

THE CUSTODIAN

ESTATE PLANNING AND WEALTH SUCCESSION NEWSLETTER



Case Commentary

Son takes parents to court to secure family home vested in Trust

The facts of the case are extracted and summarised based on the reported decision of Goh Yihan JC in Lau Sheng Jan, Alistair and (1) Lau Cheok Joo, Richard, (2) Sng Gek Hong, Cynthia ([2023] SGHC 196).

The applicant is a 26-year-old Singaporean. The first and second respondents are the father and mother of the applicant. The applicant (the son) resides at a landed property with the second respondent (the mother) and his sister. The first respondent (the father) resides in another property at Block 141 Lorong Ah Soo in the Upper Serangoon area.

On 13 July 2020, the respondents entered an option to purchase the landed property for S\$4.925 million. At the time, the respondents were in their mid-50s, and the first respondent had retired. The respondents raised the purchase sum through various loans. The loans were eventually repaid through the sale of three other properties and by liquidating some of the respondents' personal assets.

Later that month, the respondents jointly engaged solicitors to draft and execute a Trust by way of a deed. According to the Trust, the respondents were to hold the landed property, or alternatively, the net proceeds of its sale, in trust as joint trustees for the applicant's sole benefit.

Crucially, however, the parties disputed the purpose of the Trust. The applicant and the second respondent say that the Trust was created to gift the applicant, who is the elder child and only son, a legacy property while the respondents were still alive. In contrast, the first respondent alleged the Trust deed was created to avoid



Sources: *The Straits Times*

[Court grants bid by son, 26, to end trust for \\$4.9m house, rejects dad's claim it was ploy to avoid ABSD](#)

July 21, 2023

the payment of ABSD (Additional Buyer's Stamp Duty) and that it was a sham instrument.

According to the first respondent, the Trust was created because the respondents thought it would be better for the applicant to beneficially own the landed property so that the respondents could "buy" time to dispose of their other assets and avoid the hefty ABSD that they could not afford.

Relationship between respondents deteriorates

Sometime in 2021, the relationship between the respondents became rocky. The second respondent commenced divorce proceedings against the first respondent, who had moved out to stay at the Lorong Ah Soo flat. Hence, the applicant now wished to terminate the Trust in order to have the landed property vest in him immediately. According to him, this was to prevent any more disputes between the respondents, and to ensure that the second respondent, his sister, and him would have a place to stay after the divorce proceedings between the respondents were finalised.

The first respondent argued that there was no intention to give the landed property to the applicant as a gift, considering that it was allegedly the respondents' matrimonial home. He says that the Trust deed was a sham instrument to avoid paying ABSD. In essence, the first respondent sought to defeat the applicant's reliance on the rule in *Saunders v Vautier* by arguing that the Trust deed is either a sham and therefore invalid, or that the Trust is illegal and therefore unenforceable.

Decision of the court

The court agreed that the applicant could rely on the rule in *Saunders v Vautier* to terminate the Trust on the basis that he is a sole beneficiary who has reached full age and does not suffer from any mental disability. The court did not think that the Trust deed should be invalidated for being a sham instrument or that the Trust should be unenforceable for illegality.

The rule in *Saunders v Vautier* (1841) 4 Beav 115

This is a very old and leading English Trust law case. It laid down the rule of equity which provides that, if all the beneficiaries in a Trust are of adult age and under no disability, the beneficiaries may require the trustee to transfer the legal estate to them and thereby terminate the Trust. In the present case, the applicant was sole beneficiary and absolutely entitled to all the Trust property, which is tantamount to a form of Trust that can be described as an absolute fixed trust.

This form of Trust is also necessary if ABSD is not payable as provided for under the provisions of the Stamp Duty Act for the purchase in Trust of a residential property in Singapore. There is a look-through to the residential property status of the beneficiary or beneficiaries of the trust. If the beneficiary is a Singapore citizen and does not own, legally or beneficially, any interest in any other residential property in Singapore, then no ABSD is payable on the acquisition of the property in Trust.

Such kinds of Trusts are unlike many modern Trusts that are set up as discretionary Trusts where the beneficiaries are a determined class of persons and who could even be so named but they do not have any entitlement to the Trust fund. The benefits that they are given from the Trust fund are at the discretion of the trustees.

Sham and illegality of a Trust

The case demonstrates the difficulties when a party to a transaction raises issues on illegality to succeed on its arguments. There are legal hurdles. In answering whether the Trust in question is enforceable, the court should have regard to whether the Trust falls into an established category of Trusts which are prohibited, and are therefore void and unenforceable, or whether the Trust is valid but might nevertheless be unenforceable because it was created either for an illegal purpose or arose as an incidental consequence of the illegal purpose.

Should there be a finding of any illegal purpose, the court should apply the principle of proportionality in assessing whether to enforce the Trust, having regard to factors such as:

- i. Whether allowing the claim would undermine the purpose of the prohibiting rule
- ii. The nature and gravity of the illegality
- iii. The remoteness or centrality of the illegality to the Trust
- iv. The object, intent, and conduct of the parties
- v. The consequences of denying the claim

Even then, if the court decides that the Trust was created for an illegal purpose and should not be enforceable, the court may consider if the party seeking to enforce the Trust in question can nonetheless establish an alternative basis for enforcing a proprietary interest by the operation of Trust law. In considering this, the court should apply the principle of stultification - to stultify is to "make a fool of" or "to make nonsense of" - to determine if, in allowing the claim, the fundamental policy that prohibited the Trust in question in the first place would be undermined.

Was there a fraudulent Trust?



