



ANALYSIS

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| 1. Short Title | 3. Fraud |
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1989, No. 31

An Act to amend the International Trusts Act 1984

(22 December 1989)

BE IT ENACTED by the Parliament of the Cook Islands in Session assembled, and by the authority of the same, as follows:

1. Short Title - This Act may be cited as the International Trusts Amendment (No.2) Act 1989 and shall be read together with and deemed part of the International Trusts Act 1984 (herein referred to as "the principal Act").

2. Application - This Act shall apply to every international trust settled or established on or after the 8th day of September 1989 and every disposition of property to such trust made on or after that date, whether such property is situated in the Cook Islands or elsewhere, unless, but without limiting the provisions of section 13G of the principal Act (as inserted by section 6 of the International Trusts Amendment Act 1989) expressly provided in such trust or disposition that the governing law of that trust or relating to that disposition shall be law other than that of the Cook Islands.

3. Fraud - Section 13B of the principal Act (as inserted by section 6 of the International Trusts Amendment Act 1989) is amended by:

- (a) omitting from subsection (3) the word "if";
- (b) inserting in subsection (3)(a) before the word "settled" the word "if";
- (c) omitting after the words "cause of action accrued" the word "and", and substituting therefor the word "or";
- (d) deleting paragraph (b) and substituting therefor the following new paragraph -

"(b) where settled, established or the disposition takes place before the expiration of 2 years from the date that the creditor's cause of action accrued, that creditor fails to commence such action before the expiration of 1 year from the date such settlement establishment or disposition took place."

4. Spendthrift beneficiary - Section 13F of the principal Act (as inserted by section 6 of the International Trusts Amendment Act 1989) is amended by deleting subsection (3) and substituting therefor the following subsection:

"(3) Where property is given subject to a restriction against alienation then the right to derive income from that property shall not be alienated for as long as that restriction remains in force."

This Act is administered by the Cook Islands Monetary Board.