

## Frequently Asked Questions-Trust deeds

Q1. How to form a "Trust"?

Ans:- A trust can be formed as per Section 4 of Indian Trust Act 1882 for a lawful purpose;

A trust should have a document written and signed by trustees or a sole trustee;

A trust can be formed through a will also;

There is no definite form to create a trust. Objectives of the trust should be clear and unambiguous;

Q2. What are the purposes for which a trust can be formed?

Ans:- Trust cannot be formed for the following purposes under Sec.4 of the Act: Unlawful purposes;

Against provisions of Indian Trusts Act 1882 and rules made thereunder;

If there are provisions for cheating etc. in the trust;

If the trust is intended to cause loss or damage to one's property

Q3. Who can form a trust?

Ans:- The following can form a trust under Sec.7 of the Indian Trusts Act 1882: A person capable of making contract can form a trust;

Trust can be formed on behalf of minor with permission of Civil Court.

Q4. What is the stamp duty to be paid for a trust deed?

Ans:-Rs. 250/-

Q5. Can a trust be cancelled?

Ans:- A trust can be cancelled on the following grounds as per Sec. 78 of the Indian Trust Act 1882: Trust can be cancelled at the will of the trustees;

Trust can be cancelled if there is provision for cancellation in the deed.

If author of a trust creates trust for the purpose of repayment of his debt and if this neither is nor informed to the creditor author can cancel the trust.

Q6. Can the defects in the trust be cured by amendment?

Ans:- Yes, amendment can be made a rectification or supplementary deed.