

MARATHON
MARATHON CORPORATE SERVICES LIMITED
TRUST

MT Select Trust

The Ultimate Wrapper



Summer 2021



Why Hong

The Hong Kong Government made substantial upgrades to Hong Kong Trust Law.

Changes including the elimination of rules against Perpetuity and Retention of Excess Income except in the case of charitable Trusts, combined with Hong Kong's low tax structure and improved protections for Settlers and Beneficiaries make, Hong Kong the destination of choice for international Trust Business.

A Hong Kong Trust obtains these benefits:

- **Foreign Owner:** The Settlor can be from any country along with the beneficiaries and the Trust properties can also be located in other countries.
- **Tax Savings:** The Trust can avoid Inheritance Tax, Gift Tax, Wealth Tax, and transfer tax. The beneficiaries may receive income and assets free of income taxes. However, taxpayers from countries taxing global income must report all income to their tax agencies and the Trustees are required to report under the Common reporting standards.
- **Asset Protection:** Trusts assets are beyond the reach of the settlor's and beneficiaries' creditors.
- **Simplification of Estate settlement:** Trust assets can quickly pass to generations of heirs without disruptions, costs, and loss of confidentiality and privacy due to probate proceedings when assets are bequeathed by a will.
- **No Forced Heirship,** legal assurance that movable properties will not be subject to foreign inheritance laws.
- **Control:** Hong Kong Trust law allows settlors to retain substantial control over Trust assets investments without jeopardizing the legality of the Trust.
- **Privacy:** Since Trusts are not registered with the government, there are no public records about them.



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Administration

Settlor

Tax exemption is only allowed when the Settlor is a non-resident of Hong Kong. Therefore, this type of Trust was created for settlors residing outside of Hong Kong.

Trustee

In Hong Kong since 2018, Trust or company service providers must be licensed under the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615) ("AMLO").

Provisions to change Trustees

The 2013 law gives beneficiaries powers to remove Trustees under specific circumstances. If the beneficiaries agree to remove a Trustee and the Trust Deed does not grant express power to anyone else to remove a Trustee. No court orders will be necessary to remove a Trustee which follows current practices in the United Kingdom.

Taxes

Non-resident Trusts are exempt from most taxes. Note: that Taxpayers and all others residing in countries which tax global income must declare all income to their governments. The Trustee is required to file information on Trust holdings under FATCA and CRS under international agreements on any holdings or Trust Disbursements.

Accounting & Audits

Under (Cap 29 sec 3A) of the Trustee Ordinance the Trustee must operate under a duty of care which requires that accounting practices the Trustee must follow The Hong Kong Institute of Certified Public Accountants Guidelines while maintaining records and books.



Introducing the MT Select Trust

At Marathon, we are committed to providing our clients the tools to control of their financial and estate affairs. Providing discretion, privacy, and flexibility. To deliver choices, concerning in tax planning, your exposure to business risk, and in estate matters. To put you in the driver's seat in planning your future.

Each person has the responsibility to husband their resources to ensure that they can cover the expenses of their upkeep and ensure the wellbeing and economic security of their family. The combination of Hong Kong Taxation and Trust law provide international investors and business people the ability to maximize their opportunities.

The Select Trust provides the maximum in flexibility without the higher costs associated with bespoke Trusts, which are custom crafted for specific situations while keeping costs as costs in line.

The Company

Marathon Corporate Services Limited (the Company) is a company incorporated under Hong Kong law, licensed and active providing services, under our Hong Kong Trust and Company Service Provider License (TCSP) License Number: TC006228 since February 2019. We provide Retail and B2B Trust services, Company Secretarial and Corporate Consulting Services.

In Hong Kong Trust or Company Service Providers (TCSPs) must be licensed under the Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615) ("AMLO").

For more information about the Company, please see our website at <https://mcoserv.com>

Board of Directors

Peter Adam Director



Peter Adam is a 40-year veteran of the financial services industry, beginning during the early 1980s in London working for insurance companies, progressing into international life assurance companies, dealing with financial advisors in the UK and Europe.

Arriving in Asia during 1996 running the Asia Pacific operations for AXA Sun Life, based in Hong Kong. Peter moved on to work with a number of hedge fund companies both Asian based, US and European, focusing on institutional sales in the Asia Pacific region. During 2002 Took on compliance management for Towry Law International, then the world's largest independent IFA. Peter has demonstrated his knowledge in subsequent roles, including as Managing Director of a Fiduciary company in Malaysia and a senior management of one of Hong Kong's Registered Trust Companies.

