



Global investments: Does one worldwide will suffice?

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It is common practice for people to diversify their investments outside of South Africa and to own property offshore. While this is seen as a good Rand hedge, it raises questions about what happens if you die with offshore assets. Are foreign assets covered by a local South African will? Do you need a will for each country or will a "worldwide will" suffice?

The short answer is that there is no one-size-fits-all solution, and several factors must be considered. This includes the country where your offshore assets are held, your domicile (the legal address in the country where you pay tax) and permanent residence (where you live part or full time), where you were resident when you got married and which laws your will was intended to comply with," says Elmién Pols, a fiduciary practitioner at Private Client Trust.

According to Pols, the starting point with multi-jurisdictional estate planning is to take stock and

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establish in which countries you hold which assets, and in what form. You must investigate each jurisdiction where assets and/or investments are held and establish how assets are dealt with in each country when it comes to wills and inheritance laws. Assets held within wrappers and life policies are not governed by your will so do not need to be considered. However, one needs to ensure that beneficiary nomination forms are carefully completed in order to complement the overall generational wealth succession plan.

In some countries, forced heirship is applied where the disposal of your assets is determined by a formula depending on who your next of kin are.

In terms of the EU Succession Regulation (Brussels IV) of 2015, if a person owns assets in any of the 25 countries that are signatories to the agreement, they may choose the law of their country of nationality to apply to their estate and this will eliminate the effects of forced heirship.

"If you own immovable property in a country whose laws differ from those in South Africa, you should consider a separate will to deal specifically with assets held in that country to prevent delays," says Sarah Love,

a fiduciary practitioner at Private Client Trust. "When you know how each country approaches heirship and wills, an appropriate will or multiple wills may be drawn up," adds Love.

"An offshore will/s and a South African will should not contradict or revoke each other," says Love. For example, wills should not refer to the same assets and the revocation clause must not accidentally cancel another jurisdiction's will. She further cautions against leaving out any jurisdictions. As an example, the Isle of Man is not in the United Kingdom, so a UK will would not cover assets held there.

If you are an ordinary resident of South Africa, a worldwide estate attracts estate duty. There are limited estate duty double taxation agreements in place, and this must also be factored into your estate planning to ensure that your assets are efficiently held.

"If you have multiple wills, they must be thoroughly reviewed to ensure they are not contradictory, and care needs to be given to ensure they align with the rules and regulations of each jurisdiction. As there is no one-size-fits-all solution, getting professional advice to navigate your specific circumstances is crucial," concludes Pols.