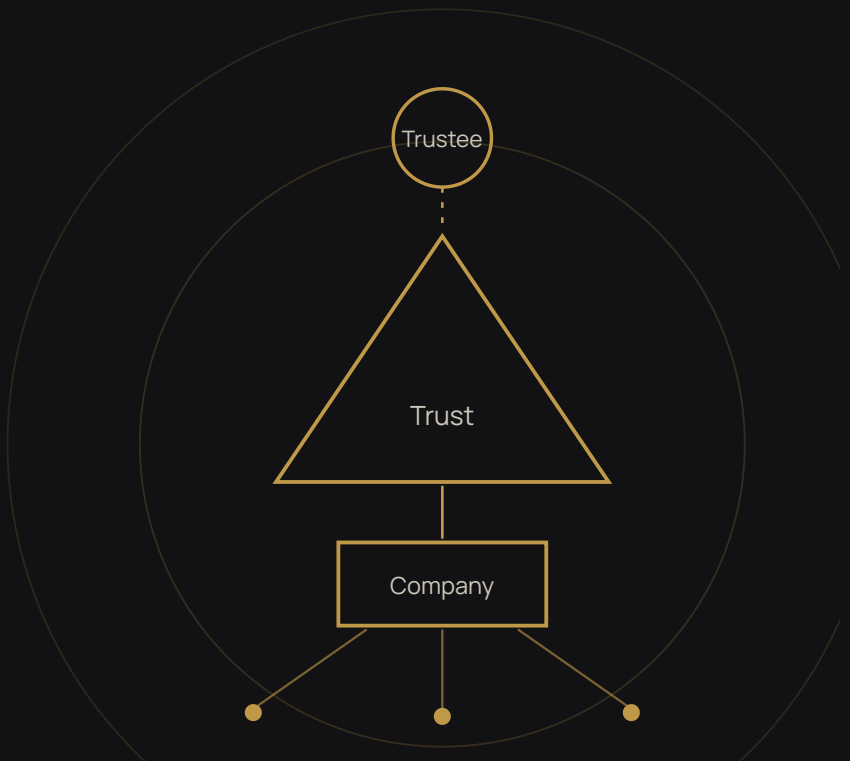
GLOBAL WEALTH
CLUB

Trust with Corporate Trustee

How a discretionary trust with a company as trustee protects your wealth, and what the 2026 Budget changes mean for you.

Global Wealth Club

7 SECTIONS · WORKING EXAMPLE · FAQ APPENDIX



Updated for the trust changes announced in the May 2026 Federal Budget: what has changed, how trusts work, our recommended structure, a worked example and straight answers.

OVERVIEW

What matters most

A trust with a company as trustee is still one of the best ways to protect what you own. But since the May 2026 Federal Budget, it is no longer the tax saver it used to be.

1 **Trusts are no longer the tax saver they were.**
The Budget announced a 30% minimum tax on discretionary trusts from 1 July 2028. It is not law yet, but you should plan for it now.

2 **Trusts are still excellent for protection.**
You control the assets, but they are not in your name, so they are much harder for a creditor to reach.

3 **Always use a company as trustee.**
It keeps you personally off the hook and makes the structure stronger and easier to run.

4 **For most people, the trust should now own a holding company.**
The company holds the investments or runs the business, and the trust owns its shares for protection and flexibility.

5 **Already have a trust? Have it reviewed before the changes start.**
There is a window to restructure with tax relief from 1 July 2027, and getting it right early costs far less.



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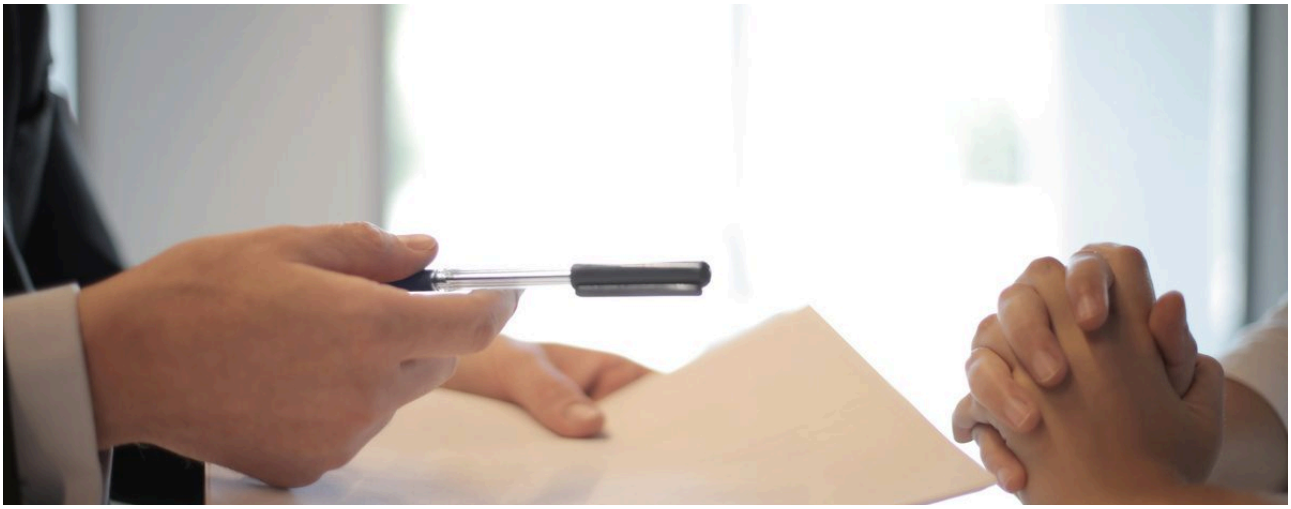
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01

SECTION ONE

What Has Changed

The May 2026 Federal Budget and what it means for trusts.



THE BIG CHANGE

A minimum tax of 30% on discretionary trusts

For decades, a family trust let you spread income across your family, so each person paid tax at their own, often lower, rate. The Budget announced that from **1 July 2028**, the trustee will pay a minimum of **30%** tax on the trust's taxable income.

- Family members who receive income get a credit for the tax the trust has paid, but the credit is not refunded. So if their own rate is lower than 30%, the difference is lost.
- A company that receives income from the trust (a "bucket company") gets no credit at all. The money is taxed in the trust and then taxed again in the company.

