



WILLOW
STREET
TRUST
COMPANY
OF WYOMING

WYOMING TRUST INDUSTRY



U.S. TRUST INDUSTRY

Market Size

- Over 250,000 Ultra-High Net Worth individuals worldwide
- \$30 trillion expected to change hands within the next 30 years, with the majority being transferred to heirs via trusts

Drivers

- U.S. families of wealth moving trusts to jurisdictions outside of their state of residence as a state tax minimization strategy
- International families of wealth are moving assets to the U.S.
 - Younger family members attend university and remain in the U.S.
 - Asset protection against economic and geopolitical risk
 - Personal safety concerns (kidnapping, extortion)



WYOMING: A DESIRABLE TRUST JURISDICTION

These states are considered to be the top trust jurisdictions in the U.S.

- Delaware
- New Hampshire
- Nevada
- South Dakota
- Tennessee
- Wyoming

What factors make a state desirable?

- Favorable state tax regime (no income, estate or inheritance tax)
- Modern trust laws
- Strong asset protection



WYOMING: A DESIRABLE TRUST JURISDICTION

Growth Trends

- Current Assets Under Administration
 - Bank Trust Departments: \$800M
 - Non-Depository Trust Companies: \$12B
- 2009-2015: Three new public trust companies
- 2015-2018: Seven new public trust companies
- 2018 – 2019: Three additional applications pending
- In addition to state chartered trust companies, multiple OCC-chartered banks have expanded operations into Wyoming



WYOMING TRUSTS

In order to have a Wyoming trust, the Settlor or Trustee must be a Wyoming resident

Types of Wyoming Trustees

- Individual
- Bank trust department
- Non-depository publicly chartered trust company
- Private trust company (PTC)
 - Regulated
 - Unregulated

Beneficiaries and advisors may reside within or outside the state or the U.S.



WYOMING TRUSTEES: SEGMENTATION

Bank trust departments

- Client Characteristics
 - Marketable Securities
 - ‘One Stop Shop’, i.e., one trustee manages all functions (banking, lending, wealth management)

Non-depository publicly chartered trust company

- Client Characteristics
 - Combination of unique assets and marketable securities
 - Unbundled services - utilize multiple providers for investments, banking / lending, trustee services



HOW DOES THE TRUST INDUSTRY BENEFIT WY?

Diversification of the state's economy

Well-paid, full-time employment opportunities in the state

Additional source of business for professional services firms in Wyoming

- Law Firms
- CPA's
- Banks
- Investment firms

Economic multiplier 1.78X

Improves access to capital



HOW DOES WYOMING COMPARE?

Legislatively on par with other states in most areas

Deficient in a few areas

- Chartered Family Trust Company Act
- Jurisprudence
- Courts of jurisdiction
- Insurance premium tax

Other states have established trust industry-specific industry associations

- Continuous improvement of trust legislation
- Promote the trust industry

Wyoming has a smaller universe of trust companies and professional service firms



CURRENT INITIATIVES

Streamlining statute by separating trust company and banking statutes

Updating Chartered Family Trust Company statute to be competitive

Establishing Wyoming Trust Association

- Banks
- Law Firms
- Trust Companies
- Accounting Firms
- Wealth Advisory Firms



CURRENT INITIATIVES

ENDOW recommendations to strengthen the trust and professional industries

- Establish general court of jurisdiction for fiduciary matters and business entities
- Educational programs at UW and Community Colleges
 - Advanced degrees
 - Certifications
 - College level courses

Innovation - new types of trusts and other business entities