The first respondent's contention of the illegality of the Trust if he had succeeded would have opened the possibility of fraud and prosecution in the avoidance of significant stamp duties. It appears that where such Trusts have been set up, many parents have also appointed themselves as trustees of these structures - likely for their own convenience and without understanding the proper role and responsibilities of trusteeship.

Many of these Trusts could instead be akin to nominee arrangements rather than proper Trusts, the motive largely being to avoid ABSD. Under the scrutiny and audit of the Inland Revenue Authority of Singapore (IRAS), many of these Trusts could be deemed as tax avoidance schemes and these "parent trustees" could possibly end up paying hefty fines.

Questions on the legacy of the Trust property

The judgement mentioned the applicant's view that the Trust was created to gift him, as the respondents' elder child and only son, a legacy property while the respondents were still alive. The respondents were only in their 50s and the first respondent was also then living in the landed property when the marriage between the respondents had not yet soured.

The first respondent had a reasonable basis to contend that the landed property was their matrimonial home as it was the respondents' sole asset after the disposal of all their other properties. The applicant was 24 years of age, not yet married, when the Trust was set up. The facts of the case did not mention anything that the respondents had planned as a legacy for their other child, the applicant's sister.

In this modern age, most parents invariably decide to give their properties away in equal shares to their children. If the respondents were looking to give the landed property ultimately to their son, the result could have been achieved by them drawing up Wills. It appeared that no Wills were drawn up or executed - if these were in existence, the Wills would have mentioned how their landed property was to be gifted or dealt with. And the Wills could have provided material evidence to support or break down the respective respondents' testimonies.

Chairman's address



By Lee Chiwi
Chairman
Estate Planning Practitioners Limited (EPPL)
AEPP®

After almost a three-year hiatus due to the Covid-19 pandemic, and subsequent lockdowns and travel restrictions, we resumed our Edutrips in July with a conference in Surabaya, Indonesia. Our Edutrips provide us with opportunities to learn, mutually share and network with fellow AEPP® Designees as well as Estate Planners in our region.

The Singapore delegates - totalling close to 30 people were warmly received and hosted by Pak Tri Djoko Santoso, our AEPP® partner in Indonesia. Pak Djoko was the keynote speaker in the conference and offered insights to the estate planning landscape in Indonesia. The other distinguished speakers in our conference included Edwan Khaw, Muhamad Ichsan, David Koay and Ethan Lim.

They spoke on topics ranging from tax planning in Indonesia, to legacy and succession planning for high net-worth individuals and business owners. Their insights were of great value to participants at the conference, especially as many clients of the estate planning practitioners present have cross-border assets. We would like to express our gratitude to Pak Djoko and all the other speakers in the conference for generously sharing their expertise with all of us.

First face-to-face sessions in Hong Kong 2023



During the quarter, the AEPP® Certification Program held its first face-to-face training sessions in Hong Kong. The sessions were held in the premises of IFPHK, EPPLHK's education provider partner in Hong Kong. It was a great opportunity for the participants to interact with the trainer, Ms Kimmis Pun, on the topic of family business succession. The AEPP® program is delivered using a hybrid format, offering online classes and live webinars, or face-to-face seminars.

SWW Conference in October 2023



In October, we participated in the Society of Will Writers (SWW) Conference held in Derby in the United Kingdom. The annual conference is a flagship event featuring speakers in Estate and Legacy Planning industries. Talks, workshops, exhibitions, and a private dinner were some of the activities included in the two-day agenda, where professionals gather to grow their network while delving into topics of great relevance to Estate and Succession Practitioners.

Expert opinions on key estate planning issues

Finally, in this edition, we have gathered a few experts to offer their views on areas that are of interest to estate planners. Alan Wong of W3 Consultancy assesses the different purposes of writing a Will and a business succession plan. He contends that, for business owners, it is important to have both a well-crafted Will and a comprehensive business succession plan, especially in the event of premature death or disability.

We also feature an analysis of the current status of the private residential property market in Singapore. Private housing prices increased about 3.1% overall in the first half of 2023. For the rest of the year, prices and rental rates are expected to continue to remain at a similar level of moderation. There will likely be gradual downward pressure on rental rates, due to the upcoming completion of large-scale projects.

We hope you gain some new insights to help in your estate planning business from this edition of The Custodian, and we wish you all the best for the rest of 2023.

Society Of Will Writers Conference 2023 Held In The UK In October



Cindy Wong

Director
Estate Planning Practitioners (HK) Limited (EPPLHK)
B.Bus, MBA, AEPP®, STEP Affiliate

The Society of Will Writers (SWW) Conference was held on October 9-10 this year at Hilton East Midlands Airport in Derby, United Kingdom. The 26th annual conference is a flagship event featuring esteemed speakers from the Estate and Legacy Planning industries.

Talks, workshops, exhibitions, and a private dinner were some of the activities included in the two-day agenda, where professionals gather to grow their networks while delving into topics of relevance to Estate Planning Practitioners today.



Mr Lee Chiwi, Chairman of Estate Planning Practitioners Limited (EPPL), and Ms Cindy Wong, Director of Estate Planning Practitioners Limited (HK), led a workshop at the conference focusing on Estate Planning for Asian clients and British expatriates. The theme adds a new dimension to the conference, germane to discussions on evolving trends in the global mobility of individuals and personal wealth.

EPPL also took part in the exhibition, showcasing its product and service offerings; and deepening its connection with industry practitioners within the SWW community.

