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THE CUSTODIAN

ESTATE PLANNING AND WEALTH SUCCESSION NEWSLETTER

Featuring

Chairman's message

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

In this edition, I would like to highlight some significant developments. In expanding EPPL's footprint in the region, we have now incorporated Estate Planning Practitioners Sdn Bhd (EPPL MY) in Malaysia and Estate Planning Practitioners (HK) Limited (EPPL HK) in Hong Kong. EPPL MY has just held its inaugural class namely the AEPP® International Programme. In Hong Kong, a Memorandum of Understanding was signed on 19 Sep 2022 with our exclusive education provider partner Institute of Financial Planners of Hong Kong (IFPHK). The Hong Kong inaugural class is expected to begin in mid Nov 2022. We anticipate that in the next few years, the number of AEPP® designees would cross 10,000!

EPPL Digital has also signed an agreement with Bondle to be the exclusive reseller in Singapore and in the region. With the Bondle solution, many businesses can enhance their communications with their clients on a secured platform, house and organise documents for easy retrieval and to keep an audit trail of discussions, instructions and exchange of information.

With these initiatives, our offering as a holistic estate planning provider to both professionals and end clients would continue to be strengthened. We look forward to your continuing support as we continue our ambitious journey!

EPPL Digital

EPPL Estate Planning Practitioners Limited

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Showcase Your Love With ProviTrust

There are many good reasons to set up a trust for your wealth distribution. The most common objective is to protect your loved ones from unforeseen circumstances and protect them from falling prey to undesirable scams or wrongful attention.

Susan's case highlights this motivation to protect loved ones. She stayed single until the age of 40 years, then found her true love, got married and has been happily married ever since. Susan has had a successful career and accumulated a substantial amount of CPF savings, part of which she used to finance the purchase of a HDB flat before she got married.

Though estate planning was always on her mind, she could never find the time around her busy schedule to engage a professional to discuss estate planning matters. However, she became more proactive after she got married. Susan worried about her husband's insouciant attitude towards money matters. The couple did not have any children, and she wanted to ensure that her husband would be taken care of in his old age in the event that she passed on.

One day, Susan chanced upon ProviTrust. Upon learning that it is a solution that facilitates CPF savings distribution, she was quick to act. She was aware that her accumulated CPF savings was as sizable as the value of the flat that she and her husband now resided in. While she intended to will her flat to her husband to ensure a roof over his head, she also wanted to lock in a good source of retirement income for him.

She believed ProviTrust would be the perfect vehicle to match her intentions. She turned to her sister to be her trustee. She knew that her sister would safeguard her CPF money and objectively honour her duty and role for the benefit of her husband if Susan passed away. Susan could ensure that her husband enjoyed a continuing income stream instead of a single lump-sum payment that would be subject to financial risk due to his lack of prudence in money matters.

Now, giving is a blessing. But giving to the right person, at the right time, with the right purpose, through the right value: That is wisdom. Susan was a wise lady. With ProviTrust, she could meet her main objective of taking care of her husband in the event of her passing. She turned a simple asset like CPF savings into a legacy asset for her loved one.

Fees Guide For Setting Up ProviTrust

Type of Appointment	Fees (Before GST)	Fees (After GST)	Promotional Fees (Before GST)	*Promotional Fees (After GST)
Individual Trustee	S$800	S$856	S$500	S$535
Professional Trustee (Precepts Trustee only)	S$2000	S$2140	S$1500	S$1605

Precepts Trustee Ltd – Trust Administration Fees Table

Fund Size	Fees
Up to S$1 million	0.5% (Minimum of S$3210, inclusive of GST)
More than S$1 million to S$3 million	0.4% (Minimum of S$5350, inclusive of GST)

Note: There are different documents needed for the respective changes to the Trust, for both Fixed and Discretionary Trust. Do check with EPPL Digital Team for more details.

If you wish to have a free consultation, do email us at **info@epplasia.com**

ProviTrust

EPPL Digital

Singapore Residential Market Outlook For 2023

Ku Swee Yong
Director
International Property Advisor Pte Ltd

Tan Guan Wei
Business Analyst
Multi-family office

This article can be summed up by a quote from Bridgewater Associate's co-chief investment officer, Ray Dalio:

"Most people have no Idea what is coming"

Indeed, the crystal ball for the outlook of Singapore's real estate market has never been murkier. Investment professionals and economists all around the world are forecasting a bleak 2023 for the global economy. With increasing geopolitical tensions, never-ending inflation, rising interest rates and possibly more wars, it is no wonder all the forecasters are bearish.