Vivian Chan, CPA Founder, Director, CFO.



Currently the CFO of Marathon Capital Asia Limited group of companies, 2017 to present. Formerly the CFO of Legacy Trust Company Ltd and Head of Finance for Hong Kong-based Orangefield Management (Hong Kong) Limited and Manager Financial Control for ICS Trust (Asia) Limited.

She is a qualified CPA and a graduate in Economics from the University of Toronto: her background includes experience in corporate structuring, offshore and China incorporations, international trade, and private client services.

David Nesbitt, Director



Mr. Nesbitt is a senior investment professional with over thirty years of experience in Asia-Pacific, based in Hong Kong. He has managed Hong Kong subsidiaries for a variety of major North American and European financial services firms, including RBC Financial Services, CIBC World Markets, American Express Asset Management and EIM Group. He is the Founder of the Nesbitt Centre Ltd., a Centre for Special Needs international young adults in Hong Kong.

Mr. Nesbitt is also a Fellow of the Canadian Securities Institute and the Hong Kong Institute of Directors. He is a graduate of the University of Manitoba (B.A, Psychology) and Queen's University (M.B.A, Marketing), both in Canada. Mr. Nesbitt is a Governor of the Canadian Chamber of Commerce, and also carries Responsible Officer status for Asset Management under the Hong Kong Securities and Futures Commission.

Douglas R E Wilson, Founder & Director.



Mr. Wilson is a senior executive with over forty years of business experience including, 20 years in financial services in Compliance and Trust operations. His career has included senior roles in Financial Services, Corporate and Business Consulting, Marketing Services, Telecommunications.

His service included acting as the CEO and Senior Trust Officer of National Credit Counsellors of Canada Limited Consumer Credit Services at the time, the largest, for-profit credit counselor company in Canada.

During his distinguished career, Mr. Wilson founded Marathon Capital Asia Group which includes Marathon Corporate Services Limited, Legacy Trust Company, and NCC Corporation owner of National Credit Counselors of Canada Limited.

MT Select Trust Fee Schedule

Trust Sign-up / Initiation fee \$7500 USD

Trust Deed Assembly

Configuration of Supplemental or alternate Trust Section modules will be quoted on a per case basis.
(In General Prices range from 1500 to 3500 per module)

Assets under Administration Fee

Minimum Annual Fee, based on agreed valuation if there are no liquid-able asset

First \$100,000.	USD	of assets, or equivalent	Billed Quarterly In Advance	1.50 %
Next \$150,000.	USD	of assets, or equivalent	Billed Quarterly In Advance	1.25 %
Next \$250,000.	USD	of assets, or equivalent	Billed Quarterly In Advance	1.00 %
Next \$500,000.	USD	of assets, or equivalent	Billed Quarterly In Advance	0.95 %
Above 1000,000	USD	of assets, or equivalent	Billed Quarterly In Advance	0.85 %

Real Estate

Conveyance	Cost Plus 30%
Holding Company formation In Trust	Fees per Schedule
Property Management	3.5%

Asset Acquisition Fees

Due Diligence Review per Hour	\$150	USD
Transaction fee per Placement/Account	\$225	USD

Disbursements

Partial Withdrawal/Transfer Out	Cash	\$50	USD
Partial Withdrawal/Transfer Out	In-Kind	\$75	USD
Full Withdrawal/Transfer Out	Cash or In-Kind	\$150	USD
Investments Transferred out	In-Kind	\$1,000	USD
Scheduled Monthly Payment		\$20	USD

Estate Settlement

One Time (Per account) Plus	\$1,000	USD
Per hour service fees after 3 hours	\$400	USD

Misc. Fees

Forfeiture Fee Plus legal expenses, if any	2'00%	
Account Research per Hour	\$50	USD
Returned Item	\$100	USD
Administrative Relief Application	\$250	USD

Marathon Corporate Services Limited (the Trustee) reserves the right to recover all-of-pocket expenses. Any miscellaneous fees for services provided by third parties will be charged at cost plus 20%. The Trustee may assess fees for extraordinary services not outlined in this schedule.

