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Puerto Rico Authorizes Revocable Trusts—

Revocability Becomes Puerto Rico's New Default

Effective January 30, 2027, the new law expressly recognizes revocable trusts and reverses the statutory presumption established in 2012. Every existing plan deserves a look before it takes effect.

The wait is over. On July 30, 2026, the Governor signed Act 153-2026 into law, amending 44 articles of the Trust Act (Law 219-2012) and expressly incorporating the revocable trust into Puerto Rico's general trust law. The Act takes effect on January 30, 2027, and it carries no transition provision for existing trusts—so the six months in between are a planning window, not a waiting room.

As discussed in our March alert, our September 2025 column urged the reform, Senate Bill 773 followed two weeks later, and the Senate approved it on January 27, 2026. Since then, the House refined the bill—and, at the request of its Judiciary Committee, we submitted written comments in May on Articles 10 and 46 before final passage.

The enacted text differs from the Senate version in ways that matter. Most notably, Article 10: where the Senate bill would have eliminated the trust over the legítima of a minor or incapacitated forced heir—a change we noted in March—the final text preserves that protective exception, allowing such a trust where the heir is named sole beneficiary of income and principal. Article 46 establishes mancomunada liability among co-trustees as the general rule: each answers for the portion of the loss attributable to its own acts or omissions, solidary liability remains when the fiduciaries act intentionally and in concert in the breach of their duties, and a non-participating co-trustee may avoid liability by demonstrating the diligence required to prevent the breach or mitigate its effects—welcome for professionals serving alongside institutional trustees, though it narrows beneficiaries' remedies. The Act also expands the practical utility of the Registry: the Director of the Office of Notarial Inspection may now certify its records, including negative certifications, without a court order.

The New Default

Beginning January 30, silence generally means revocable. A trust that does not expressly declare itself irrevocable is presumed revocable unless its own clauses clearly show the contrary intent—the exact inverse of Article 7's old mandate. While the settlor retains legal capacity and the power to revoke, fiduciary duties run exclusively to the settlor unless the trust instrument provides otherwise, and beneficiaries ordinarily hold expectant interests rather than enforceable rights until an effective conversion, death, or judicially decreed incapacity makes the trust irrevocable. The settlor may reserve broad powers to amend or revoke the trust, withdraw assets, direct the fiduciary, and replace fiduciaries, generally without beneficiary consent; the instrument should define those powers and the method for exercising them, and revocation must be effected by public deed.

What the settlor keeps, creditors can reach. So long as the power to revoke survives, trust assets remain exposed to the settlor's creditors as if the trust did not exist—retitling real property in the trust's name does not, by itself, prevent creditors from reaching it while it remains subject to the settlor's power of revocation or withdrawal. Extinguishing that power, by express waiver, incapacity, or death, ends the special reach-through rule, but protection from creditors will still turn on the structure, the rights the settlor retained, and the timing and purpose of the transfers. A revocable trust is a management and succession tool, not an asset shield. Nor does it provide a workaround for the legítima: Puerto Rico's forced-heirship rules continue to constrain trust planning, subject to the specific exception preserved in Article 10 for certain minor or incapacitated forced heirs.

Formality and registration follow the trust throughout its life. If the deed prescribes a method for amendment or revocation, that method governs. Every amendment or revocation must be notified and entered in the Registry of Trusts within ten days; until registration, it is not effective against third parties. Withdrawal of all trust assets terminates the trust by operation of law, unless the instrument provides otherwise. For a revocable trust constituted by spouses with community property, the Act permits either spouse to exercise the power of revocation, while an amendment requires the concurrence of both; for separate property or property contributed in identified shares, each settlor's authority is limited to the portion attributable to that settlor's contribution.

Between Now and January 30

For clients with Puerto Rico assets or residency, the to-do list is concrete. New plans can now use revocable trusts to reduce avoidable court involvement, provide continuity during incapacity, and create greater flexibility in succession planning. Existing instruments deserve review precisely because the Act is silent about them: the new presumption should not be assumed to recharacterize deeds executed under the prior law, and any trust whose asset-protection goals depend on irrevocability should say so expressly—as a starting point, not a conclusion, since retained rights, distributions, and actual administration weigh just as heavily. Several of the Act's default provisions tie the transition of control to a judicial determination of incapacity; trust instruments should therefore define incapacity and establish workable procedures for determining it, coordinated with any durable power of attorney.

We are helping clients use the transition period to review existing instruments, design new plans, and prepare for orderly execution and funding under the new framework. If you would like to discuss how it fits your planning—or whether an instrument signed under the old law still does what you intended—we are ready to help.