

Trust Newsletter #1 – Navigating Trust Bank Accounts: Your Essential Guide

Hi Folks,

This is Mark Pyteltek from Private Trust Makers (PTM), the makers of your Trust. By reason I am approached frequently by clients with questions concerning:

1. The operation of their Trust, as well as,
2. A refusal or failure to open a Trust Bank account when all the Banks accept our Trust product,

I've moved to deliver to our clients a free monthly brief newsletter covering a selected topic important to the smooth functioning of a Trust so as to:

- a. Maximise the functionality of our Trust product, as well as
- b. Educate our clients on how to correctly and competently operate their Trust so as to gain the most out of the use of their Trust.

Opening a Bank Account

In Australia, all the Banks and most Credit Unions accept our Trust product for the purpose of opening a Trust Bank account.

Only recently Bendigo Bank has refused some client applications, the reason as yet being unknown. In the light that Bendigo Bank have about 70% of our total Trust accounts, their recent decision to refuse some accounts is extremely odd.

In the UK only a handful of Banks now permit Bank accounts in the name of Trusts, despite:

1. All Banks there formally accepting Trust account applications, and
2. The UK being the home of Trusts in recent (last thousand years) times.

In New Zealand the Australian Banks accept our Trust product. I have little feedback on the NZ local Banks.

I also have little feedback from clients on Canadian or US Banks.

In any event, opening a Trust account is a simple operation, much like opening a Company account.

What not to do

Some folks have approached me complaining the Bank they approached refused their application to open a Bank account. Upon listening to a client's account of the meeting with a Bank clerk, it invariable unfolds that often a client inadvertantly shoots themselves in the foot.

The three most important errors a client makes when making application to open a Trust Bank account is:

1. They ask to open a "Private" Trust account. Nobody in the public realm have ever heard nor know about a "Private" Trust and hence they scrutinize the Trust Deed as if it arose from another world! Never use the word "Private". You seek to open a Trust account, and nothing more. All Banks know what a Trust is and will immediately move forwards to open a Trust Bank account. Invariably the Bank clerk will ask for an ABN number. Your simple reply, as I did only yesterday at the CBA Bank, is "It doesn't have one by my choice" and the clerk will accept that and continue moving forwards with opening the account.

2. Fail to give a Tax File Number (TFN). If the Bank clerk asks you for a TFN, rather than saying "It doesn't have one", give the Bank clerk your personal TFN and say no more. You don't tell them its your personal TFN and the Trust doesn't have one. Why create conditions that give rise to obstacles and controversies that may prevent you from opening up your Trust Bank account. Use wisdom and discretion in all your transactions.

3. Argue with the Bank clerk. Eg Clerk says it will take a week to open the account. The client demands the account be opened on the spot!

Bank policies differ. Some Banks open Trust Bank accounts on the spot, others in 3 days and others a week or longer. Go with the policy and don't argue!

The Process

Simply select the Bank or Credit Union you wish to open your Trust Bank account with.

If it's a new Bank, you will need to take your original copy of Trust Deed as well as 100 points of ID for each Trustee in order to open the Trust Bank account.

Every Bank or Credit Union has a clerk that will assist you to open the Trust Bank account.

Just follow the clerks directions and comply, and presto, your Trust account paperwork will be completed quickly and your Trust Bank account opened in no time.

If a TFN is sought, provide the clerk with your personal TFN.

If you're asked the purpose of the Trust Bank account, you can say its for enabling business for your Estate held in Trust.

It really isn't any more complicated than that.

I hope this guide will assist you in your efforts to open your Trust Bank account easily and successfully.

Kindest Regards,

Mark Pytellek

Founder

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