*<Client first name> <Client last name>*

*<Company>*

*<Postal address 1>*

*<Postal address 2>*

*<City> <Postcode>*

*<Date>*

Dear *<Client first name>*

It’s common for people involved in family trusts to underestimate the on going management and administration requirements. Recent case law has highlighted the risks for trustees when things do go wrong.

In addition, the Trusts Act 2019 has been passed comes in to effect in 2021 in which will legislate higher standards of management being required, including new requirements for trustee to know the terms of the trust, to act according to those terms, to retain trust documents, and make certain information available to beneficiaries.

While people settle (create) a family trust as a means of providing a form of protection for assets, many experts believe that if challenged, many of these trusts could be overturned. Author and financial advisor Martin Hawes, who has sold over 120,000 books about trust management in New Zealand, estimates that 75% of family trusts wouldn’t withstand legal scrutiny. We want to ensure that your trust is effectively managed in order to achieve its goals.

In addition to this, there is new anti money laundering/countering the financing of terrorism (AML/CFT) rules being put in place for lawyers and accountants to make us reporting entities, as banks are currently. This requires more oversight of clients’ activities, more record-keeping and requirements to report any suspicious activities.

As with many things, technology is being developed to address the issues identified. We have evaluated a New Zealand product called Connectworks, which is an easy-to-use, cloud- based software solution for the management of family trusts.

It can bring all those involved in each trust and all their information together to improve compliance and streamline management. We are really excited about this development as it allows us to not only to help protect the trust and trustees from risk, but also to provide meet our AML/CFT obligations and provide even better service.

OPTION ONE (where your firm is mandating the use of Connectworks

We are a trustee of *(name of trust)* with you.

This is a very different relationship to being an advisor to you, as we’re also potentially liable if anything goes wrong with the trust.

We think Connectworks helps protect us all and can help ensure the trust can achieve its goals, so we’re requiring the use of Connectworks where we are trustee.

Any discussions, resolutions and documents must be added into Connectworks.

The cost of the software will now be included as part of our annual independent trustee fee of $\_\_\_\_\_ from *(date)*.

OPTION TWO (where you’re using Connectworks without client engagement)

The software has an annual cost of $———- and we’ll be disbursing this to you with our annual trust review fee.

OPTION THREE (where you’re not a trustee, but recommending the use of Connectworks)

We are mandating the use of Connectworks for trusts where we act as a trustee and insisting that all trust actions be recorded in Connectworks. While we do not act as a trustee for *(name of trust),* we do strongly recommend using Connectworks.

The software has an annual cost of $———- and we would disburse to you with our annual fee unless you advise us otherwise by (date).

If you have any questions or concerns at all, please contact us anytime.

Best regards

*<Practice Contact>*

*<Title>*

*PS: We will be sending you an invitation via email soon to be able to access the* Connectworks *software. It’s very intuitive to use but feel free to contact us at any stage with questions. There is also free support accessible within the product*