> ★ IN SIMPLE TERMS
>
> Spreading income to family members on lower rates, or to a bucket company, mostly stops saving tax. The protection a trust gives you stays the same.

WHAT IS NOT AFFECTED

Trusts and income outside the new tax

- Fixed trusts (such as unit trusts), widely held trusts, super funds, special disability trusts, deceased estates and charitable trusts.
- Primary production income, so trusts can still suit farmers and primary producers.
- Income from testamentary trusts (trusts set up under a will) that existed when the Budget was announced.

ALSO FROM 1 JULY 2027

Two other changes that affect your structure

- **Capital gains tax:** the 50% CGT discount is replaced by an inflation adjustment, with a minimum 30% tax on net capital gains. It applies only to gains made after 1 July 2027.
- **Negative gearing:** limited to new builds. Properties held before Budget night keep the current rules.

THE WINDOW TO ACT

Tax relief to restructure, for three years

The government will give expanded rollover relief for three years from 1 July 2027. This lets you move out of a discretionary trust into another structure, such as a company, without the usual tax cost. It is a limited window, and time goes quickly.

> ★ IMPORTANT
>
> These changes were announced in the May 2026 Federal Budget. They are not law yet, and the details could change. We will keep our members updated. Until the rules are passed, plan for them, but do not rush into moving assets without advice.

WHAT IT MEANS FOR YOU

If you already have a trust

Your trust may still be very valuable, mainly for protection, for example by owning the shares in a holding company. Now is the time to have it reviewed, before the changes start, not when it is too late.



02

SECTION TWO

How a Trust Works

The people involved, with simple examples.



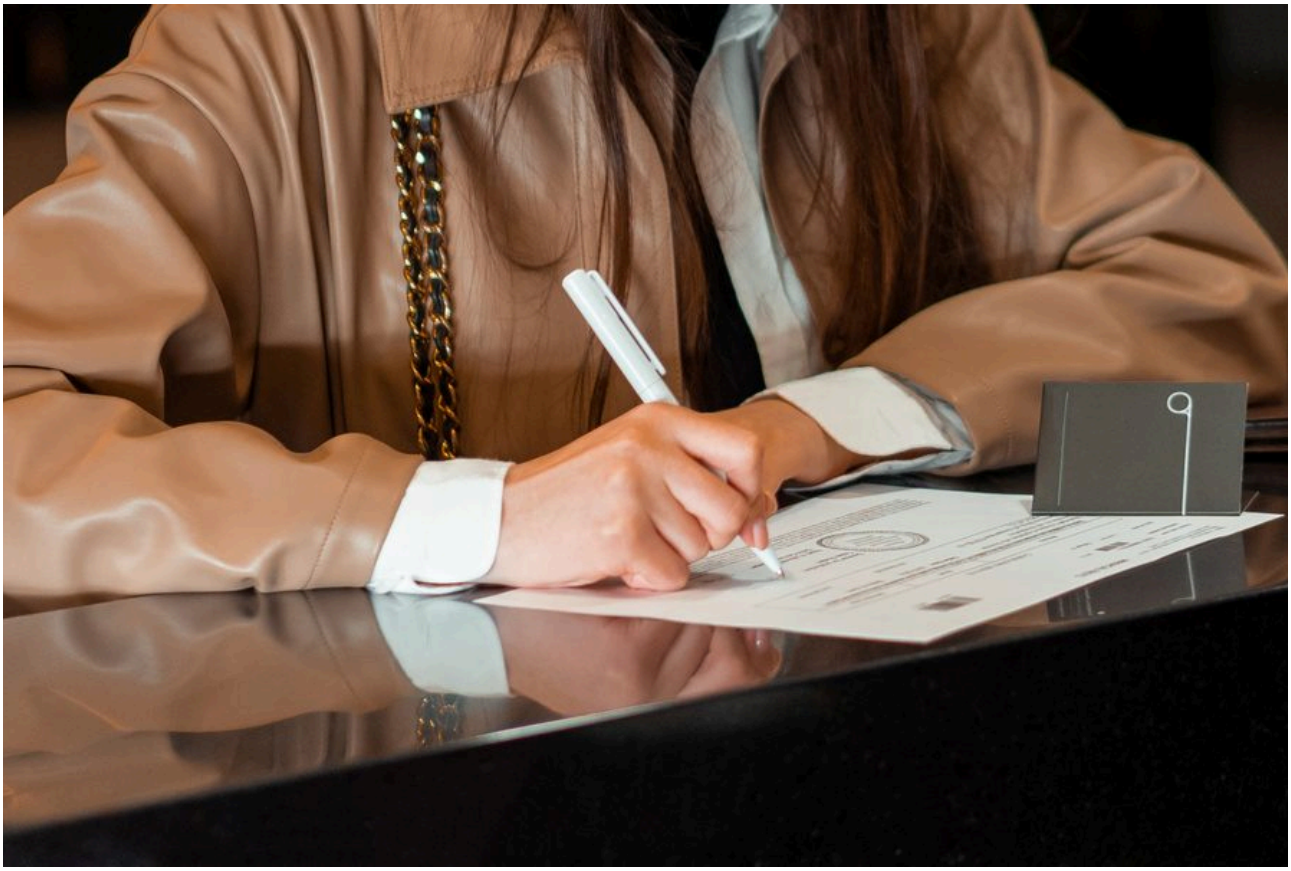
THE BASICS

What is a trust?

In its simplest form, a trust is where one party holds assets on behalf of another.

Example 1: John gives Anne $1,000 to give to John's sister in two days' time, and they agree this in writing. That is a trust. John is the settlor (he created it), Anne is the trustee (she holds the $1,000 on trust), and John's sister is the beneficiary (she is entitled to the $1,000 and could claim it from Anne if Anne did not pay up). Even if they only agreed it verbally, it would still be a trust.

Example 2: John gives Anne $10,000 to invest, and to pay the income it earns to Derek. That is also a trust. John is the settlor, Anne is the trustee investing the money, and Derek is the beneficiary, entitled to the income and the $10,000 itself unless agreed otherwise.



