Inspection of Trustee's Documents in the Collective Trust

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The beneficiary may demand inspection of the documents relative to the management of trust affairs in trust law.

But in the collective trust it is impossible to specialize the trust property of each beneficiary, because the trust property is invested as united fund. Therefore, the object of inspection in the collective trust must be the documents of collective fund, not each trust property.

But it may occur many problem to offer the documents related to trust affairs. The problems of inspection in the collective trust are as follows.

① Trust affairs must be complicated, and the cost of trust affairs are to be raised, if many beneficiaries demand inspection of trust.

② It is possible that the beneficiaries have purpose to harm profit of the trustee or the third person.

③ Trustee has the duty of confidence to beneficiaries and debtor.

The solutions of the problems above are considered that:

① The documents that the beneficiaries can examine are limited.

② Trustee is able to reject the inspection when the beneficiaries do not have properreason to inspect documents. For example, (1) when they intend to harm the third person's profit, (2) those who compete the trustee in business demand inspection, (3) the beneficiaries intend to report the information they get in the inspection, (4) the inspections are demanded at improper time.

③ The inspection of trust account, as same as bank account, is to be limited, because the trust and banking companies are supervised by public administration.

④ Special contracts in regard to the documents is to be made.

Proposals of legislation are that:

① Inspection is to be allowed when the beneficiaries have good reasons.

② The documents are to be limited, according to trust purpose.

③ The treatment of information is to be regulated.