Pursuant to your MT Standard Trust Service Agreement, you agree to pay Marathon Corporate Services Limited a one-time charge, annual fees and transaction fees in exchange for providing services in connection with your Protector account. With the exception of the annual administration fee, all other fees are charged when the transaction is processed.

A balance must be carried in the cash account sufficient to cover all anticipated fees for the following 12 months. In the event that the cash account is not replenished as necessary, the Trustee reserves the right to sell or surrender investments sufficient to cover the anticipated Fees.

All fees are quoted in United States Dollars.

“International Trusts have long been used by wealthy families and individuals and entrepreneurs to arrange their succession, business, and investment activities.”

One way to look at the Trust structure is as a package or wrapper that can isolate your investment and business risks, allow you to control the exposure to, and timing of taxation and succession. Providing protection and privacy for your estate.

Hong Kong continues to grow as a Trust hub attracting settlors who desire a modern Trust law in a settled and mature legal system. Settlors often seek the assurance of a Trust designed to retain a degree of control over the settled assets.

Access to Opportunities

Hong Kong is a mature financial center ranked number six overall, with the Hong Kong exchange rating number four the world. This means that whether you are dealing in equities or bonds, for capital gains or for cash Hong Kong with its beneficial tax treatment of investment income offers exceptional liquidity.

Hong Kong offers the opportunity to invest in virtually any commodity globally and with its laissez-faire approach to regulation, offers unparalleled opportunities both in traditional finance as well as the fast growing digital currency markets.

An open market for Crypto Currencies

Hong Kong Regulators do not consider Cryptocurrencies to be either a Currency nor a Security. As a result In Hong Kong Cryptocurrencies there is no law against any person buying and selling Cryptocurrency directly with any other person

Although Crypto currencies do not generally fit the definition of a security The Securities Regulator takes the position that Cryptocurrency may be considered a security if it is tied directly to a security, for example stable coins, DeFi Tokens and NFT tokens.

They further consider that some activities such as, acting as an exchange, lending margin on tokens (staking) and managing portfolios of CryptoCurrencies require licensing and should only offer to provide these services to Professional Investors.

The Government is committed to regulating rather than restricting Cryptocurrencies. This means that while the activities may require licensing, persons qualified as Professional investors, trading as principal, are free to deal with Cryptocurrencies without legal constraint.

For the Global tax challenged.

With a Trust established to meet structural requirements of your tax residence, the assets you shelter in your Hong Kong trust, may be able to be held in perpetuity, to be enjoyed by the designated beneficiaries, without forced exposure to Investment and estate taxes. The income the trust earns may be paid out as needed or held and reinvested in the trust indefinitely until there is a need for cash expenditure outside the trust.

For settlors who are Tax Resident in countries under Global Taxation Laws, again assuming the required structures are established, may be able to see Trust income reinvested for future growth, and explore establishing charitable foundations and not for profit activities, paying tax on all cash flowing from the Trust as earned income, as paid, advisors, contractors or employees.

The tax benefits of residency, without residency

As a Hong Kong Trust is, by definition, resident here, the trust in may hold, trade Earning Investment Income in Hong Kong, while enjoying the beneficial tax treatment of investment income Here. For Trusts in Hong Kong there is no taxation on interest, dividends or capital gains on the full range of investments, from Cryptocurrencies, to virtually any other legal classes available globally.

If you are from a country with a National Taxation system or a country that has specific exemptions to taxation on repatriation of offshore income, a Trust in Hong Kong will allow you to trade the full range of asset classes including Cryptocurrencies you may that not have access to at home, and enjoy a tax holiday on the income. You may quite literally have your cake, and eat it too!



Food For thought,

In the words of U.S. Supreme Court Judge Learned Hand

"Over and over again courts have said that there is nothing sinister in so arranging one's affairs as to keep taxes as low as possible. Everybody does so, rich or poor; and all do right, for nobody owes any public duty to pay more than the law demands: taxes are enforced exactions, not voluntary contributions. To demand more in the name of morals is mere cant."

in Comm'r v. Newman, 159 F.2d 848, 850-51 (2d Cir. 1947)...

Marathon Corporate Services Limited
Suite 23, 3rd Floor, Great Eagle Centre,
23 Harbour Road, Wan Chai, Hong Kong
(852) 21036494 Email ms@mcoserv.com