Strangely though, the Singapore residential property segment has bucked the trend.

Another round of cooling measures was introduced on 29 September 2022 despite the previous round implemented just 10 months ago, in December 2021. Despite the measures in that round, the private residential property index rose by 3.9% and the HDB resale price index rose by 5.3% in the first six months of 2022.

Did the policy makers get the pulse of the residential market wrong? Why were the cooling measures ineffective in the face of rising interest rates, rising inflation and a weakening employment outlook, particularly in the highly paid tech-sector?

Nothing in our crystal ball of spreadsheets and official data could have led us to predict this bullishness in the real estate market since the start of the pandemic. Cost-of-living issues still plague hundreds of thousands of households in Singapore. Yet, we needed another round of cooling measures.

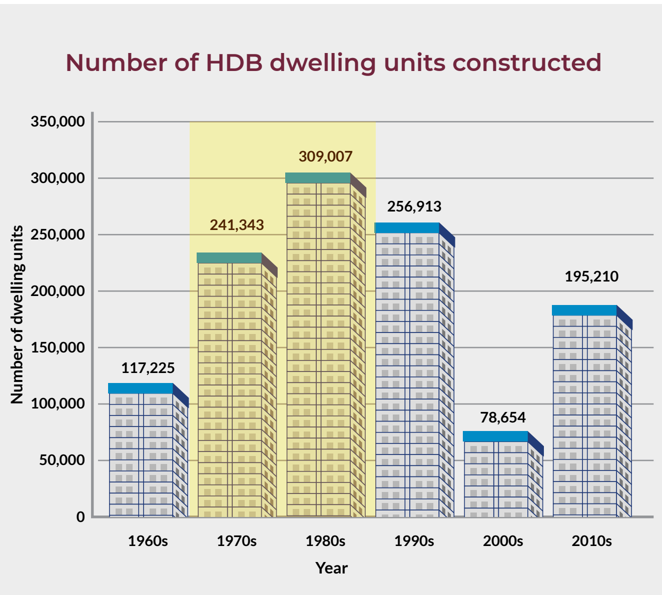
With a barrage of mixed signals, the market could go in either direction in the short term. And it is more likely to end up badly than rosy.

Jeremy Grantham, co-founder and chief investment strategist of Boston-based asset management firm Grantham, Mayo, & van Otterloo (GMO) was quoted recently as saying that "the super bubble has yet to burst." Stories of bubbles in cryptocurrencies and Special Purpose Acquisition Company (SPAC) during the Covid-19 pandemic reminded Grantham of the Japanese market bubble in the 1980s and the dotcom bubble in the late 1990s. He cautioned that what we are seeing today are signs of the late stages of another bubble.

Growing from a small base, Singapore has not seen a decade-long or drawn-out property downturn in her short history. However, with Singapore's ageing population, will our real estate market continue to stay rosy?

Given that the short-term outlook is too murky to forecast, let us discuss some immutable and irreversible trends for Singapore and let these trends guide our investment and wealth management decisions.

Decaying leases in public housing



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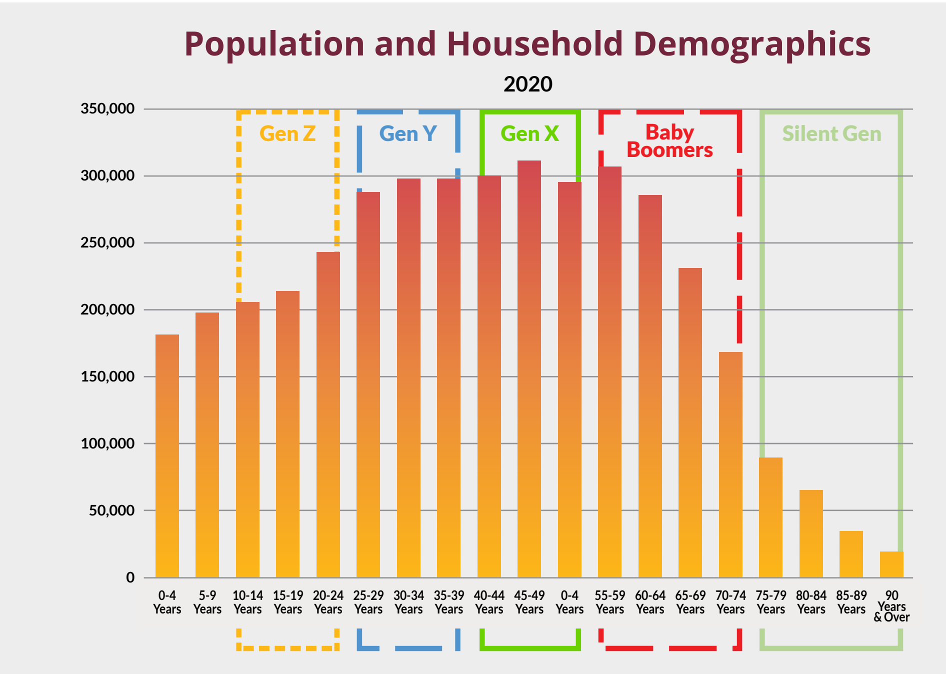
Based on HDB's annual statistics, we estimate the average age of the current stock of flats totalling 1.1 million to be 30 years. Many Singaporeans seem to ignore the fact that at the end of 99 years, the flats will be returned to HDB, with zero residual value. Moreover, half of the stock, or 550,000 HDB flats, were constructed in the 1970s and 1980s and these are on average 42 years old. Restating that point: 50% of the current total stock of flats in Singapore have an average of 57 years left on the lease.

