

**Bills Committee on Trust Law (Amendment) Bill 2013**

**Follow-up actions to be taken by the Administration  
for the meeting on 9 April 2013**

Abolition of the rule against perpetuities

Given that the rule against perpetuities ("RAP") for trusts under the common law regime has been applied for many years and is retained in other common law jurisdictions, such as the United Kingdom and Singapore, for the purpose of ensuring that assets, especially land, would not be tied up in trust longer than desirable, some members have expressed concern about the implications of the proposed abolition of RAP in Hong Kong. The Administration was requested to provide --

- (i) a comparison setting out the details about the existing RAP in Hong Kong and other common law jurisdictions; and
- (ii) the Administration's considerations and rationale, in detail, for proposing the abolition of RAP in Hong Kong.

Abolition of the rule against excessive accumulations of income

On the proposed abolition of the rule against excessive accumulations of income ("REA") for new non-charitable trusts, the Administration was requested to provide --

- (iii) a comparison setting out the details of the existing REA in Hong Kong and other common law jurisdictions; and
- (iv) the Administration's considerations and rationale, in detail, for proposing the abolition of REA in Hong Kong.

Other legislative amendments in the Bill

- (v) To facilitate members' consideration of other legislative amendments (apart from the abolition of RAP and REA) in the Bill, the Administration was requested to provide the considerations and rationale, in detail, for proposing each of these amendments.