The collaboration between SWW and EPPL as joint certificate issuers for the Accredited Associate Estate Planning Practitioners (AEPP®) Certification Program has seen positive development since its inception in 2009. To date, there are more than 7,000 AEPP® designees in Singapore, Malaysia, Indonesia, and Hong Kong.

First face-to-face session for AEPP® Program in Hong Kong



The AEPP® Certification Program held its first face-to-face training sessions in Hong Kong in August 2023. Mr Lee Chiwi, Chairman of Estate Planning Practitioners Limited, was present to say a

few words to the second public class cohort of 38 participants. Including the current cohort, a total of 207 participants (from both private and public classes) have attended the AEPP® program in Hong Kong since its official launch in January 2023.

The AEPP® program is delivered using a hybrid format, offering online classes and live webinars, or face-to-face seminars. The face-to-face session this time was held in the premises of IFPHK, EPPLHK's education provider partner in Hong Kong. It was a great opportunity for the participants to interact with the trainer, Ms Kimmis Pun, on the topic of family business succession.

The AEPP® Program in Hong Kong has also been approved as an eligible training course under the Financial Incentive Scheme, which is part of The Pilot Programme to Enhance Talent Training for the Asset and Wealth Management Sector funded by the territory's government. Participants are eligible for funding of up to 80% of the course fees.

It is anticipated the eligibility for course fee funding will help boost enrolment numbers for the AEPP® Program in Hong Kong.

The scheme aims to enhance the competency and professionalism of practitioners within the asset and wealth management sector. It is hoped that the training provided by the Accredited AEPP® Certification Program will contribute to the continued upskilling of practitioners as they seize growing business opportunities in the financial and wealth management industry.

Digital Assets Custody for Estate Planning



Clarence Chong

CEO
VCPlus Limited

CPlus Digital Pte Ltd explains the importance of securing an individual's digital assets and why the firm is well positioned to serve clients as an independent custodian of digital assets in Singapore.

In the dynamic landscape of wealth creation, it is essential for estate planning to adapt to the evolution of new asset classes. In the current evolving environment, this new asset class comprises of digital assets. It has become a distinct asset class, spanning from security digital assets such as asset-backed tokens that are backed by assets such as property, bonds and equity, and digital payment tokens such as stablecoins, BTC, USDT and ETH.

These digital assets have become a substantial part of people's assets and wealth, presenting unique challenges and needs for estate planning. Historically, estate planning only included an individual's tangible assets, while overlooking the need to safeguard digital assets which may be lost in the occurrence of an event. This oversight can be costly and lead to potential loss of valuable digital assets if it is not integrated into estate planning.

Here are some special considerations when storing an individual's digital assets:

- **Digital asset exchange risk:** Digital asset markets can be volatile, and even major digital asset exchanges may face security breaches or collapse due to unforeseen circumstances. Clients whose digital assets are kept at these exchanges face a risk of partial or total loss of their digital assets.
- **Private key security:** Digital assets rely on private keys for access and ownership. Loss or misuse of these private keys can result in the permanent loss of digital assets. Secure key management is crucial to keep digital assets safe.
- **Independent custody:** Appoint an independent digital asset custodian with robust technology infrastructure to ensure that digital assets are securely segregated from the entity's own assets.

How CPlus Digital can help

CPlus Digital is an institutional-grade digital asset custodian providing advanced security measures and storage solutions for security digital assets and digital payment tokens. CPlus Digital is a wholly-owned subsidiary of VCPlus Limited, which is an investment holding firm listed on the Catalist board of the Singapore Exchange, and one of the leading digital assets and fintech companies in Singapore.

CPlus Digital commits to deliver independent and transparent digital asset custody services, providing its clients with a sense of security and peace of mind. Its operational framework is structured to align with the rigorous requirements of regulatory standards set by the Monetary Authority of Singapore.

These are many benefits in engaging CPlus Digital for digital asset custody:

- **Institutional-grade services:** CPlus Digital adheres strictly to institutional standards, ensuring a secure environment to safeguard clients' valuable digital assets.
- **Independent custody services:** As an independent custodian with no affiliation with any digital asset exchange, CPlus Digital provides a trusted and transparent environment for digital asset storage and management.
- **Regulatory compliance:** CPlus Digital ensures regulatory compliance with Anti-Money Laundering and Countering the Financing of Terrorism legislation and any other regulations set forth by the regulator.
- **Strong controls and processes:** CPlus Digital employs advanced encryption, multi-factor authentication, and secure storage infrastructure to safeguard and reduce the risk of loss of clients' digital assets against unforeseen threats resulting from fraud and negligence.
- **Securing and preserving digital assets:** CPlus Digital securely maintains clients' private keys, mitigating the risk of loss of their digital assets in the occurrence of an event, ensuring the preservation of wealth.

CPlus Digital provides three key services to clients. They are:

1. Digital asset custody services

- Providing clients with real-time access to their digital asset holdings
- Performing daily reconciliation of all transactions to ensure accurate and transparent record-keeping
- Clients can access reports and analytical portfolio snapshots, their transaction history and updated valuation of digital assets
- Maintaining fully segregated accounts in the name of each client, ensuring compliance and security

2. Custody for estate planning

Leaving a legacy to loved ones may not be complete as many individuals may inadvertently omit their digital assets which may be substantial in their estate planning. CPlus Digital offers secure digital asset custody solutions tailored for succession planning.

Clients can incorporate their digital assets custodian account into their Will writing to ensure that digital assets in the account will not be lost and forgotten. Clients can also enjoy the assurance and flexibility of continuing their investment knowing that all their investments in the custody account have been embedded into their Wills.