WHO DOES WHAT

The people in a family trust

Settlor

Sets up the trust with a small sum, often $10. Usually an unrelated person, such as an accountant or lawyer. Never use a family member, as it can cause stamp duty and income tax problems.

Trustee

Holds and manages the trust's assets and decides each year who receives the profit. It can be a person or a company. In most cases, and always in our structures, it is a company.

Appointor

The real controller of the trust. The appointor can hire and fire the trustee. This is usually you.

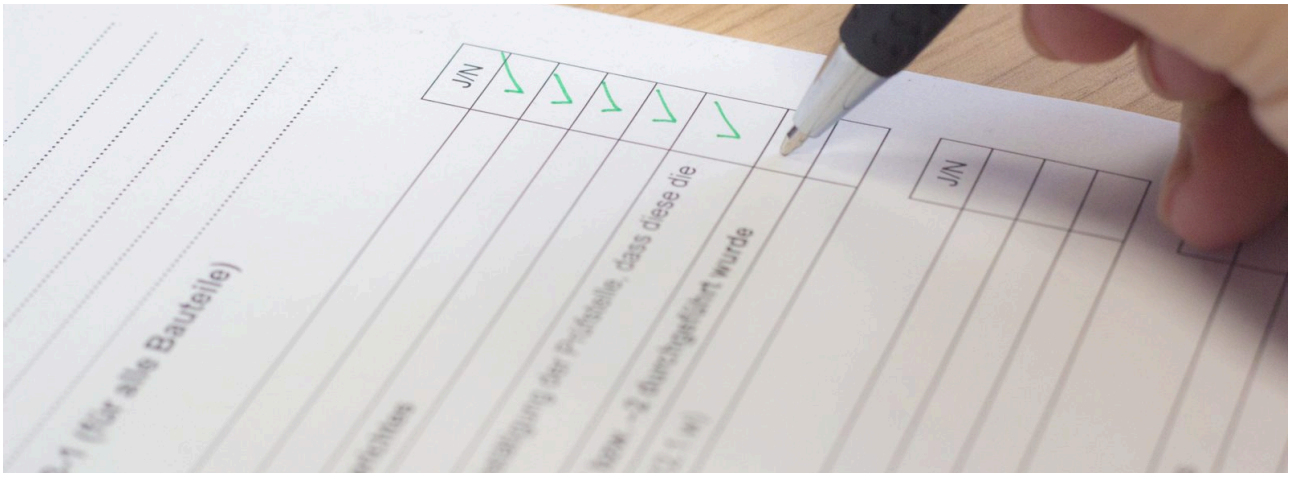
Beneficiaries

The people who can benefit, such as you, your partner, children, relatives, family companies and favourite charities.

Some trusts also have a guardian, who sits behind the appointor as the ultimate controller.

★ IN SIMPLE TERMS

You control the trust through the appointor and the trustee company, but the assets are not in your personal name. That is what makes a trust so powerful for protection.



THE TWO MAIN TYPES

Discretionary trusts and unit trusts

There are many kinds of trust, but two main types. This guide is mainly about discretionary trusts.

THE FOCUS OF THIS GUIDE

Discretionary (family) trusts

Nobody owns a fixed share of a discretionary trust. Each year the trustee decides which beneficiaries receive the income, and in what proportions. You control the assets without owning them, which is why these trusts are so widely used for asset protection.

The beneficiaries can be a wide group: you, your partner, children, relatives, family companies and charities.

A SHORT NOTE

Unit trusts

Unit trusts work more like companies. Each unitholder has a fixed share, for example two business partners holding 50% each. They suit unrelated parties who each want a set share.

Unit trusts are outside the new minimum tax on discretionary trusts. Even so, for most people a holding company owned by a discretionary trust is now usually the better choice. If you want a unit trust, discuss it with a specialist adviser first.



03

SECTION THREE

Why You Need a Corporate Trustee

A company as trustee, and why it matters.



COMPANIES IN BRIEF

What is a company?

A company is a separate legal person. It can own assets, sign contracts and run a business in its own right. Its shareholders are generally not liable for its debts, and its directors run it.

THE TRUSTEE

Why a company, and not you personally?

- **You are not personally on the hook.** A trustee is liable for the trust's debts. If the trustee is a company, that liability sits with the company, not you.
- **It adds a layer of protection.** You act as a director of the trustee company, rather than holding the assets yourself.
- **It keeps things simple.** If someone leaves or dies, you change a director, rather than transferring every asset into a new trustee's name.
- **It lasts.** A company can carry on as trustee for the life of the trust.

EXISTING TRUSTS

Already have a trust with a person as trustee?

You can usually add a company as trustee by amending your trust. A lawyer can prepare a deed of variation, or your accountant can help you organise one.

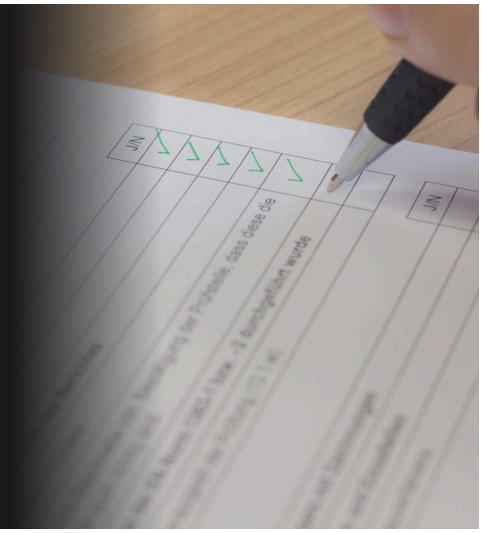


04

SECTION FOUR

Benefits and Drawbacks Today

An honest look at what a trust does well, and where it now falls short.



WHAT A TRUST DOES WELL

The benefits

- **Strong asset protection.** The assets are not in your name, so family trusts are very difficult and expensive to break into. (In some cases a trustee in bankruptcy, the Family Court or Centrelink can look through a trust, so it needs to be set up early and run properly.)
- **Control without ownership.** You control the trust as appointor and director of the trustee company.
- **Flexibility.** The trustee can choose each year which family members benefit, and by how much.
- **Low running costs.** Cheaper to run than many other structures.
- **It outlives you.** A trust can carry on after you, which helps with passing wealth to the next generation.
- **It can own a holding company.** This is now its most important job for most investors and business owners (see Section 5).



