

Press Release

CAREFULLY CONSIDER YOUR CHOICE OF EXECUTOR

Following the death of a loved one, those left behind are often distressed to learn that the administration of the deceased estate will take quite some time to finalise.

The Executor of an estate is tasked with the role of wrapping up affairs and distributing assets according to the Will. Having this done as timeously and effectively as possible will minimize the stress on your family – but this is dependent on the elected Executor of the estate.

“The role of the Executor is paramount and having a competent Executor dealing with the estate will smooth the families transition back to a new normality,” advises David Knott of Private Client Trust, who says that anyone choosing an Executor would do well to have an understanding of the complex role that the Executor is required to fulfil.

“Assuming that a current Will had been signed, the Executor must meet with the heirs to obtain the information required to report the estate to the Master of the High Court in order to obtain the Letters of Executorship. The Executor may not act as the legal representative of the deceased until they have this.”

“The Executor must then gather information to determine what the estate consists of, where assets are held, the proceeds of life assurances, where heirs may be located, outstanding debts owed and of course the income tax position, etc.”

Knott advises that while having assets valued for estate purposes, the Executor is dependant upon other institutions and government departments to provide the required information. “An experienced Executor will know exactly who to contact, and what questions to ask, to get the correct details in order to speed up what can be a lengthy process.”

“As the information is received, the Executor will assess the liquidity of the estate, as cash will be required to settle debts, income and capital gains tax, cash bequests and estate duty. It may be that certain assets need to be sold to meet any cash shortfalls and the Executor will need all the heirs to agree to this if they are unable, or unwilling, to contribute to the shortfall.”

“The Executor will then draft a Liquidation and Distribution Account reflecting his/her administration which, once approved by the Master of the High Court, will allow the Executor to proceed with the transfer of assets to heirs and a cash distribution,” says Knott.

This process may take several months, depending on the complexity of the estate and importantly whether the deceased's affairs were in order. Having the right Executor ensures that your last wishes will be respected, that taxes will be paid on time, that investments will be properly managed, that creditors will not sue your estate, that beneficiaries will get their just inheritance, and that family disputes are avoided.

"You must choose wisely. The wrong Executor can sabotage your estate planning," concludes Knott.

For further advice or information contact Sarah Love or Elmien Pols from the Private Client Trust team on (021) 671 1220.

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About Private Client Holdings

Private Client Holdings was founded as a corporate tax consultancy in Cape Town, South Africa in 1990. Since then the company has developed into a full spectrum Asset and Wealth Management Company and multi-Family Office with six specialist divisions; Wealth Management, Portfolio Management, Financial Services, Fiduciary Services, Cash Management and Risk Management.

Private Client Holdings (PCH) are taking the lead in Southern Africa when it comes to providing high net worth families with an all-inclusive wealth management solution and recently secured 2nd position overall in the TOP WEALTH MANAGER: BOUTIQUES in the INTELLIDEX TOP PRIVATE BANKS & WEALTH MANAGERS AWARDS 2019. They also placed 3rd in the Passive Lump-sum Investor award and 2nd in the Successful Entrepreneur award. The award they are most proud of is placing 2nd in the People's Choice Award - an award based purely on feedback from a confidential client survey.

Private Client Portfolios, the Portfolio Management arm of Private Client Holdings has been awarded the title of "Best Investment Advisory Team – South Africa 2019" in the Capital Finance International Award – this London based CFI.co awards programme identifies individuals and organisations worldwide that truly add value through best practice within their industry.



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