3. Proof of ownership and reserves

- CPlus Digital provides independent evidence of ownership and reserves to ensure the credibility of clients' digital assets
- Digital assets that are held as collateral can be protected securely by an independent custodian who will take impartial action in the event of a default
- CPlus Digital provides other stakeholders of digital assets such as fund managers with Proof of Ownership and Reserves for their reporting purposes

For more information on CPlus Digital, check <https://cplusdigital.sg/> or call +65 6992 5333



Having a **Will** Done Is Different from a **Business Succession Plan**



By Alan Wong
Principal Consultant
W3 Consultancy Pte Ltd
Senior Estate & Succession Practitioner
Precepts Legacy Pte Ltd

While both a Will and a business succession plan deal with the transfer of assets and responsibilities, they serve different purposes and cover different aspects of a person's life:

A Will	A business succession plan
<ul style="list-style-type: none"> Primarily deals with personal assets, not just business-related ones Ensures that personal belongings and wealth are distributed according to an individual's wishes 	<ul style="list-style-type: none"> Focuses specifically on how a business will be managed and transferred to others Addresses the unique challenges for considerations of business ownership

For business owners, it is important to have BOTH a well-crafted Will and a comprehensive business succession plan, especially in the event of premature death or disability.

A business succession plan outlines the strategy for transferring the business in the event of the business owner's death or incapacity. Without an appropriate exit plan, his/her business and beneficiaries could face various challenges. Here are some potential issues that may arise:

- Uncertainty for beneficiaries:** If the business owner passes away unexpectedly without a clear plan, his/her beneficiaries may be unsure about what to do with the business. This can lead to disputes and confusion among family members, partners, or shareholders.
- Loss of business continuity:** If the business owner is a sole owner or a key figure in the business, his/her sudden absence could disrupt the business and lead to an eventual loss of customers, contracts, and reputation.
- Debt and liabilities:** If the business has outstanding debts or liabilities, the business owner's beneficiaries might become responsible for those obligations. This can result in shrinkage of the business owner's estate.
- Value erosion:** A lack of planning could result in depreciation in the value of the business. Without a proper strategy in place, the business may lose value over time, affecting the financial well-being of the business owner's loved ones.
- Succession challenges:** If there are partners or co-shareholders, will they be willing to work with the business owner's successor?

Considering a trustee buy-sell agreement

Let's address how a trustee buy-sell agreement can be structured as a business succession plan in the case where shareholders are not blood-related.

A trustee buy-sell agreement is a type of buy-sell agreement that involves the use of a trustee to facilitate the transfer of ownership interest in a business. In traditional buy-sell agreement, the owners of the business (or their successors) are typically responsible for executing the terms of the agreement.

However, in a trustee buy-sell agreement, a trustee is appointed to oversee and manage the implementation of the agreement. Here is how a trustee buy-sell agreement works:

- Appointment of trustee:** The business owners, who are involved in the agreement, appoint a trustee. The trustee can be an individual or a corporate trust company. The trustee is usually someone impartial and experienced in such matters.
- Triggering events:** The agreement specifies the triggering events that would initiate the transfer of ownership. These events usually include the death, disability, or mental incapacity of any owner of the company.
- Valuation:** The agreement outlines how the business will be valued when a triggering event occurs. This is crucial to ensure a fair price is determined for the ownership interest. The valuation method could be pre-determined (fixed price or formula based).
- Funding mechanism:** The agreement outlines how the purchase of the departing owner's share will be financed. This usually involves the use of life insurance policies as life insurance is the most cost-efficient method to address such a purchase.
- Trustee's role:** When a triggering event occurs, the trustee becomes responsible for facilitating the transfer of ownership according to the terms outlined in the agreement. Using a trustee can help to ensure a smooth transition and minimise conflicts between the remaining owners or the departing owner's successor. The trustee acts as an impartial third party, which can be especially useful in emotionally-charged situations.

Below are some frequently asked questions by business owners:

1	2
<p>Q: Why do we need a trustee to be involved in our buy-sell agreement?</p>	<p>Q: Is it expensive to set up trustee buy-sell?</p>
<p>A: The trustee acts as a neutral party involved in assisting to settle the transfer of shares to the remaining shareholder and for the outgoing shareholder's estate to receive the insurance payout as soon as possible. Without the trustee, the settlement may take longer to settle.</p>	<p>A: The cost is for setting up the trust. With the inclusion of the trustee, the neutral party, this expedites the settlement process and prevents potential litigation if there is a delay in settlement.</p>

It is important to note that a trustee buy-sell agreement can be a complex legal arrangement that requires careful consideration and planning. Consulting with an experienced estate planner is highly recommended to ensure that the agreement meets the specific needs of the business owners involved.

Alan Wong is the Principal Consultant of W3 Consultancy Pte Ltd which provides training and consultancy services in the specialised field of business protection planning

Singapore Private Residential Market – Q2 2023



by **Ian Loh**
 Managing Director,
 Quinvest Chambers International Property
 Consultants Pte Ltd

Key takeaways

- The URA Property Price Index declined in Q2 2023, its first drop in three years
- The government ramped up the supply of land sales to alleviate the tight housing market
- Rental rates are expected to moderate given more supply on new project completions

For the first time in the years, the benchmark URA Property Price Index declined in Q2 2023 (see Chart A).

