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Your Reference: Acknowledgement of Trust Deed  
Enquiries: Adj Professor, Dr Brett Davies  
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Email: [brett@legalconsolidated.com](mailto:brett@legalconsolidated.com)

Thursday, 18 March 202

Collector Nominees Pty  
22 Edwin Avenue  
Drummoyne NSW 2047  
Australia

*Build this legal document at  
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telephone us, we can help you  
complete the questions.*

*Adj Professor, Dr Brett Davies - Partner*

Dear Trustee,

## **Acknowledgement of Trust Deed**

Thank you for instructing us to prepare the attached Acknowledgement of Trust Deed.

### **How to print your document**

When you are satisfied that the document is according to your instructions please:

1. Download the PDF (Don't print directly from the browser.)
2. Print the PDF Printer settings: A4 paper  
100% scale (turn off 'fit to page')
3. Print single sided (NOT duplex).
4. Once signed keep this covering letter with the document  
(However, do not staple the covering letter to the document.)

We act for:

Adnan Darwish  
of 10 Ross Circle, Gladesville NSW 2111, Australia

(Beneficiary)

### **How to use this document:**

1. The formation of a Trust relationship has already occurred, that is, the Trustee has already acquired the Asset on behalf of the Beneficiary.
2. The Beneficiary would now like to merely record this in writing. To document this, the Acknowledgement of Trust Deed is completed and signed.
3. You need to have adequate evidence (money transfers and emails etc...) to show to the local stamp duty office and the Australian Taxation Office, if ever required, to prove that the 'true' beneficial owner was always the Beneficiary. You need to prove that the Trustee is just a bare Trustee with no beneficial interest in the Asset.

4. You need to prove that the Acknowledgement of Trust is merely recording a trust relationship that has always existed.
5. Provided you can prove the above, the Beneficiary is now at liberty, relying on the trust relationship of which the Acknowledgement of Trust Deed merely documents, to have the Asset put into the name of the Beneficiary. For example, if the Asset was land then the Beneficiary will take the Acknowledgement of Trust Deed and the Trustee's contract to purchase the land to a conveyancer. The conveyancer will have both documents stamped and the land can be put directly into the name of the Beneficiary generally for no additional stamp duty and without triggering a capital gain.

### General comments on an Acknowledgement of Trust

Below are general comments on an **Acknowledgement of Trust Deed**:

Sometimes, in the heat of the moment, you forget to sign a **Declaration of Trust BEFORE You Buy**. While your trustee proceeds to buy the asset for you, there is no deed yet to record that trust relationship. Trust relationships exist whether they are in writing or not. They are just a lot easier to prove if everything is in writing.

Whether there is a deed or not the trustee still 'owns' the asset merely as a bare trustee for another person being the beneficiary.

The **Acknowledgement of Trust** is drafted after the above purchase by the trustee. The **Acknowledgement of Trust** does nothing other than document what has happened in the past. It isn't trying to rectify or change anything, it is merely recording what actually happened in the past.

It would have been better to have documented this trust relationship **BEFORE** the trustee acquired the asset. Before the trustee acquired the asset you should have built and signed a **Declaration of Trust BEFORE You Buy**. But you didn't. So you are now documenting what you did in the past with an **Acknowledgement of Trust**. It is better late than never to document what you did in the past.

The **Acknowledgement of Trust** merely sets out the facts that took place in the past. As an example you may say:

'Yes, as a trustee, I acquired the asset, but it was, at all times, for the benefit of the beneficiaries. I have no interest in the asset other than as the trustee. The money to pay for the asset came from the beneficiary, not from me and I have plenty of evidence like cheque butts and emails to prove this.

All the **Acknowledgement of Trust** is doing is recording, by way of Deed, the trust relationship that already exists.

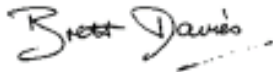
There is a real risk that the state stamp duty office or the ATO may not believe you and seek to inflict stamp duty and CGT on the **Acknowledgement of Trust Deed**. Be careful. Make sure you have plenty of evidence that at all times the beneficial owner was and remains the beneficiary (cheque butts, bank statements, emails etc...)

You need to prove that this **Acknowledgement of Trust** changes nothing. You were always the trustee of the asset for the beneficiary. You need evidence it has always been the case.

Why did the beneficiary want you, as trustee, to acquire the asset as trustee in the first place? There are many reasons – both personal and private. For example, the beneficiary may have wanted you to buy the asset as trustee because the beneficiary didn't want the vendor, the public or a spouse to know what the beneficiary was purchasing.

This now concludes the matter. Thank you for your instructions.

Yours sincerely,



Adj Professor, Dr Brett Davies, CTA, AIAMA, BJuris, LLB, LLM, MBA, SJD  
National Taxation Partner  
LEGAL CONSOLIDATED BARRISTERS & SOLICITORS

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*Dr Brett Davies  
Partner  
Legal Consolidated Barristers & Solicitors*

Resolution by the Trustees

Held at .....

