



# JTC IN SOUTH DAKOTA

## JTC TRUST COMPANY (SOUTH DAKOTA) LTD

### Our specialist team in South Dakota:

- › 20 Employees
  - › 5 - Juris Doctorates
  - › 3 - CTFAs
  - › Language Skills – English, Spanish, Portuguese and German
- › 650 trusts
- › Approximately \$6.2 bn assets under administration
- › JTC's South Dakota office opened in 2016 and is part of JTC's global network of 34 offices
- › In August 2023, JTC acquired South Dakota Trust Company, which is now part of the JTC Group. South Dakota Trust Company employs an additional 100 people and provides services from South Dakota, Wyoming and Nevada

### South Dakota as a trust jurisdiction

South Dakota is ranked as one of the top trust jurisdictions in the United States for its trust, asset protection and tax laws. Attorneys, accountants, advisors and clients worldwide routinely choose South Dakota for its modern and forward-thinking trust statutes. It offers directed trusts, no state income or capital gains tax as well as trust reformation, modification and decanting of trusts. South Dakota has one of the top asset protection statutes in the US.

### JTC Trustees in South Dakota

Our office in Sioux Falls, South Dakota, serves high net worth and ultra-high net worth domestic and international families and individuals. We offer both standard products and bespoke solutions.

South Dakota is unique as a trust jurisdiction, thanks to a combination of legislative and financial advantages that include modern trust laws and robust provisions for asset protection and privacy. We provide top quality local administration services from South Dakota, with the security of being part of a global, publicly listed group. We administer trusts with a wide range of liquid and non-liquid assets, including LLCs, LPs, closely held stock, real estate and luxury assets. Assets can be held in the US or elsewhere in the world. We can either work with your existing advisors or recommend trusted advisors from our network.

### Key benefits of a trust in South Dakota:

- › Confidentiality
- › Asset protection
- › Succession planning
- › Asset flexibility
- › Direction language for investments and distributions
- › Income tax deferral\*
- › Mitigate US estate tax\*

\*Please note that JTC does not give legal/tax advice. Clients should seek appropriate advice from legal/tax advisors.

### SERVICES WE OFFER IN SOUTH DAKOTA

#### Directed and Discretionary trusts

South Dakota statutes allow for a segregation of the traditional functions of a trustee. In a discretionary trust, the trustee plays the primary role in distributions and investment management. The directed trust, however allows the trustee to focus on day-to-day administration while it takes 'directions' from an advisor or committee in relation to trust fund investments and/or distributions. This allows the family and their advisors to retain an element of control and makes illiquid assets or concentrated assets permissible. A directed trust gives the family more freedom with respect to investment choices, a lower overall cost and speeds up decision-making.

Unlike the directed trust, in the discretionary trust the trustee retains a duty to monitor and oversee the advisor or committee's performance.

#### Dynasty trusts

South Dakota offers unlimited duration for dynasty trusts. This provision provides for a lasting legacy for future generations as well as keeping trust assets free of estate taxes and protection from creditors.

#### Trust protector

South Dakota was the first state to adopt a trust protector statute. A trust protector has the ability to modify or amend the trust, increase or decrease interests, remove and appoint trustees or terminate the trust.