WHERE A TRUST FALLS SHORT

The drawbacks

- ✕ **The proposed 30% minimum tax.** From 1 July 2028, spreading income to family members on lower rates mostly stops saving tax.
- ✕ **Bucket companies get taxed twice.** Under the proposed rules, money paid to a company beneficiary is taxed in the trust and again in the company.
- ✕ **A trust cannot keep its profits.** The income must be distributed each year, at least on paper, by 30 June. Anything not distributed is taxed at the top rate.
- ✕ **Negative gearing losses get stuck.** If a trust owns a negatively geared property, the losses stay in the trust and cannot be used against your personal income.
- ✕ **Children under 18 are heavily taxed.** Above a small amount, trust income paid to minors is taxed at the top rate.
- ✕ **Extra land tax.** Some states charge trusts a land tax surcharge.

★ WHO A TRUST STILL SUITS ON ITS OWN

Farmers and primary producers, as primary production income is left out of the new tax. People who want a trust mainly to hold and protect assets. And anyone who wants a trust to own the shares in a company, which is our recommended structure.



05

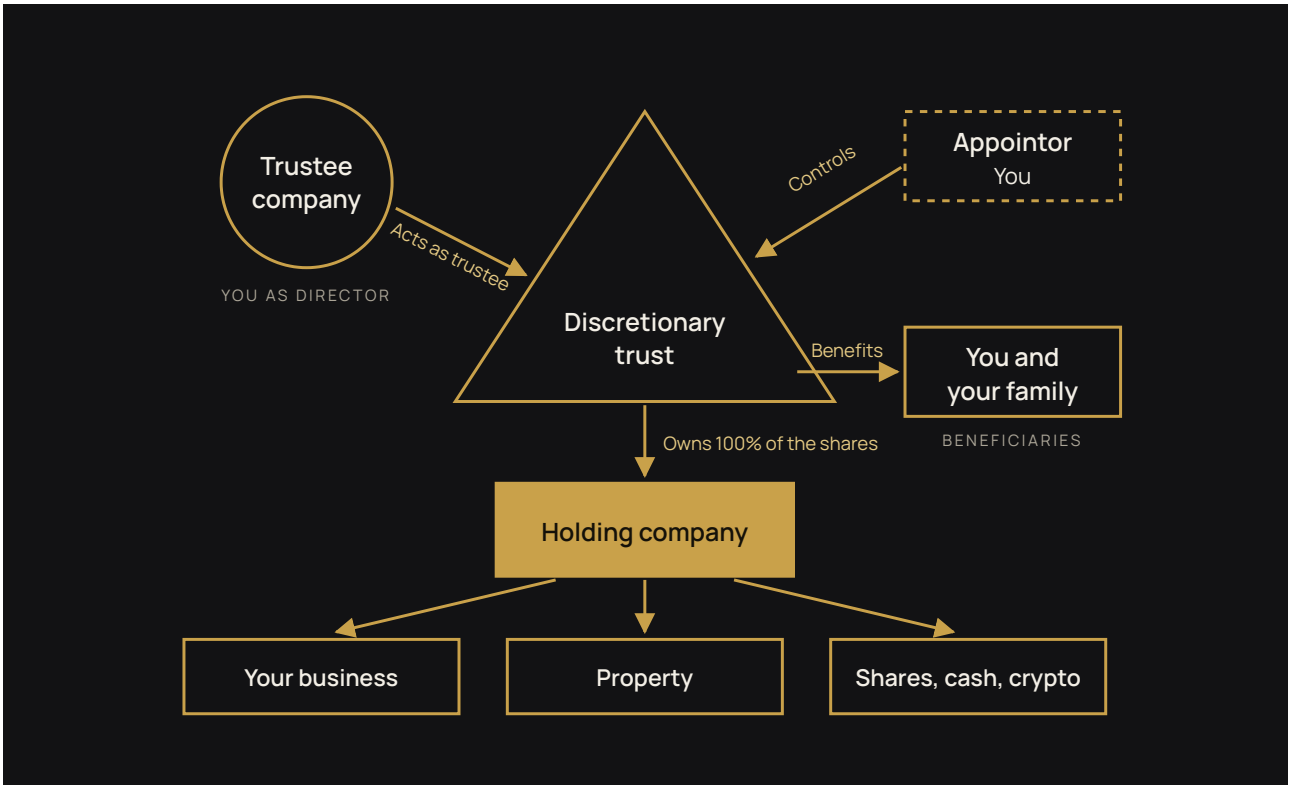
SECTION FIVE

Our Recommended Structure

A trust with a corporate trustee, owning a holding company.



For most investors and business owners, we now recommend a simple three-part structure: a discretionary trust, a company as its trustee, and a holding company owned by the trust.



The trust protects

It owns the shares in the holding company, so your wealth is not in your name, and it gives you flexibility over who benefits.

