

Civil Law

Fact Checked

What Is a Cestui Que Trust?



By [Mary McMahon](#) 

Updated: Jun 04, 2024 | Views: 15,526

Share



In the intricate world of trust law, every taxpayer is a cestui que trust, a term that, while steeped in history, remains relevant today. Originating from French and meaning "that person," a cestui que trust is essentially the beneficiary of a trust arrangement.

Hot Topics



According to the American Bar Association, [trusts are utilized by over 20% of U.S. households, underscoring the prevalence of this legal relationship](#). While the term "cestui que trust" has largely given way to the more modern "beneficiary," its legacy persists, particularly in legal discourse and historical documents. Understanding this concept is crucial for taxpayers who, knowingly or not, often engage with trust mechanisms, whether through estate planning, asset protection, or investment strategies.

The cestui que trust has a named equity in a trust, but does not have legal title. A trust may include several individuals named as beneficiaries, as for example in a family trust where all the children in a marriage have an equitable share in the trust. The trust is managed by a trustee. Trustees are responsible for handling the trust, making decisions about how to use the assets in the trust, and preserving the contents of the trust for the beneficiaries.

Trusts are structured in a number of different ways. The cestui que trust can receive regular payments or



CIVIL

Do I Have to Tell My Landlord I Have an Emotional Support Animal (ESA)?



CONTRACT

What Does "under Protest" Mean?



other benefits from the trust, or the trust may be used to hold property for someone.



As an example, if young children are orphaned by their parents, a trustee might hold their family home in trust until they come of age, allowing them to stay at home under the care of a guardian without losing the rights to the home.

Once a trust is established, it is difficult to revoke, making it important to structure trusts carefully. The cestui que trust must also use care in dealings with the trustee. Suspensions are naturally aroused when business dealings between trustees and beneficiaries occur, and the trustee is obligated to document any dealings to confirm their validity and make it clear that no coercion or other pressures were involved. Likewise, the trustee must also document all decisions made about the trust to justify them; if assets are sold, for example, the trustee must show when, how, and why, and must document that the proceeds of the sale were put back into the trust or used to cover expenses directly related to the trust.

Ownership of assets in a trust may revert to the cestui que trust when a triggering event occurs, while in other cases, it may be

CIVIL

What Is Employment Legislation?

WiseGeek, in your inbox

Our latest articles, guides, and more, delivered daily.

Subscribe

Follow us: 

Most Popular



What is Invasion of Privacy?



What Is Police Harassment?

held permanently by the trustee or appointed agents. Some historic homes, for example, are held in trust for conservation purposes, and cannot legally be sold or transferred.

Share

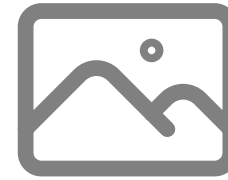


MyLawQuestions is dedicated to providing accurate and trustworthy information. We carefully select reputable sources and employ a rigorous fact-checking process to maintain the highest standards. To learn more about our commitment to accuracy, read our editorial process.

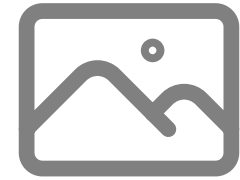


By **Mary McMahon** 

Ever since she began contributing to the site several years ago, Mary has embraced the exciting challenge of being a MyLawQuestions researcher and writer. Mary has a liberal arts



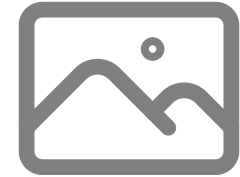
**What is
Defamation of
Character?**



What is Slander?



**How can I get out
of a Lease
Agreement Early?**



**What Is Oral
Defamation?**

degree from Goddard College and spends her free time reading, cooking, and exploring the great outdoors.



See our Editorial Process



Share Feedback

Editors' Picks



CONTRACT

What Is a Photo Disclaimer?



CONTRACT

What Is a Binding Contract?



LAW

What Is Conflict Management?



CIVIL

What Is Tangible Property?



FAMILY

What Is a Life Tenant?

Discussion Comments

MyLawQuestions, in your inbox

Our latest articles, guides, and more, delivered daily.

Email Address

Subscribe



Categories

Procedures
Criminal
Civil
Evidence
Contract
Family

Get Around

About
Contact

Find Us

Facebook

Copyright 2003 - 2024 [Conjecture Corporation](#)

[Privacy Policy](#) [Terms and Conditions](#)