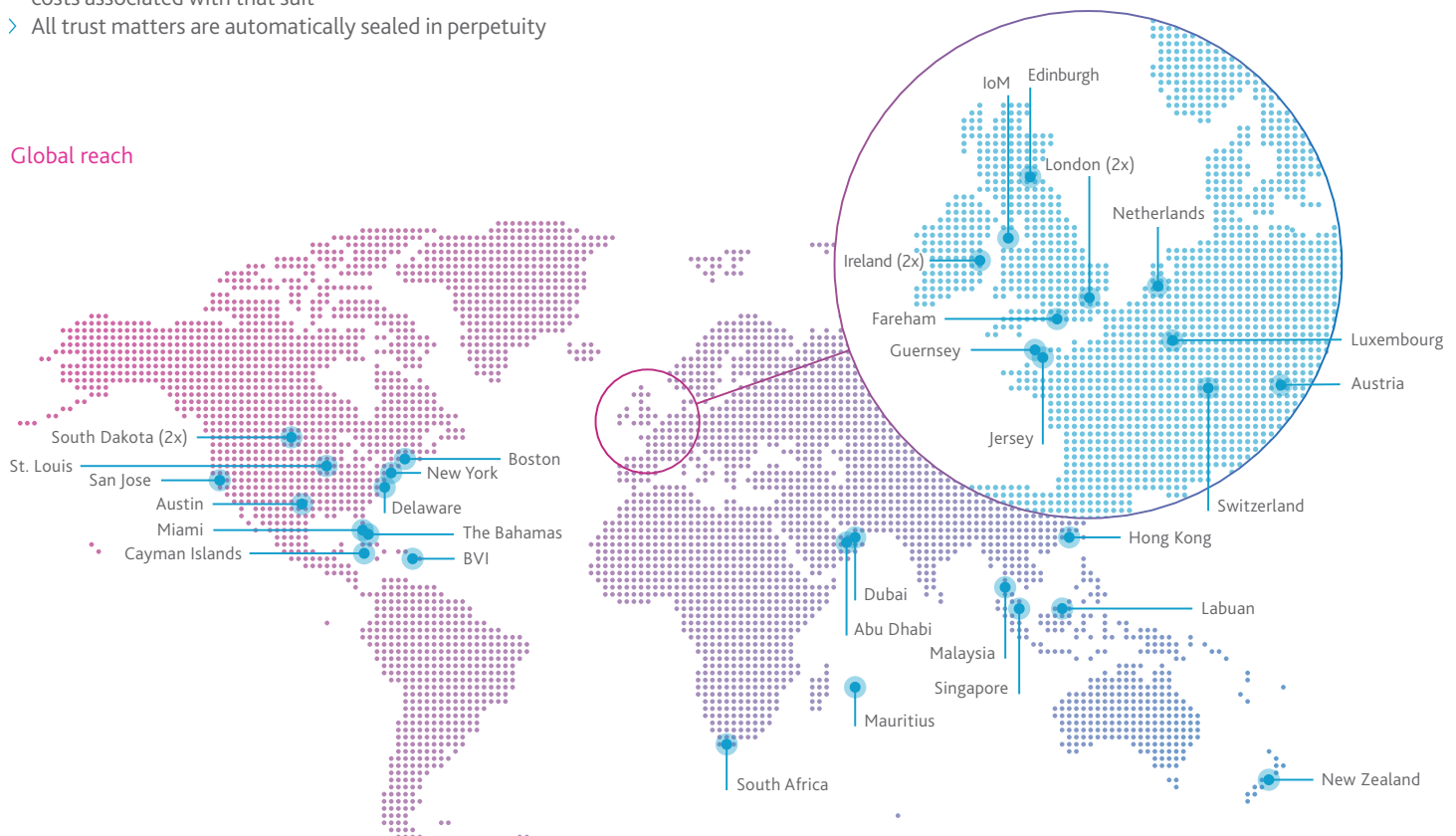
## Asset Protection

Most state jurisdictions have some form of asset protection via spendthrift provisions of a trust. There are some exceptions to this, including alimony and child support. South Dakota has taken this a step further by declaring that a discretionary interest in a trust is not a property interest. As an extension of that, South Dakota has also declared that limited power of appointments and remainder interests are also not property interests.

South Dakota has created a very robust domestic asset protection statute. An asset protection trust is a self-settled trust where the grantor / settlor is a permissible beneficiary. When properly drafted and administered, creditors cannot reach the assets of the trust. When properly structured, assets may remain in the settlor's estate or be removed even though an individual's gift tax exemption has been fully utilized.

- > Settlor has the ability to name themselves as a trust beneficiary
- > When properly drafted and structured, creditor cannot reach the assets
- > Two year fraudulent conveyance period as well as "clear and convincing" burden of proof to that specific creditor
- > A charging order is the sole remedy – creditors have no means to force a distribution
- > A discretionary interest is not a property interest as defined by statute
- > A spendthrift clause prevents creditors from attachment
- > Should someone sue the trust and lose, they are liable for the legal costs associated with that suit
- > All trust matters are automatically sealed in perpetuity

## Global reach



## KEY CONTACTS

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## ABOUT JTC

JTC is a publicly listed, global professional services business with deep expertise in fund, corporate and private client services.

Every JTC person is an owner of the business and this fundamental part of our culture aligns us with the best interests of all of our stakeholders.

Our purpose is to maximise potential and our success is built on service excellence, long-term relationships and technology capabilities that drive efficiency and add value.

**We value shared ownership**

- > We operate around the principle that if our people have a stake in the business, they will do a better job for our clients.

**We value relationships**

- > We aim to work with clients who share our belief in the importance of building strong relationships over time.

**We invest in our people**

- > Over 83% of our employees hold a relevant professional qualification or are working towards this through our dedicated JTC Academy.

**We embrace technology**

- > We operate a variety of best-in-class systems to deliver and maintain an impeccable standard of administration and use technology to innovate in both service delivery and efficiency.

ENVIRONMENTAL,  
SOCIAL AND  
GOVERNANCE (ESG)

- > Our environmental, social and governance (ESG) framework has at its heart our culture of shared ownership and is informed by our purpose, which is to help maximise the potential of every client, colleague and partner with whom we work.
- > We believe that we will thrive as a business by working in a sustainable way, operating within constantly evolving legal and regulatory frameworks, respecting the natural environment and creating a positive impact for the communities where we live and work.
- > We understand the ESG risks and opportunities our clients face and as a listed professional services business with expertise across a wide range of sectors, geographies and asset classes, we are ideally placed to support our clients with a range of solutions that help them meet their own ESG commitments and goals.