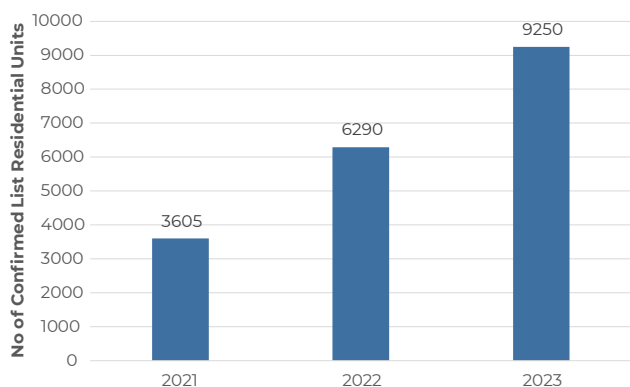
Chart A: Changes in Property and Rental Price Index of Residential Properties



Source: URA

The property cooling measures implemented by the government has helped to ease private home prices in Singapore. Additional Buyer's Stamp Duty (ABSD) rates for foreigners increased from 30% to 60%. This was accompanied by smaller increases for Singapore citizens and permanent residents when buying their second, third and subsequent properties. Additionally, the government aimed to ramp up supply of land sales (see Chart B) to alleviate the tight housing market for owner occupation and rental in Singapore.

Chart B: Supply of Private Housing via Confirmed List - Government Land Sales (2021-2023)



Source: URA, QCI

The recent cooling measures are primarily aimed at prioritising housing for owner-occupation and to dampen both foreign and local investment demand. Foreign investment was returning to the private housing market, accounting for 7% of private housing transactions in Q1 2023. This is a rebound from 3% to 6% in recent years.

This has been URA's fourth round of ABSD increases since its introduction, with the last measure having a "moderating effect" on the private housing market. The last measure in 2021 increased ABSD rates for all buyers and included a tightening of borrowing limits.

However, private housing prices accelerated yet again at an even faster rate in Q1 2023. The price index increased by 3.3% after a 0.4% increase in Q4 2022. Despite a lower sales volume in the first quarter, factors such as several major launches, a greater number of high value transactions and greater demand from foreign investment led to this increase in the price index.

Property Price Index

In the second quarter, URA's statistics showed that the private property price index declined by 0.2%, with the rental index rising at a slower pace of 2.8%.

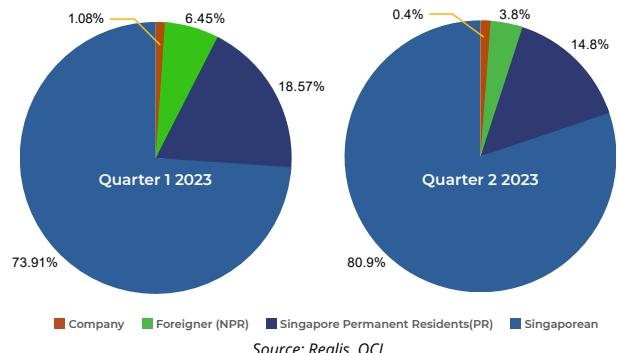
The non-landed housing price index dropped by 0.6%, contrasting with the 2.6% increase from the previous quarter. Price indexes in the Core Central Region (CCR) and the Rest of Central Region (RCR) declined by 0.1% and 2.5% respectively, while in the Outside Central Region (OCR), the increase moderated to a 1.2% increase. The landed housing price index also continued to increase but eased significantly to a 1.1% increase from 5.9% previously.

Rental Index

The increase of 2.8% in the rental index is significantly lower than 7.2% from Q4 2022 to Q1 2023. This slowdown in the rental index is attributed mainly to greater supply via project completions, and therefore a wider range of leasing options for tenants.

Foreign investment demand in Q2 2023 decreased after the cooling measures, with transactions now amounting to 3.8% (see Chart C). Of note is the significant drop in non-landed residential homes bought by foreigners in Q2 2023. Singaporeans accounted for 80.9% of transactions in the second quarter.

Chart C: Number of Transactions by Residential Status



Source: Realis, QCI

Supply

Supply is gradually building up with 4,401 private residential units (including ECs) completed in Q2 2023 as compared to 3,785 units in Q1 2023. In the second half of 2023, 12,306 units will also be completed. Between 2023 and 2025, an estimated 40,200 units are expected to be completed.

Summary

Private housing prices increased about 3.1% overall in the first half of 2023. We expect that for the rest of the year, prices and rental rates will continue to remain at a similar level of moderation. There will likely be gradual downward pressure on rental rates, due to the upcoming completion of large-scale projects.

This would address the current supply/demand imbalance in the leasing market. Private housing prices are forecast to remain firm and continue to increase in the second half of 2023. However, it will be in moderation due to the dampened foreign investment demand.



AEPPEduTrip
TO SURABAYA:

Learning more about estate planning with an Indonesian angle

19, 20 & 21 July 2023 (Wed, Thurs & Fri) | Surabaya, Indonesia

by **Joey Loo**

Director

Estate Planning Practitioners Limited (EPPL)

AEPPE®



It was just one and half months before the Covid-19 pandemic struck in March 2020 when EPPL last visited our fellow AEPPE® Designees in Indonesia. After a three-year hiatus, EPPL has resumed our Edutrips around the region to continue to learn, mutually share and network with fellow AEPPE® Designees as well as Estate Planning Practitioners.

During our trip to Surabaya in July 2023, the Singapore delegates - totaling close to 30 people - was warmly received and hosted by Mr Tri Djoko Santoso, our AEPPE® partner in Indonesia. During the three-day Edutrip, the delegates visited local Surabaya heritage sites and feasted on excellent Indonesian cuisine.