These units will see their value depreciate at a faster rate because restrictions in financing options tighten up for resale flat buyers as the flats get older. This reduces the pool of buyers, particularly buyers below 40 years of age as they face restrictions on the use of CPF funds and taking on the maximum loan tenure. The shrinking pool of buyers for old flats creates downward pressure on their resale values.

Ageing demographics



This ageing HDB flat issue is further exacerbated by Singapore's demographics. The Population and Household Demographics graph illustrates Singapore's population challenge. The cohort of baby boomers going into retirement is adding to the retiree population at more than 50,000 per year.

Through the generations, parents and grandparents have used their homes as a store of wealth. With the swelling numbers of ageing Singaporeans, we should see an uptrend in properties that are put up for sale due to the demise of the owners.

Resident deaths increased from 17,600 in 2010 to about 24,000 in 2021. By 2030 this number should rise to over 30,000 per year. Within the next 10 years, we should expect to record more than 250,000 resident deaths.

Statistically, 90% of Singaporeans are homeowners and 80% of us "own" HDB flats. The passing away of a second parent would likely result in a transfer of the parent's HDB to the child, who would most likely own a HDB or a private property. Based on our current ownership laws, the children are likely to sell inherited HDB properties. And looking at the population graph, by 2030 how many young people (based on the 15-19 years age cohort in year 2020) will be in the market for these resale HDB flats, most of which have leases with less than 60 years left?

Compared to Baby Boomers, the smaller population of Millennials and Gen Z is less likely to marry before they are in their 30s, with many of them forgoing marriage altogether. There is also a question of affordability and values with the new generations. The iron rice-bowl jobs of yore have been replaced by an increasing proportion of short-term work. Millennials and Gen Z in 2030 may not be able to afford a property until they have worked longer to save up for their first home.

Increasingly, the younger generation is rejecting the old social norm of "working hard" and owning a home. Good examples of the shifting social values are the FIRE (Financial Independence, Retire Early) and lying flat or quiet quitting (rejection of social pressures for "overwork") movements that are gaining in popularity around the world, including in Singapore.

Therefore, with a smaller youth population, their different attitudes towards housing, the increasing number of deaths due to an ageing population and their transfer of properties, we should expect demand to be lower for residential properties in the coming decade. The continuous additions to the housing supply pipeline will make the residential market less attractive than what its faithful followers would like to believe.

Numbers don't add up

Circling back to our earlier discussion, official data shows that from 2019 to 2022, the total population dropped by about 67,000 and the total supply of housing units increased by more than 70,000. Yet, private residential prices and private residential rents increased by more than 20% in the same period. This is inexplicable.

Either our understanding of the economics of demand and supply is completely wrong, or the official data which we have relied upon for decades is somehow deficient. That is why we urge readers to look beyond the murky short-term future and stay focused on the immutable and irreversible trends.

