dynastic trusts, family investment structures, and active wealth management arrangements.

## KEY CHARACTERISTICS

- Incorporated as a Cook Islands company to act as trustee
- May act as trustee for up to three trusts without requiring a trustee licence
- Permitted to charge fees, following legislative clarification
- Trust assets are owned by the PTC in its capacity as trustee, not by the settlor, directors, or beneficiaries
- Trusts administered by a PTC benefit from the Cook Islands trust asset protection framework, including:
  - Exclusive application of Cook Islands law
  - Non-recognition of foreign judgments, requiring creditors to commence proceedings locally
  - Statutory creditor deterrents and high evidential thresholds under Cook Islands trust law
- Compatible with dynastic trusts, with Cook Islands law permitting perpetual trusts
- Facilitates succession through:
  - Share ownership via purpose trusts, or
  - Statutory mechanisms allowing automatic transfer of control on death or incapacity
- High level of confidentiality, with no public register of trusts administered by the PTC
- Operates alongside a licensed Cook Islands trustee company, which provides registration, registered office, and regulatory oversight

## GOVERNANCE AND CONTROL

- A Cook Islands PTC is governed by a board of directors, allowing the governance and decision-making framework to be tailored to the specific needs of a family or group of trusts.
- Family members and trusted advisers may be appointed as directors, enabling structured involvement in trustee decision-making while preserving the legal integrity of the trust arrangement.
- Compared to an institutional trustee, a PTC can provide greater continuity and familiarity with the trust assets, family objectives, and long-term planning considerations.
- Directors of a PTC are often closer to the underlying assets and strategies, which can support more timely and informed decision-making, particularly where assets are complex or actively managed.
- Changes in control or succession can be achieved by appointing or removing directors, without the need to change the trustee or transfer legal title to trust assets, reducing administrative complexity.
- The PTC structure facilitates orderly succession planning, allowing the next generation to become involved at board level in an appropriate and graduated manner.
- Governance arrangements may incorporate independent directors, advisory committees, or licensed trustee oversight where additional independence, experience, or regulatory support is required.
- While a PTC allows for greater involvement by the family, it remains subject to trust law duties, and decisions must be taken in the interests of the trust and in accordance with the trust deed, ensuring the structure is not operated as a sham.