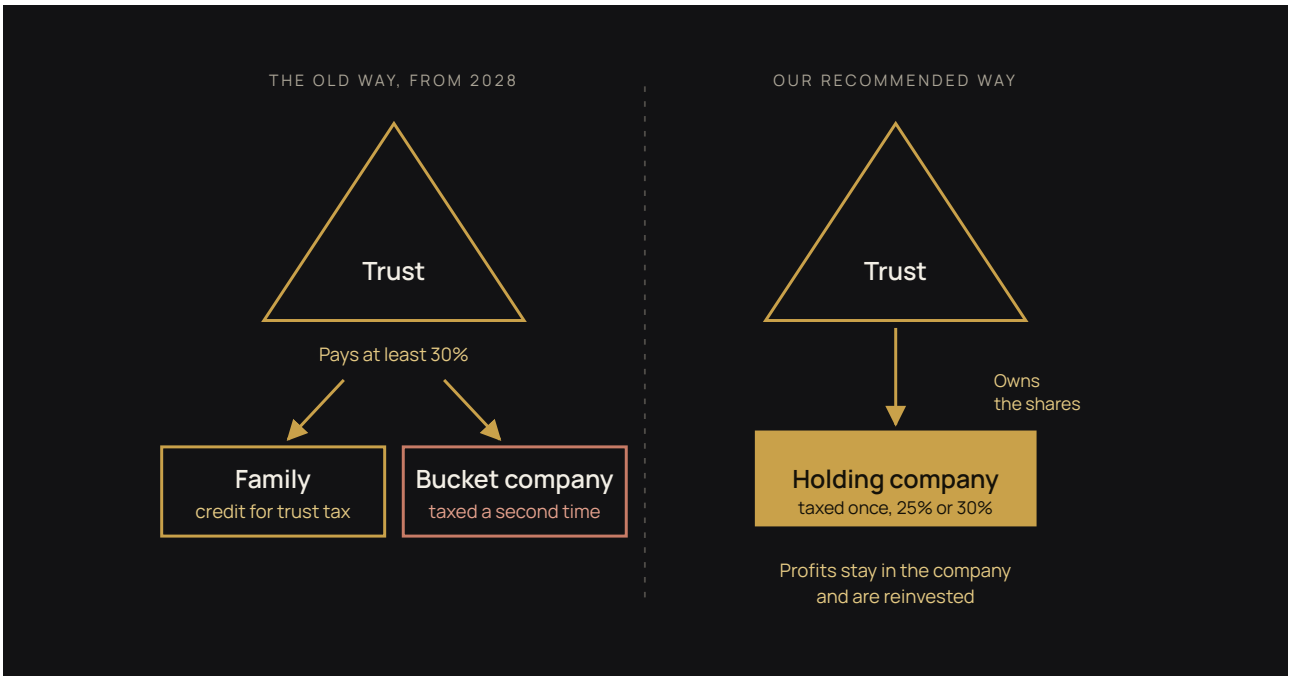
The company does the work

It holds your investments or runs your business, and profits can stay in it, taxed at the company rate.

WHY WE CHANGED OUR APPROACH

The old way and the new way

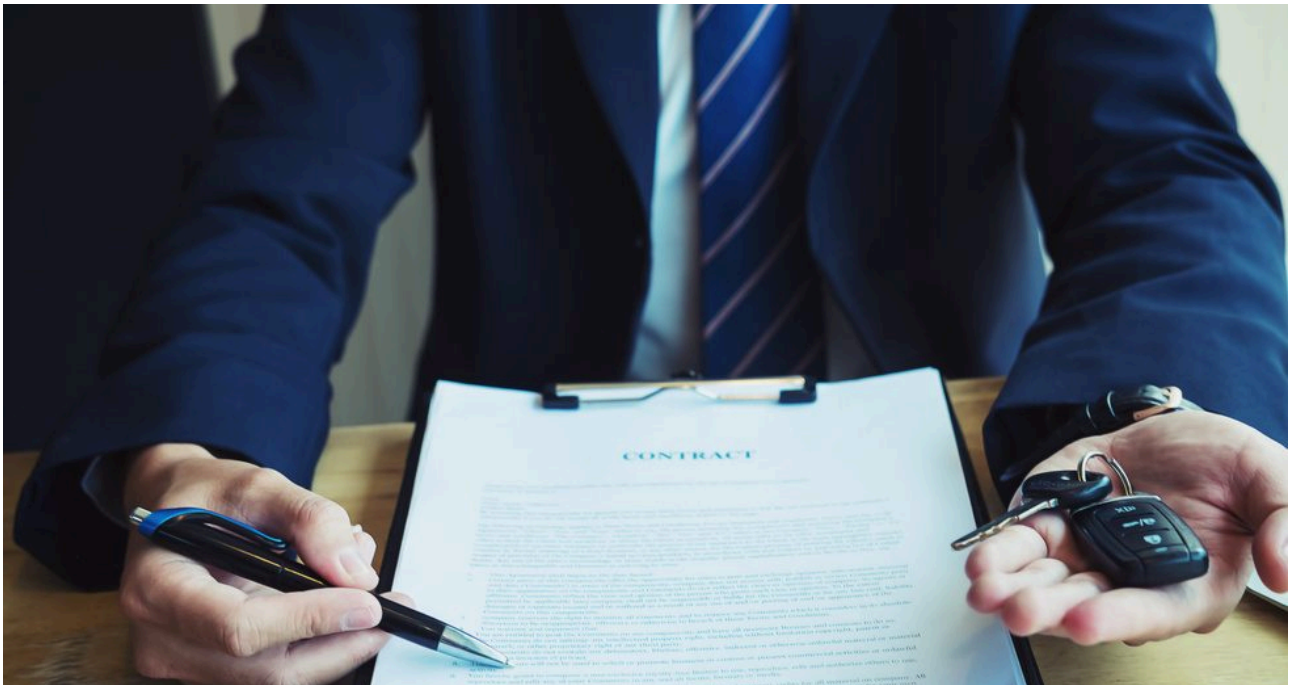
Under the proposed rules, a trust that pays its profits to a bucket company pays tax twice. A holding company owned by the trust pays tax once, and can keep and reinvest its profits.