Legacy Giving in Estate Planning

A legacy gift can express and manifest what has been meaningful and important to individuals through their life journey, writes Yale-NUS College's Jane Rebecca Binks

Jane Rebecca Binks
Senior Director
Office of the President (Special Projects)
Yale-NUS College

Working with a client on their legacy giving can be one of the most rewarding areas of estate planning, although it is not without its pitfalls. It is essential that advisors understand the philanthropic landscape as they work with their clients to incorporate legacy giving into estate plans. Leaving a legacy in the form of a donation is an opportunity for your client to involve their family, to effect change, or to make a transformational gift to an organisation or a cause they have supported in their lifetimes. It is the advisor's role to guide them in that process, helping them to identify their interests and needs, while effectively navigating the philanthropic landscape.

Legacy
There are many definitions of legacy. Legacy can be traditions passed on, hope for the future, or a way to provide a sense of continuity. Legacy can help individuals make sense of the world and provide meaning. Legacy connects past with the present and the future and communicates values and wisdom. Philanthropy can be a wonderful vehicle through which to transmit all these definitions of legacy, expressing and manifesting that which has been meaningful and important to an individual in their life.

The great use of life is to spend it for something that will outlast it. – William James

As you advise your client through this journey, you will be asking them to think about how they would like to be remembered – what causes, people and organisations are important to them, and how or if they want to involve family and friends. Estate planning is a time to take stock of achievements, and to take steps to protect and share assets. You will be working with your client to identify what areas they are interested in such as education, healthcare, religion, environment, or social welfare, to name a few. Perhaps one of the more challenging aspects of these conversations is unearthing and exploring your client's motives for giving, which can be many, but can include wanting their family to be involved, to give back to society, or for status and recognition.

Philanthropic Landscape
As an advisor, you need to know what resources are available to help you and your client make informed decisions. There are thousands of organisations and causes and it is important that you understand what it means to endow a professorship at a university, how to bequeath property or stocks, work with an organisation to develop and support a particular programme, or to give a transformational donation.

What is your client's appetite for risk and what does that mean within the context of their philanthropy? Perhaps they want a scrappy start-up in the alternative meat space, for example, or to be part of an established organisation with a global footprint. Asking these questions can help narrow down the type of organisation or organisations your client can choose to support. There are a wide range of options including traditional philanthropy, venture philanthropy, impact funds, donor-advised funds, setting up a foundation or running philanthropy though a family office. As you begin these discussions, you need to know how to structure the legacy gift – will it be a cash donation, personal property, stock and how will the gift fit into the overall estate plan?

Think of the future too. Does your client want to be prescriptive, or do they want their heirs to have flexibility? Recognise that the only constant is change and that donation restrictions can have unforeseen consequences in the future. The pitfalls of not taking the possibilities into consideration can lead to disputes over disposition of assets or original intent of donation, or potentially loss of control over assets.

Ultimately, what are your client's interests and needs? One of the most challenging aspects of advising any client, particularly in this area, is keeping your own agenda, or that of the institution you may be working for, out of the conversation. Really listen to your client, seeking to understand their goals, and using your knowledge of the philanthropic landscape to guide them. Done well, legacy giving can truly be one of the most joyful and exciting aspects of estate planning.

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Wealth Planning For High Net Worth Individuals

Part 2

Kimmis Pun
Managing Director, Family Office
Shenning Investments Pte Ltd

In the concluding part of this two-part article, Kimmis Pun of Shenning Investments examines the use of Family Investment Funds and Family Inheritance Insurance in estate planning for HNWIs.

In recent years, HNWIs welcome both Family Investment Funds and Family Inheritance Insurance as their wealth planning tools.

1. Family Investment Fund (FIF)

FIF helps HNWIs keep their family wealth intact while satisfying the needs of individual members, tailor income, safeguard assets and prevent the split of the wealth during family squabbles or inheritance. It allows for professional fund management with consolidated reports on diversified asset classes.

Units/ shares in a FIF can be held by family members or Family Trust/ Private Trust Company/ Family Inheritance Insurance for asset protection and succession planning.

What is a FIF?

It is a unitized fund holding the family wealth intact and investing collectively through professionals. Stakeholders aim to ensure reasonable returns, business continuity and proper family governance. It can be compartmentalized into sub-funds, allowing the family to select various investment managers, deploy diversified investment strategies or fulfil various needs.

How is FIF used?

FIF is appropriate for families seeking to ensure business continuity as the major stake is kept intact and safeguard assets from unprecedented risks, spendthrift descendants and intra-family disagreement. Family members will work with professional fund managers to enhance the portfolio within the FIF.

Where is FIF established?

