

Trusts & Estate Planning in Israel

Alon Kaplan

BOOK REVIEW by Ziva Robertson

Book Review: Trusts & Estate Planning in Israel by A. Kaplan

Trusts have formed part of English law for many centuries. They first arose in feudal times, when a landowner called by his lord to go to the battlefield entrusted his property to a relative, only to discover on his return that his land had been appropriated by the relative for himself. The doctrine of equity intervened to protect the interest of the soldier by holding that although the title to the land - the legal interest - was held by the relative, the beneficial owner entitled to enjoy the asset was the soldier. And we never looked back.

With the growth of the British empire - including the Mandate over Palestine before the Israeli war of independence - the trust concept travelled far and wide, and continued to grow and evolve so as to provide solutions for very modern problems. While retaining many of its original features, the concept has developed a little differently in different jurisdictions. Layer upon layer, it has become an instrument in wealth and estate planning.

Which is why many trust practitioners, in a moment of honest reflection, will admit that Trust Law was their pet hate as students. It is fluid but difficult. It is modern, yet archaic. It is clear in parts, but obscure in others. And there is such a lot of it, that you could spend years studying it and practising it before you can say with confidence that you truly understand it.

Few people take the trouble. Alon Kaplan is one. With years of practice and teaching in this area, Kaplan founded the first Israeli branch of STEP, the Society of Trusts and Estates Practitioners, which now numbers 150 members in Israel (and 20,000 worldwide). His book, Trusts & Estate Planning in Israel, is the fruit of his PHD thesis and research in this complex legal field. In Israel, like elsewhere, trusts constitute a flexible tool for succession planning, tax structuring, charitable giving, an umbrella for corporate holdings and many other uses. Kaplan navigates these complexities with clarity, elegance and erudition and explains the interplay between civil and Rabbinical law; trusts according to Islamic law; the creation of trusts by deeds and by contracts; their uses as testamentary instruments; and, significantly in the current climate, their tax treatment in Israeli law.

As trusts and their uses continue to evolve, it is important for private client and tax practitioners in Israel to understand them, their various uses, their tax treatment, their advantages and their limits. Few Israeli practitioners understand them as thoroughly as Kaplan, and few (if any) modern books have been written about trust law in Israel with the same depth and attention to detail as Kaplan's book. This book should take pride of place on the bookshelf of any Israeli private client practitioner who strives for a better understanding of this area of the law.

Ziva Robertson
Partner