The conference itself was very engaging where lively and productive discussions took place in all the sessions as the speakers interacted actively with the audience. The delegates from Singapore, Malaysia and Indonesia were all eager to learn from the esteemed speakers. They even skipped tea breaks as sessions overran. They were all positive about being given the opportunity to gain new insights from anecdotes related to estate planning delivered by the speakers.

The speakers were:

- **Mr Tri Djoko Santoso, CEO, LN Consulting Global Networking:** Pak Djoko, the keynote speaker for the conference, enhanced our understanding of the Indonesian market. Two of the topics he broached related to the economic and financial positioning of East Java and Sumatra, and Indonesia's growing and sustainable economy.
- **Mr Edwan Khow Managing Partner, Kap Jaliwati:** He enhanced our understanding of Indonesian taxes relating to estate planning through avenues such as the legitimate tax optimisation methods, and principles and rates of Indonesian tax on inheritance.
- **Mr Muhamad Ihsan, CEO, FPSB Indonesia:** He covered areas of Perwalian law, which exists alongside Indonesia's civil laws. He shared his insights on how Perwalian laws impact inheritance issues in Indonesia.

- **Mr David Koay, Group CEO, British & Malayan Holdings, based in Singapore:** He frequently lectures at the Wealth Management Institute as an industry facilitator. He talked about legacy and succession planning for high net-worth individuals and business owners.
- **Mr Ethan Lim, Advisor, Paragon Capital Singapore:** With experience dealing with high net-worth individuals, he runs a family office which he started in 2020 for two Malaysian families. He talked about challenges faced by family offices and how to overcome them. Mr Lim also articulated his experiences on both the financial and non-financial aspects of running a successful family office. This included setting up and executing investment strategies across various asset classes globally, managing estate planning needs across different jurisdictions and catering to the families' philanthropy goals.

Learning from each other

The delegates made known to the organisers that many of their clients have cross-border assets in the region. It is essential and important to learn from each other the considerations for estate planning for each country, as well as to network with each other. By doing so, the delegates can help their clients meet the estate planning in a more comprehensive manner, enhancing their roles as trusted advisors.

One of the most engaging sessions was led by Mr Edwan Khow, who talked about the principles and rates of Indonesia's tax on Inheritance. He also shared the latest changes in the tax codes in Indonesia. The Singapore delegates were impressed by the number of delicate tax laws covering estate succession in Indonesia.



The Singapore delegation also invited dynamic speakers to share their knowledge and experiences with our Indonesian delegates. Mr David Koay from British & Malayan Holdings talked about the common questions on wealth succession for high net-worth individuals, while Mr Ethan Lim talked about the increasingly popular family office structures in Singapore.



There were two interactive panel discussions during the conference. One was a discussion between Mr Henra Sensei, Ms Rinasari and Mr Khow, with Mr Tri Djoko Santoso as moderator. Given their vast experience dealing with wealthy Indonesian families, they talked about real-life cases on how to build trust with new generations of wealthy individuals and various types of solutions for this market segment.

The forum concluded with the second interactive session which was on international estate and succession planning trends as well as the impact of the latest regulatory updates. The panel speakers were Mr Alan Wong, Mr Alfred Chia and Pak Djoko, with Mr Lee Chiwi as moderator. The scope of topics included leveraging family wealth, tax management, stewardship and education of the family, family legacy and continuity, family wealth preservation, and family wealth growth.

Building relationships



The delegates found the Surabaya Edutrip presented them with a unique opportunity to build relationships with professionals in Indonesia, interact with the speakers, grow their personal network, and explore the potential for growth in this burgeoning market. It also helped to equip them with the tools to tap the potential of the Indonesian market.

The conference concluded with a private dinner – thanks to the generosity of Pak Djoko – after a vibrant and wide-ranging discussion between the panel speakers and the delegates. We would like to express our gratitude to our speakers, who spoke so passionately about their specialist subject topics on estate planning.

Taking time out to see Surabaya

The Singapore delegates also embarked on local tours to learn more about Surabaya. Some of them went on Surabaya's signature Mount Bromo Sunrise tour while the others opted for sightseeing tours, where they explored historical buildings and monuments. They enjoyed the city tour of Surabaya, which serves as the gateway to East Java and is the second largest Indonesian city after Jakarta. The tourist attractions visited included:

- Mount Bromo
- Suroboyo Monument
- Kya Surabaya Surabaya (Chinatown)
- Muhammad Cheng Hoo Mosque
- Wisata Rasa Basuki Rahmat (oleh oleh)
- Oleh-Oleh Khas Surabaya & Jawa Timur – OKO BOGAJAYA INDRAGIRI
- Surabaya Submarine Monument
- Local souvenir and batik shop
- Trans Icon Mall

Mt Bromo adventure



On the evening of the conference, a small but courageous group of delegates from Singapore, led by PreceptsGroup's CEO, Mr Lee Chiwi, set off at 11.30 pm on an expedition to the famous Mount Bromo.

After an exciting 4-wheel-drive journey through volcanic terrain, the group, braving the cold, hustled together for some hot tea before the sunrise over the Mount Bromo range at 5 am. The small group was rewarded with the incredible and surreal sight of the Mount Bromo volcano range as the sun rose majestically. The group then proceeded to climb up to the crater to view the still-active volcano.

Wonderful experience for all

Overall, the Edutrip to Surabaya was a wonderful experience. The delegates continued their journey to learn more about estate and wealth planning from a different perspective in Indonesia, which reinforced their knowledge and experience in estate planning in Singapore in terms of issues such as tax planning and inheritance.



