

Some Legal Problems on the Land Trust System by Trust Banks

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After ten years of extensive study, Japanese trust banks have succeeded in developing "land trust system" as a business product.

Recently, the system has come to be used actively in urban redevelopment. But there took place some legal problems to be resolved at the phase in which the idea were put into practice.

Following issues are discussed and analyzed in the captioned report:

1. Can the trustee conduct a business with trust property under the land trust systems?
2. Have the trustee the right to borrow money?
May the trustee borrow money from the other trust property under his administration?
3. Who should indemnify the trustee for his expenses ultimately if the land trust goes bankrupt?
4. What problems are there when several land owners entrust their own lands under the same trust agreement?