Without assuming prior legal knowledge, books in the Directions series introduce and guide readers through key points of law and legal debate. Questions, diagrams and exercises help readers to engage fully with each subject and check their understanding as they progress. The object of a trust can be a legal person (human or corporate), a public (charitable) purpose or a private purpose. This chapter shows that trusts for private purposes are generally void, although there are a number of important exceptions to this general rule, that is, where trusts for private purposes are valid. A trust for private purposes usually takes the form of a permanent endowment, which potentially renders the capital inalienable in perpetuity. The chapter explains why trusts for private purposes are generally void and discusses the anomalous exceptions to the general rule, trusts of imperfect obligation, purpose trusts with indirect human beneficiaries and distribution of surplus donations. It also looks at various devices for avoiding the prohibition against trusts for private purposes, outlines the special problems raised by gifts to unincorporated nonprofit
7. Purpose trusts

associations and considers how a donor can achieve their intentions in making a gift to an unincorporated association.

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