

**Press release**  
**Trust Law (Amendment) Bill 2013 gazetted**  
Friday, February 8, 2013

The Trust Law (Amendment) Bill 2013 aiming at modernising the trust law in Hong Kong was gazetted today (February 8).

To facilitate effective administration of trusts through enhancing trustees' default powers, the Bill seeks to amend two major ordinances of the trust law regime in Hong Kong, namely the Trustee Ordinance (Cap 29) and the Perpetuities and Accumulations Ordinance (Cap 257), while providing for appropriate checks and balances so that trustees will exercise the new default powers properly.

The Secretary for Financial Services and the Treasury, Professor K C Chan, said, "It is imperative for Hong Kong to modernise its trust laws to maintain our competitive edge as a major asset management centre."

Professor Chan continued, "The Bill, if passed, will bolster the competitiveness of Hong Kong's trust services industry and attract settlors to set up trusts in Hong Kong. This, in turn, will enhance Hong Kong's status as an international asset management centre."

Hong Kong is a major asset management centre in Asia. As at the end of 2011, the trust industry held assets of an estimated \$2,600 billion, and more than 60 per cent of the asset management business originated from funds from non-Hong Kong investors.

The trust law regime in Hong Kong is mainly based on common law, supplemented principally by the Trustee Ordinance and the Perpetuities and Accumulations Ordinance. These two ordinances have not been substantially reviewed or modified since their enactments in 1934 and 1970 respectively. Some of their provisions are outdated and cannot meet the needs of present-day trusts.

Following a review of the Trustee Ordinance and the Perpetuities and Accumulations Ordinance, and having regard to the various modernisation proposals put forward by the trust industry and the recent trust law reform of the United Kingdom and Singapore, the Administration conducted public consultations in 2009 and 2012 respectively on the reform proposals.

Respondents were generally in support of the legislative proposals, considering them important for enhancing Hong Kong's status as an international asset management centre.

The Government has taken into account feedback from the industry and other stakeholders when drawing up the proposals in the Bill.

The Secretary for Financial Services and the Treasury has given notice to present the Bill to the Legislative Council for first reading on February 20.

Ends