READ MORE

Our Holding Companies guide

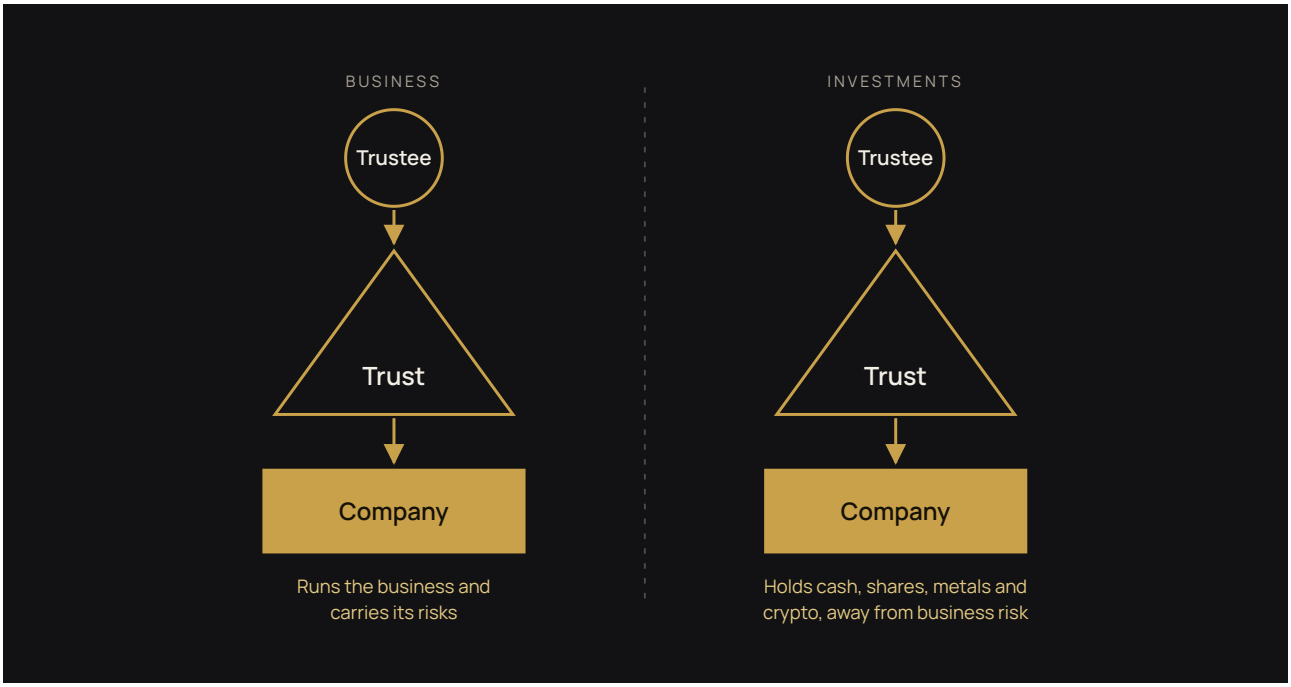
Holding Companies: The Complete Guide explains how the holding company works, its benefits and trade-offs, and a full working example with numbers.



KEEP RISK AWAY FROM WEALTH

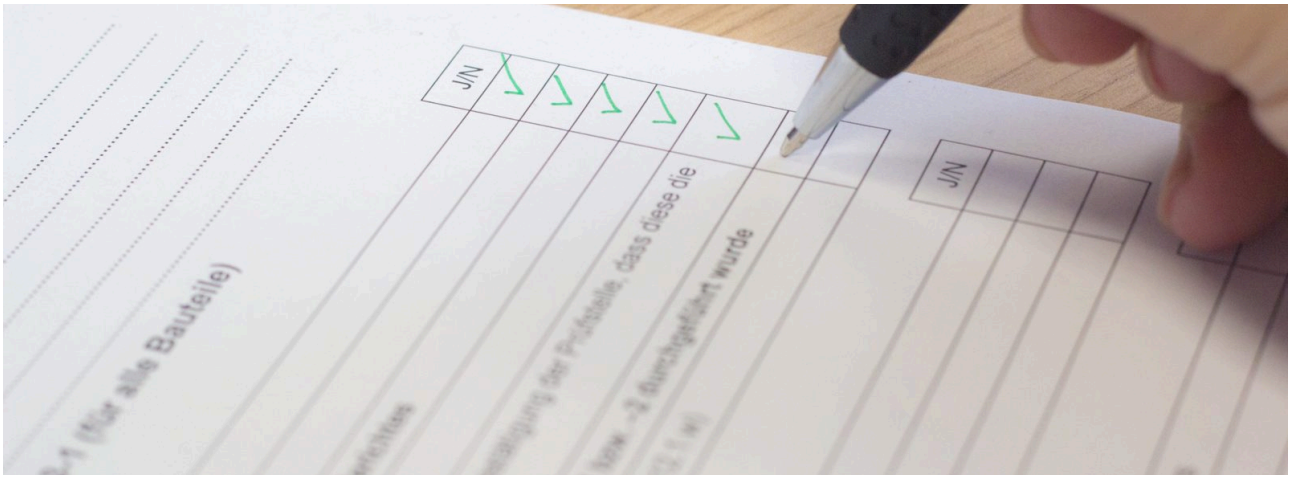
Separate your business from your investments

If you run a business, keep it apart from the wealth you have built. One structure runs the business and carries its risks. Another holds your investments, so a problem in the business cannot reach them.



★ THREE SIMPLE RULES

1. Hold your wealth and your business in structures.
2. Control, do not own. Keep assets out of your own name.
3. The usual exception is your family home, which can be protected in other ways, such as your own mortgage over it.



06

SECTION SIX

A Working Example

The Smith family, before and after the trust changes.



THE STARTING POINT

Fred and Mary's situation

Fred and Mary Smith have a family trust with Smith Pty Ltd as trustee, and Mary as appointor. The trust makes a profit of **$100,000** from investing. Fred earns $150,000 a year from his job. Mary stays at home with no income, and their daughter Jenny is a university student with no income. They also have a family company.

HOW THE TRUST IS USED TODAY

The trust shares the profit

Mary receives $50,000, Jenny receives $30,000 and the family company receives $20,000. Each pays tax at their own rate.

Tax on the $100,000	Amount
All in Fred's own name	$41,800
Through the trust today	**$13,290 (Mary $5,520, Jenny $1,770, company $6,000)**
Saving today	**$28,510 a year**

This is why family trusts were so popular for so long.



FROM 1 JULY 2028, IF THE CHANGES PASS

The same trust under the new rules

1. The trustee pays at least 30% on the $100,000: **$30,000**.
2. Mary and Jenny get credits for that tax, but their own tax is less than the credit, and the difference is not refunded.
3. The family company gets no credit, and pays company tax of 30% on its $20,000 again: **$6,000** more.

	Tax on $100,000	Saving vs Fred's name
Trust today	$13,290	$28,510
Same trust from 2028	$36,000	$5,800
Our recommended structure	**$30,000, taxed once in the holding company**	**$11,800, with $70,000 kept to reinvest**

★ THE RESULT

With the investments held in a holding company owned by their trust, the profit is taxed once at 30% and $70,000 stays in the company to reinvest. The trust still protects the family's wealth. Tax is paid personally later, only when the family takes money out as dividends, and the company tax already paid counts towards it.



Income tax only at 2026-27 resident rates, before offsets and the Medicare levy. A company that mainly holds investments pays 30%; a small business company pays 25%. Figures are examples only.

07

SECTION SEVEN

Setting Up and Running Your Trust

Getting money and assets in, and running it properly.



MOVING ACROSS

Trading or running a business in your own name?