On ..... day of .....20.....

Trustee full name(s):

Collector Nominees Pty Ltd ACN 658 947 165  
22 Edwin Avenue, Drummoyne NSW 2047, Australia

(Trustee)

**Quorum:** It was noted that a quorum was present at the meeting.

**Notice of Meeting:** It was noted that all Trustees received notice of this meeting and that all consent to the meeting being held and waive any requirement for any specified period of the notice of the meeting. It was resolved unanimously that the meeting is validly constituted regardless of any failure to give notice as required under any rules, constitutions or the *Corporations Act*.

**Person chairing the meeting:** It was resolved that the person signing these minutes be the person chairing the meeting (**Person chairing the meeting**).

Upon tabling the declared and fully executed Acknowledgement of Trust Deed that established the Acknowledgement of Trust Deed: IT WAS CONFIRMED THAT:

1. The above trustee(s) holds the role of bare trustee of the Acknowledgement of Trust Deed.
2. The Trustee has received a copy of the Acknowledgement of Trust Deed.
3. The Trustee carries out such duties according to the law.
4. Authority is given to allow Bank Accounts to be opened and updated, as required.

Closure: There being no further business the meeting was declared closed.

Signed as a true and correct record of the meeting immediately after the meeting.

..... Person chairing the meeting

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*Adj Professor, Dr Brett Davies - Partner*



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## Acknowledgement of Trust Deed

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This Acknowledgement of Trust Deed is made by:

Collector Nominees Pty Ltd ACN 658 947 165  
22 Edwin Avenue, Drummoyne NSW 2047, Australia

(Trustee)

## 1. Introduction

On 10 March 2021 the Trustee acquired:

2021 Audi Q7, Registration Number EIU 383

2019 Lamborghini Huracan, Registration Number KDF 466

(Trust Asset).

The Trustee acquired the Trust Asset for:

Adnan Darwish  
of 10 Ross Circle, Gladesville NSW 2111, Australia

(Beneficiary)

The Trustee wishes to formally record that at all times the Trustee trustee of the Trust Asset and only holds the Trust Asset as bare trustee of the Beneficiary.

The Trustee has checked the records and believes there is adequate evidence for the Australian Taxation Office and local stamps or duties office that it has always been the case that the Trustee acted as trustee for the Beneficiary. Therefore, the Trustee (after taking advice, if required) states that this Acknowledgement of Trust Deed does not constitute a transfer and is merely an acknowledgement of an already existing trust relationship.

## 2. Dictionary

Beneficiary the person or persons stated above

Trust Asset as defined above

Trustee the person or persons stated above

## 3. Operative

### 3.1 How does the acknowledgement of trust operate?

The Trustee acknowledges that at all times the Trustee holds the whole of the Trust Asset in the capacity of bare trustee for and on behalf of and for the sole benefit of the Beneficiary.

### 3.2 What beneficial interest does the Trustee keep?

3.2.1 The Trustee also confirms and acknowledges that the Trustee has no beneficial interest in the Trust Asset.

*Sometimes, in the heat of the moment, you forget to sign a Declaration of Trust BEFORE You Buy. While your trustee proceeds to buy the asset for you, there is no deed yet to document that trust relationship. Trust relationships exist whether they are in writing or not. They are just a lot easier to prove if everything is in writing.*

- 3.2.2 The Trustee must at the request and cost of the Beneficiary transfer the Trust Asset to the Beneficiary or otherwise deal with the Trust Asset as the Beneficiary directs.
- 3.2.3 Nothing in this Deed entitles the Trustee to beneficial ownership of the Trust Asset or to deprive the Beneficiary of the rights of beneficial ownership (including the right of possession) of the Trust Asset.
- 3.2.4 The Trustee must notify the Beneficiary of all notices, assessments, claims or demands which the Trustee receives for the Trust Asset and promptly pay all outgoings including rates, taxes and charges of all kinds from funds provided by the Beneficiary.

### 3.3 Who pays for this Deed?

The Beneficiary pays the costs of and incidental to the instructions signing and local duty (if required) of this Deed and the counterpart local duties payable on this Deed.

### 3.4 What happens if part of this Deed becomes unenforceable

If any part of this Deed is or becomes void or unenforceable then the parts of this Deed from this Deed so that all parts that are now or after valid or enforceable and effect and are unaffected by any severance.

This Deed is subject to and conditional upon there being no substantial (nominal) state duty and no Capital Gains Taxation implications. If the Deed is void *ab initio* (void from the beginning).

### 3.5 What law applies to this Deed?

Unless the parties unanimously agree in writing otherwise, the jurisdiction is the Territory in which the Trustee resides, as evidenced by the Trustee's address in this Deed.