With the Covid-19 pandemic behind us and the resumption of normal travel, we hope to embark on more Edutrips to further enhance the professionalism of our AEPP® designees and our estate planning professionals. We also hope to welcome more attendees to these events which facilitate knowledge building and personal networking. We look forward to seeing all of you at our next events.

Taking End-Of-Life Planning Mainstream:

Introducing WOFI



Taking end-of-life planning mainstream: Introducing WOFI

As society ages, it is increasingly important to start conversations around end-of-life matters. However, cultural and social barriers have often caused such discussions to be avoided and neglected by family members. This is exacerbated by a lack of public education on the traditional ways of engaging people about end-of-life planning.

To address this, elderhood planning marketplace, **Immortalize**, and a group of students from NUS Business School have developed an innovative, strategy-based card game to stimulate interest and educate people about end-of-life planning.

Known as *Will of Fortune by Immortalize (WOFI)*, this engaging and repeatable card game aims to tackle the social prejudices and stigma of end-of-life planning, promote understanding of the importance of legacy planning, and inspire individuals to consider taking steps toward it. The card game provides an immersive and enjoyable gaming experience and helps to eliminate negative connotations and emotions often attached to topics related to end-of-life.

In the game, players adopt the personas of the nine characters, each with a unique backstory, personality, and special abilities. They take on the task of protecting the main character Peter Devan's lifelong legacy before he runs out of time. Players can strategise their moves, sabotage, or collaborate with other players, and as the game progresses, they will discover tools used for legacy planning and learn how they can plan ahead in real life.

Each WOFI game-set comes with:

- 240+ Cards
- 4 Scoring Cards
- 1 Rulebook
- 1 Character Sheet



There are 5 different card categories



Hiring cards comprise of professionals that can be engaged by players – for example, doctors, lawyers and property agents. Use their skills to assist players in the game



Legacy cards are cards that players aim to collect throughout the game. The Legacy cards that players collect will determine their final score and who wins

There are four sub-categories:

- Estate Planning Tools
- Insurance and Retirement
- Documents
- Funeral and Memorabilia



Strategy cards are player interaction cards. They allow players to sabotage and collaborate with other players



Planning cards help players interact with the Legacy Marketplace



Persona cards allow players to play as one of the nine unique characters. Each character has his or her own special power that players can use to their advantage

Will of Fortune by Immortalize – Singapore – Beginner's Edition is available for sale to the public [here](http://www.immortalize.io/will-of-fortune) (www.immortalize.io/will-of-fortune).

Use the "PRECEPTSVIP" coupon code to get 10% off.



<https://www.main.immortalize.io/will-of-fortune>

Be Equipped With Knowledge Be An Expert In Your Craft

At Precepts Academy, we curate a roadmap of estate planning courses for professionals to equip you with knowledge to be an expert in your craft.



Knowledge Pathway



Registration Page

https://bit.ly/precepts_academy2023



+ AEPP® Certification
+ Advanced AEPP® Courses

<https://www.preceptsgroup.com/education/>



+ Estate Planning Course

<https://www.preceptsgroup.com/course/>

Practitioner Pathway



<https://www.preceptsgroup.com/onboarding/>
Registration Page
https://bit.ly/onboarding_precepts2023

2-day AEPP® Certification → Gain the AEPP® designation

Gain an understanding of an array of Estate Planning tools to expand your advisory services. Upon successful completion of the 2-day course and examination, you will attain the **AEPP® designation**.

Be a part of our growing group of [6,916 Associate Estate Planning Practitioner designees AEPP®](#) regionally.

Next course dates:

7 & 8 Nov 2023	5 & 6 Dec 2023
-------------------	-------------------

One-time Designation fee (early bird): \$250 + 8% GST

Net fee (IBF FTS 70%, capped at \$500): \$1,066
Net fee (IBF FTS 30%, capped at \$500): \$1,206
Net fee (Up to your SkillsFuture credits, capped at \$1,000): \$566

3-day Estate Planning, Wills and Trusts → Prelude to Practitioner

Attend this 3-day course to discover estate planning strategies for deeper conversations. Build on stronger client relationships to upscale your advisory business. Onboard with Precepts to provide a complete wealth solution to your client.

Next course dates:

14,15,16 Nov 2023	12,13,14 Dec 2023
----------------------	----------------------

Net fee (IBF FTS 70%, capped at \$500): \$580
Net fee (IBF FTS 30%, capped at \$500): \$780
Net fee (Up to your SkillsFuture credits, capped at \$1,000): \$80

AEPP® Advanced modules → Dive into specialised target segments

Supporting you to deep dive into specific estate planning topics with our specially curated courses.



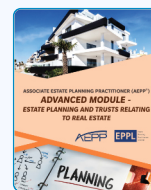
Wealth Succession For High Net Worth Clients

21 & 22 Nov 2023, Tue & Wed

Wealth succession has increasingly become the focus in wealth management. Many of these wealthy individuals need customised solutions to address their unique values, circumstances and requirements. Be equipped to provide unique solutions to HNWIs and UHNWIs.

Course fee: \$1,500 + 8% GST*

Net fee (IBF FTS 70%): \$1,120
Net fee (IBF FTS 30%): \$1,170



Estate Planning And Trusts Relating To Real Estate

4 Dec 2023, Tue & Wed

Clients may have to deal with various issues relating to the inheritance of real estate. Be equipped to advise them through Will-making, Testamentary Trusts and Living Trusts such as Standby Trusts.

Course fee: \$600 + 8% GST*

Net fee (IBF FTS 70%): \$228
Net fee (IBF FTS 30%): \$468

Register for our courses via the QR codes indicated above.
We hope to see you soon!

