

# Establishing a trust for your employee savings scheme



For many years, businesses across the GCC have been establishing and administering saving schemes for employees. With the Central Bank of Bahrain (CBB) and the Economic Development Board (EDB) keen to establish Bahrain as a centre of excellence for trusts based on Bahrain's trust law, this is the right time to upgrade schemes to trusts.

## What is a trust?

Trusts are legal structures that allow a third party, or trustee, to hold assets on behalf of beneficiaries. Trust counter-parties include:

- Employer – settlor
- Employees – beneficiaries
- Trustee - administrator

## Why establish a trust?

### Trustees are independent parties

Trustees act at all times in employees' best interests – even disregarding the employer's interests – when making decisions concerning investments, loans and how cash should be used and carefully and systemically protecting employee information.

### Trustees are licensed and regulated by the CBB

Bahrain's trust law, obliges trustees to act in the beneficiaries' best interests and to ensure trusts are audited.

### Trusts are legal vehicles which are separate from employers

Trusts can maintain bank and investment accounts in their own name. Assets and liabilities are removed from the employer's balance sheet and recognised and ring-fenced in the trust's accounts, protecting assets from lawsuits and creditors.

### Trusts are established by a trust deed and registered with the CBB

The rights and obligations of both employers and employees are defined by legally enforceable contracts.

## Who is Keypoint Trust?

Licensed by the CBB as a trust service provider, Keypoint Trust B.S.C.(c) has offered trust advisory since 2009, establishing and administering a range of trusts including employee benefit plans – such as employee savings schemes and employee share ownership plans (ESOPs), trusts from debt realisation structures, restructuring and securitisation programmes, real estate investment trusts (REITS) and family trusts.

## How can Keypoint Trust help?

Keypoint Trust uses its deep expertise and proprietary systems to set up and administer trust, from brainstorming thought processes and optimal features and the way through to maintaining trusts' books of accounts and preparing annual financial statements.

## Interested in knowing more?

Contact us to further explore whether a trust is the right option for your business.



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