*The Acknowledgement of Trust is drafted after the above purchase by the trustee. The Acknowledgement of Trust does nothing other than document what has happened in the past. It isn't trying to rectify or change anything, it is merely recording what actually happened in the past.*

## 4. Bare Trustee Powers

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Only exercisable with the Beneficiary prior approval or direction, but otherwise, with absolute discretion, the Trustee has all the maximum possible powers of both a natural person and of a trustee including dealing as principal, agent or otherwise.

## 5. Trustee

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- 5.1 The Beneficiary may remove a Trustee at any time, without justification or reason.
- 5.2 The Beneficiary may appoint an additional or replacement Trustee at any time and via a Will.
- 5.3 A Trustee may resign as trustee. However, unless there is a remaining trustee, the resignation is effective when a new trustee is appointed by the Beneficiary.
- 5.4 The Trustee's appointment automatically terminates if the Trustee is of unsound mind, becomes bankrupt, is wound up or makes an arrangement or composition with creditors.
- 5.5 Upon ceasing to be a Trustee, the Trustee hands back books, accounts, titles, and transfers ownership.

5.6 No person dealing with the Trustee need be concerned to inquire into the adequacy of the powers of the Trustee for any dealing or the exercise by the Trustee of any of the Trustee's powers, authorities and discretions.

5.7 No security given is invalid because of an error or omission when made by the part of the Trustee or its legal adviser or any breach of duty by the Trustee.

## 6. No Partnership

The Acknowledgement of Trust Deed does not create the relationship of principal and agent, between the Trustee and the Beneficiaries nor a partnership between the Trustee and any other when more than one.

## 7. Severing to reduce tax and stamp duty

7.1 The Acknowledgement of Trust Deed is interpreted to reduce tax and stamp duty (including State and Federal) (Taxes) and avoid a severance clause nonetheless fails to reduce Taxes or is illegal, it is severed, as required, from the Acknowledgement of Trust Deed if the severance is not fettered, as required, from the Acknowledgement of Trust Deed if the severance is illegal or in the furtherance of the reduction of the Taxes.

7.2 The Acknowledgement of Trust Deed is read down so that no matter how many Taxes, from time to time, is contravened that would lead to an adverse taxation position.

7.3 For land ownership registration requirements, including where there is a change of Trustee then all powers in the Acknowledgement of Trust Deed are severed, read down or fettered, as required, and vesting restricted, as required to allow for minimal duty or stamp duty in the relevant jurisdiction.

## 8. Decision making in more than one place and Notices

8.1 This Acknowledgement of Trust Deed may be executed in different locations by signing identical documents and all counterparts together constitute the Acknowledgement of Trust Deed.

8.2 Meetings and decision making can be conducted in more than one place via telephone, the Internet or other means.

8.3 Notices may be provided via the post or email.

## 9. Interpreting the Acknowledgement of Trust Deed

In the Acknowledgement of Trust Deed unless the context indicates a contrary intention:

9.1 headings are for convenience only and do not affect interpretation

9.2 a reference to a person includes a reference to: individual; body corporate (wherever incorporated); body politic; association of persons (whether incorporated or unincorporated) partnership; trust; person in the capacity as a trustee; person in the capacity as the Personal Representative of a deceased estate and superannuation fund

9.3 the plural includes the singular and vice versa and a reference to any gender includes every other gender

9.4 a reference to the Trust Deed includes a reference to any amendment, novation, variation, supplemental deed or replacement from time to time

*It would have been better to have documented this trust relationship BEFORE the trustee acquired the asset. Before the trustee acquired the asset you should have built and signed a Declaration of Trust BEFORE You Buy. But you didn't. So you are now documenting what you did in the past with an Acknowledgement of Trust. It is better late, than never.*



- 9.5 references to any party to this Trust Deed include its successors or permitted assigns
- 9.6 references to laws in the Trust Deed refer to those laws as amended as consistent with the overall purpose of the Trust Deed and does not lead to an anomaly
- 9.7 reference to any statute, or any subordinate legislation or instrument includes all statutes, subordinate legislation or instruments amending, modifying, consolidating, re-writing, re-enacting or replacing them and a reference to a statute includes all subordinate legislation and instruments made under that statute

Executed as a Deed on .....20.....

EXECUTED for and on behalf of  
Collector Nominees Pty Ltd  
ACN 658 947 165

Member, by authority of its Directors in  
accordance with section 127  
Corporations Act 2001 (Cth)

*You can build this document here:*

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acknowledgment-of-trust/](https://www.legalconsolidated.com.au/acknowledgment-of-trust/)

\_\_\_\_\_  
Signature of Director or Secretary

\_\_\_\_\_  
Signature of Director (if a 2<sup>nd</sup>)

SIGNED, SEALED AND DELIVERED by  
Adnan Darwish

\_\_\_\_\_  
Adnan Darwish

\_\_\_\_\_  
(Signature of witness)

\_\_\_\_\_  
(Name of witness)