



OVERVIEW

A stand-alone trust is a structure in which assets are transferred directly to an offshore trust and managed exclusively by the trustee. The settlor retains no operational role, resulting in maximum legal separation between the settlor and the trust assets.

This structure is designed for clients who prioritise simplicity, independence, and the highest level of asset protection. By removing settlor control entirely, the trust relies on statutory protections, strict limitation periods, and high evidentiary thresholds to resist creditor claims.

STAND-ALONE TRUST
(TRUSTEE-MANAGED
STRUCTURE)

Ideal for: Passive clients seeking maximum separation and protection.

General Overview

- Assets are transferred directly to the Trust.
- The Trustee manages all assets and decisions.
- The settlor has no operational role.

Normal Operation

- Trustee manages investments and assets.
- Beneficiaries have no fixed entitlements.
- Distributions require trustee discretion and approval.
- Accounts are maintained for the Registered Agent and Trustee.

Threat Scenario – Settlor Faces a Claim**1. No Settlor Control to Surrender**

- The settlor has no authority under the Trust Deed.
- Foreign courts cannot compel action.

2. Trustee Cannot Comply with Foreign Orders

- Local statutes prohibit compliance with foreign judgments.

3. Statute of Limitations

- Claims must be brought within statutory periods (Nevis: 1 year; Cook Islands: 2 years).

4. High Burden of Proof

- Creditors face elevated evidentiary standards.

Outcome:

The Trust remains intact and assets remain inaccessible.

COOK ISLANDS VS
NEVIS**Nevis Trust**

- Specialist asset protection jurisdiction modelled on the Cook Islands framework
- Modern legislation with strong procedural deterrents
- 1-year statutory limitation period for creditor claims
- High evidentiary burden on creditors
- Foreign judgments not recognised or enforced
- Mandatory creditor bond (typically USD 100,000) before proceedings may commence
- More limited case law, but robust statutory protections
- Often selected where procedural deterrence and cost efficiency are priorities
- Due diligence requirements are typically more stringent, often requiring more extensive documentation

Cook Islands Trust

- Widely regarded as the leading global jurisdiction for asset protection trusts
- First jurisdiction to enact dedicated asset protection trust legislation
- 2-year statutory limitation period for creditor claims
- Very high burden of proof on creditors, including intent to defraud
- Foreign judgments not recognised or enforced
- No creditor bond requirement
- Extensive and well-developed case law and judicial precedent
- Typically preferred where maximum legal certainty and precedent depth are required