Precepts Academy

Financial Planning Must Include Estate Planning

Warren Yap shares with us that becoming an Estate & Succession Practitioner added a new dimension to his financial planning expertise.

Q: When did you become an Estate & Succession Practitioner (ESP) at Precepts?

A: I joined Precepts as an Estate & Succession Practitioner in 2012.

Q: What prompted you to consider a career and business as an ESP at Precepts? Why did you choose estate planning?

A: I joined the financial services industry in 1999 after I left my first job as a regular in the SAF. After a few years in the financial planning career, I realised there is a gap in my financial planning business model. I helped many clients set up their insurance and investment programmes, and as long as they were around, all these could have been properly managed.

But what if my clients passed away prematurely or suffered mental incapacity? Who would ensure that the wealth they have created is preserved for their loved ones? I could have referred my clients to law firms to handle their estate planning. However, law firms were unlikely to have an intimate knowledge of my client's family background, finances, and values.

Then, in 2012, I chanced upon Precepts, known as Rockwills then. I had the opportunity to find out more about their services and business model. Precepts was able to provide the training, licensing, and support for me to provide an estate planning advisory service for my clients. With this model, I was able to be directly involved in setting up my clients' estate plans.

Q: What difference has Precepts made in your journey?

A: Joining Precepts has broadened my view of financial planning. Financial planning is not just about selling a financial product to clients. It must include estate planning. Without that, how do we ensure the smooth distribution and preservation of wealth for clients' beneficiaries throughout their lifetimes?

Q: What are some of your core beliefs in estate planning?

A: There is no physical products in estate planning - it is a contract to deliver a promise for our clients. It is my ability to take an empathetic approach when having a conversation with my clients. Listening and understanding their concerns, their intentions for their family and knowing their family background are important in crafting a good estate plan. I believe that no financial planning is complete without estate planning.

Q: What do you think clients should look out for when they are doing their estate planning to distribute their wealth?

A: I have come across many clients who believe education is one of the keys to a person's success. Many also have a heart for philanthropy work and supporting the less fortunate. These are some questions that crop up in the estate planning process:

- How do clients take care of themselves and their beneficiaries?
- Are there any beneficiaries of clients who are disabled, elderly, not financially savvy or immature?
- Do clients want to distribute assets in a lump sum?
- What values clients hold and would like to pass down to beneficiaries?
-

I also recommend that my clients review their financial planning together with their estate planning:

- Do the clients know their assets and liabilities?
- Is there sufficient liquidity to pay off debts and still provide for their families?
- Is there an inventory of clients' assets?
- Will clients' families be able to locate their assets considering that most accounts are virtual nowadays?

Q: We understand you regularly help individuals and families set up Trusts. What is the biggest challenge you face when you talk to them?



Warren Yap
Senior Estate & Succession Practitioner
Precepts Legacy Pte Ltd
AEPP®

A: Most clients I speak to will initially feel that setting up a trust is only for the rich, and that it is expensive and complex to set up. It's a myth! They are worried that the trust company might become insolvent. Then what will happen to their trust assets. The setting up of a trust is only one of the solutions in estate planning. There are other options available to solve their concerns.

However, if there are disadvantaged beneficiaries like an autistic child or an elderly person, or a need for asset protection against matrimonial disputes, or supporting the creation of a long-term value, then a trust might do the job. The fees they pay today will be a small amount compared to the potential of losing all the money if it is given to the beneficiaries in a lump sum.

Trust companies are regulated by the Monetary Authority of Singapore (MAS) and there are internal audits to safeguard trust assets. Even in the case of an insolvency of a trust company, the trust assets are a separate entity from the company's assets.

Q: What are some of the principles you use to help them overcome these challenges?

A: I am currently a senior ESP and I mentor a team of ESPs. I have established an estate planning process where we will take the clients through a discovery process, identifying their intentions and concerns.

We will share the options available based on their intentions and fee structure for each of these options. We will get clients to prepare their personal asset inventory, check on their insurance and CPF nominations, and set up their Lasting Power of Attorney documentation. Our process does not end when the estate plan is set up. On an annual basis, we initiate a review for our clients as no plan is cast in stone, and it needs to be reviewed for changes in intentions.

Q: How long is the normal process to complete a family wealth succession?

A: Every client I speak to will tell me that estate planning is very important to get done. But in life, there are just so many things that demand our attention and something so important for the family often takes a back seat.

It is every ESPs duty to do their part to constantly remind clients to get the process started and see it through to attestation. The typical time frame to set up family wealth succession is between three weeks to two months. The collaboration with our clients to get the documents ready is important.

Q: What do you enjoy most about the business?

A: The deep conversations with families, understanding their concerns and thoughts and why they need to look after their beneficiaries. It is heart-warming to see how people care for their loved ones. Being able to give them a peace of mind once the estate plan is set up brings the greatest joy for me.

Q: Tell us more about what motivates you in this business?

A: Money for the family, money for charities and religious purposes. In the world we live in today, a lot of things cannot be done without money. My job is to ensure that the wealth created is not lost through any leakages or bad management.

Q: What is a key change you have seen with your client base with regards to estate planning?

A: The conversations with clients have changed, we are not only talking about investment and insurance but having a deeper conversation to take care of families and support their long-term values. They see me as a go-to person for a holistic approach towards financial planning.

Contact us for more details:

- 📍 10 Anson Road, International Plaza, #06-17, Singapore, 079903
- ☎ +65 6221 8633
- 🌐 epplasia.com
- 🌐 digital.epplasia.com

EPPL
Digital

EPPL
Estate
Planning
Practitioners
Limited

