

FREQUENTLY ASKED QUESTIONS

Registration of Trust

Q 1	How to form a Trust'?
	<p>a) A trust can be formed as per Section 4 of Indian Trust Act 1982 for a lawful purpose;</p> <p>b) A trust should have a document written and signed by trustees or a sole trustee;</p> <p>c) A trust can be formed through a will also;</p> <p>There is no definite form to create a trust. Objectives of the trustee should be clear and unambiguous;</p>
Q 2	What are the purposes for which a trust can be formed?
	<p>Trust cannot be formed for the following purposes under Sec.4 of the Act:</p> <p>a) Unlawful purposes;</p> <p>b) Against provisions of Indian Trusts Act 1932 rules made there under;</p> <p>c) If there are provisions for cheating etc. in the trust;</p> <p>d) If the trust is intended to cause loss or damage to one's property</p>
Q 3	Who can form a trust?
	<p>The following can form a trust under Sec.7 of the Indian Trusts Act 1882:</p> <p>a) A person capable of making contract can form a trust;</p> <p>b) Trust can be formed on behalf of minor with permission of Civil Court.</p>
Q 4	What is the stamp duty to be paid for a trust deed?
	<p>1. Rs.500/- if only money is contributed by the author of trust or if immovable property is conveyed where in the author remains as the sole trustee.</p> <p>2. Same duty as conveyance if the immovable property is conveyed and the author is not a trustee or a sole trustee.</p>
Q 5	What is the fee for registration of trust deed?
	<p>As per Article III of table of fees under Karnataka Registration Rules 1965, fee shall be paid at 1 percent on the total of value shown by the trustee or value of movable or immovable property shown in the trust deed.</p>
Q 6	Can a trust be cancelled?
	<p>A trust can be cancelled on the following grounds as per Sec. 78 of The Indian Trust Act 1882:</p> <p>a) Trust can be cancelled at the will of the trustees;</p> <p>b) Trust can be cancelled if there is provision for cancellation in the deed.</p> <p>c) If author of a trust creates trust for the purpose of repayment of his debt and if this is nor informed to the creditor author can cancel the trust.</p>
Q 7	Can the defects in the trust be cured by amendment?
	<p>Yes, amendment can be made a rectification or supplementary deed.</p>