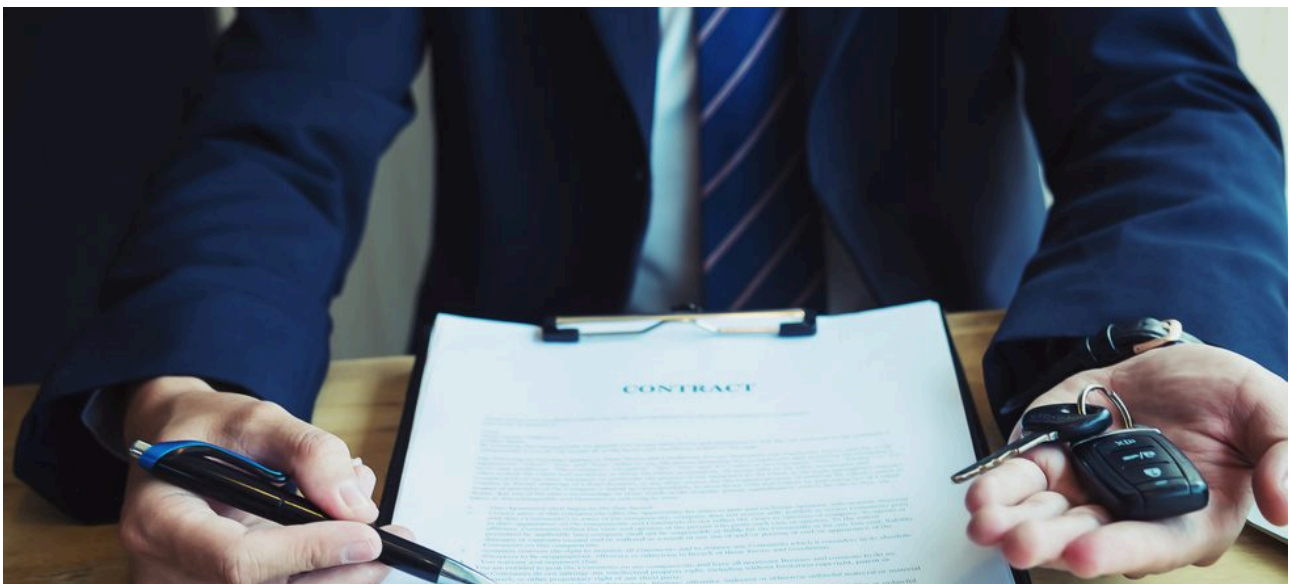
Moving a business or assets from your name into a trust counts as a sale. That can trigger capital gains tax and stamp duty, and you may need a valuation. This is why setting up correctly from day one matters so much. The rollover relief from 1 July 2027 may help some people restructure, so get advice first.

A gradual changeover: often the simplest way is for all new trading or business to happen in the new structure, while the activity in your own name winds down over time.

BEFORE YOU START

Questions to ask yourself

- Is there a risk of a lawsuit from the business? Could a lawsuit wipe it out?
- What are the tax effects of setting it up this way?
- If you plan to sell the business one day, is it structured for the tax on the sale?



MONEY IN, MONEY OUT

Putting your own money into the trust

Money you put in from your personal account is a loan to the trust (not to the trustee company), which keeps your protection intact. Record it in a trust minute, so you can take the money back later without tax. For larger amounts, say over $50,000, have a formal loan agreement prepared by a lawyer or accountant. When the money is repaid, write another minute noting it is repaying the loan.

We take a conservative view and assume you cannot charge interest on the loan and claim it against your tax.

EACH YEAR

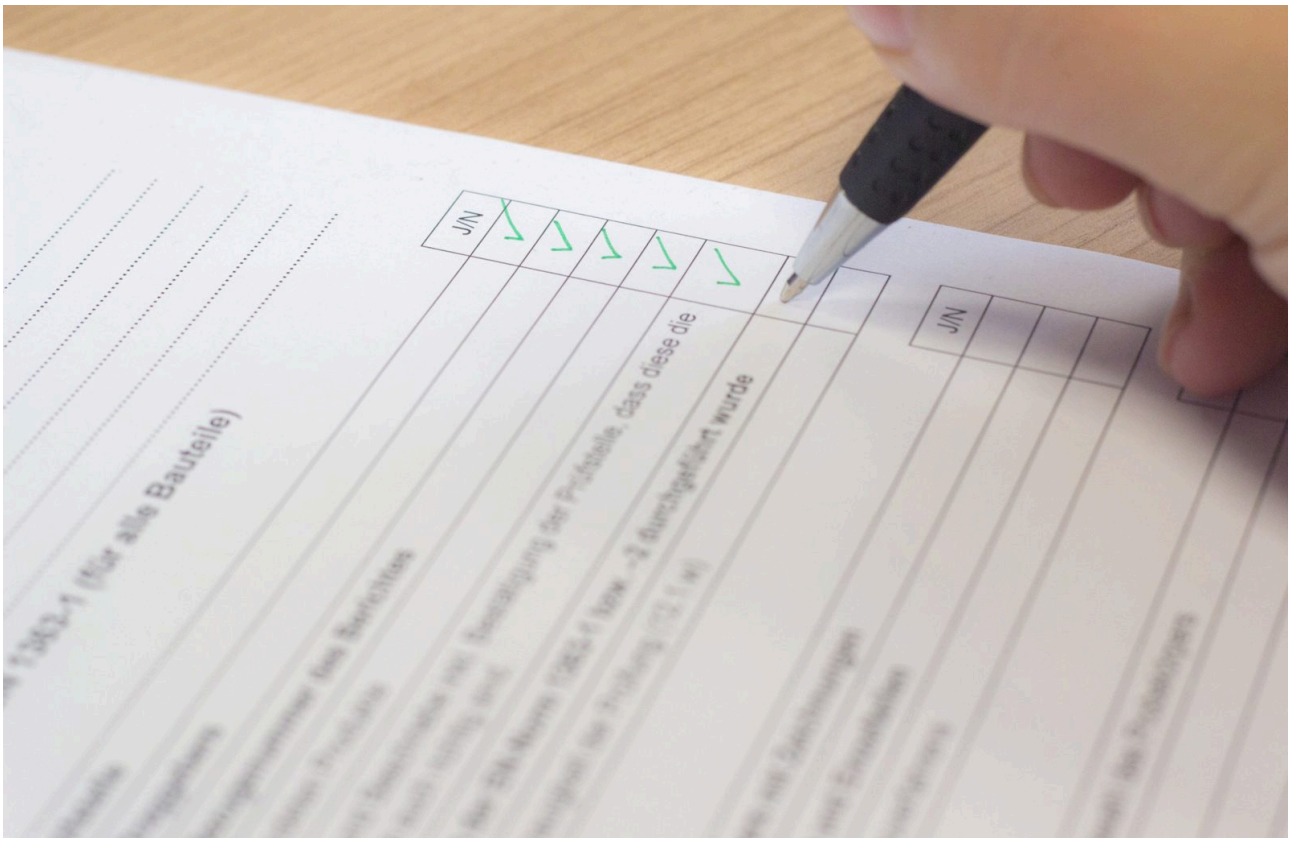
Distribute by 30 June

The trust's income must be distributed to beneficiaries, at least on paper, on or before 30 June each year. Otherwise it is taxed at the top rate. Your accountant works out the best way to distribute, and in some cases the money must actually be paid across. Expenses of the trust are paid from pre-tax income, so make legitimate business costs trust expenses.

BANKING

Opening a bank account

Take your company and trust folders to your bank, and they will do the work. The account is usually in the name of the company as trustee for the trust.



WHAT WE DO FOR YOU

Set up from start to finish

- A discretionary trust, set up for you, so your assets sit outside your personal name.
- A company as trustee, so no individual is personally exposed.
- The paperwork and registrations organised, including the ABN.
- A folder with all your documents, template compliance documents and instructions.
- Videos for you and your accountant on how the structure works and how to run it.
- Three months of email support for you and your accountant.

Option	Investment
Company and Trust Set Up	$2,970
Company, Trust and Holding Company (our recommended structure)	**$4,750**
Crypto and precious metals upgrade	$497
Registered office (optional)	$250 a year
Specialist Consultation and Structure Package	$4,997, plus $1,497 to add a holding company

The Specialist Package adds our Standard One-on-One Consultation, the Crypto Tax Protection Templates, video education and three months of email support. Already have a trust? A Standard Consultation is our review package.



THE PROCESS

How it works

Who does it: YOU GWC

1	Choose the Company and Trust Set Up, or the full structure with a holding company.	YOU
2	We send you simple forms to complete.	GWC
3	You complete and return the forms.	YOU
4	We set up the trust and the trustee company, and organise the paperwork and registrations.	GWC
5	You receive your folder with all your documents, templates and instructions.	GWC
6	You and your accountant watch the short videos on running the structure.	YOU
7	We answer your and your accountant's questions by email for three months.	GWC

NEXT STEPS

Ready to protect what you have built?

- **Become a free member at www.globalwealthclub.com.** You will find free videos on companies, trusts and what the Budget changes mean for you, and you will be notified of free podcasts, masterclasses, events and updates on the topic.
- Any questions? Email clients@globalwealthclub.com and we will be in touch to discuss.
- Let us know if you would like a proposal with our package price.

Yours in freedom,

The Global Wealth Club

APPENDIX

Frequently Asked Questions

Straight answers to the questions clients ask most.

Is the 30% minimum tax on trusts law yet?

No. It was announced in the May 2026 Federal Budget to start on 1 July 2028. It is not law yet and the details could change. We will keep our members updated.

Should I wind up my trust?

Not necessarily, and not without advice. Your trust may still be valuable for protection, for example by owning the shares in a holding company. Have it reviewed first.

Is a bucket company still worth it?

Until 30 June 2028, it can still help cap the tax on trust income. Under the proposed rules, money paid from the trust to a company is taxed twice, so for most people a holding company owned by the trust is now the better choice.

My trust has a person as trustee. Can I add a company?

Yes. A lawyer can prepare a deed of variation, or your accountant can help you organise one.

Can an existing company be the trustee of a new trust?

Yes. If it already has a TFN, ABN and GST registration, it is unlikely to need to register again. Check with your accountant.

What does a trust with a corporate trustee cost to run each year?

The company's yearly ASIC fee and your accountant's fees. With our registered office option ($250 a year), we look after the company's address and yearly ASIC paperwork.



I am the sole director and the only beneficiary. Is that a problem?

It can raise questions with the ATO. In our experience the risk is very remote, especially if you distribute to more than one beneficiary. If you are concerned, we can make sure an additional beneficiary is included.

Can I give trust income to my children under 18?

Generally it does not help. Above a small amount, it is taxed at the top rate. Ask your accountant about the exceptions.

Can I pay myself from my business trust without super?

As a beneficiary, a distribution from the trust is not a wage, so super is not required on it. We are not licensed to advise on super, so confirm this with your accountant.

Can I claim things I bought before the trust was set up?

No. The money was spent by a different person (you) before the trust earned any income. However, the costs of setting up the trust can usually be claimed over five years, and carried forward if the business takes time to become profitable.

Can I hold long-term crypto and trade crypto in the same trust?

Yes, but if you are a committed trader, keep trading clearly separate from buy and hold, or use a separate trust. Until 1 July 2027, assets held over 12 months get the 50% CGT discount and trading gains do not. For gains after that date, the discount is replaced by the new inflation adjustment.

How do I move crypto, silver or gold into my trust?

Our crypto and precious metals upgrade ($497) gives you the templates and guidance to link these assets to your trust properly, and our member videos walk you through it.



Do I have to actually pay the money to the people I distribute to?

The income must be distributed at least on paper by 30 June. In some cases it must also be paid across, so check with your accountant. In most cases, you can keep the funds invested and compounding.

Is a trust foolproof?

No structure is. A trustee in bankruptcy, the Family Court or Centrelink can sometimes look through a trust, and transfers made shortly before trouble can be undone. A trust works best when it is set up early, well before any problem, and run properly.

How do I get started?

Email clients@globalwealthclub.com. If you already have a trust or company, start with a Standard Consultation to review it before the changes begin.



General information only, not personal tax, legal or financial advice. Laws change, and the Budget measures described are not yet law. Figures are examples only and vary by state and situation. Confirm with a qualified adviser before acting.