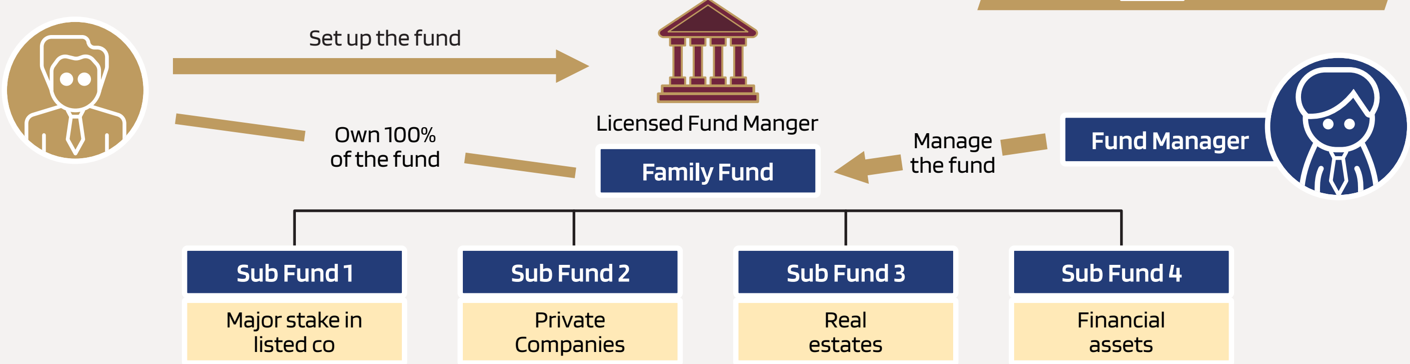
FIFs are usually set up in Cayman, Liechtenstein, Switzerland, Luxembourg, Ireland or United Kingdom, allowing the sponsors to integrate all asset classes.

In January 2020, Singapore launched the Variable Capital Company (VCC), governed by Variable Capital Companies Act. VCC is incorporated by the Accounting and Corporate Regulatory Authority and supervised by the Monetary Authority of Singapore directly through the Securities and Futures Act, and indirectly through the regulatory oversight of the licensed fund manager. It has tax certainty and efficiency offered under Singapore Income Tax Act.

How good is VCC In Singapore?

- Enhanced flexibility relating to fund subscriptions and redemptions which is based on Net Asset Value
- 2-level umbrella structure offers economies of scales and shared-cost efficiencies in engaging same licensed fund manager and other service providers
- Refined safeguards with segregation of assets/liabilities and financial reporting
- Flexible investments as VCC hold non-diversified portfolio
- Tax exemption under Singapore Income Tax Act 13D, 13O and 13U, subject to certain requirements
- Employment Passes are given to the senior managers/owners of the VCC
- Private register and undisclosed financial positions offer anonymity and confidentiality
- Re-domiciliation of foreign FIF to VCC, by transferring its place of incorporation

How is FIF structured?



How to set up FIF?

1. Outline the operational framework:
    - The domicile jurisdiction and its regulatory constraints and tax efficiency
    - Corporate governance and management principles
    - Investment strategy and asset allocation
    - Costs in establishment and recurrent administration

2. Appoint a licensed fund manager:
    - Conduct due diligence on the licence, financial strength, market reputation and fee structures of the fund manager
    - Appoint custodian and fund administrator

2. Family Inheritance Insurance (FII)

While traditional insurance covers loss of life, personal accident, medical and hospitalization and etc, FII offers family asset protection, enhanced liquidity and succession planning. FII provides insurance with leverage for substantial cover, or asset placement ability to hold family assets.

What are the types of FII?

1. **Universal life insurance (UL):**
    - It is a single or fixed cash-pay insurance with a high value cover.
    - UL has greater transparency, high liquidity and flexibility
    - With the multiplier impact of premium financing, the leveraged UL significantly enhances the insurance cover.

2. **Indexed Universal Life insurance (IUL):**
    - IUL, with features similar to UL, has its policy earnings rate pegged to a financial index (stock, bond or interest rate index).
    - IUL offers guaranteed level premiums throughout the insured's lifetime at a substantially lower premium cost than an equivalent whole life policy.

3. **Variable universal life insurance (VUL):**
    - VUL offers a higher value Sum Assured and self-managed allocation of cash value to various investments.
    - VUL accepts financial assets as premium and allows withdrawals over time.
    - With active investment, the earnings might accumulate greater than the insurance cost, thus ensuring its lifetime validity.
    - VUL's pay-out to beneficiaries = insurance coverage + market value of the financial assets

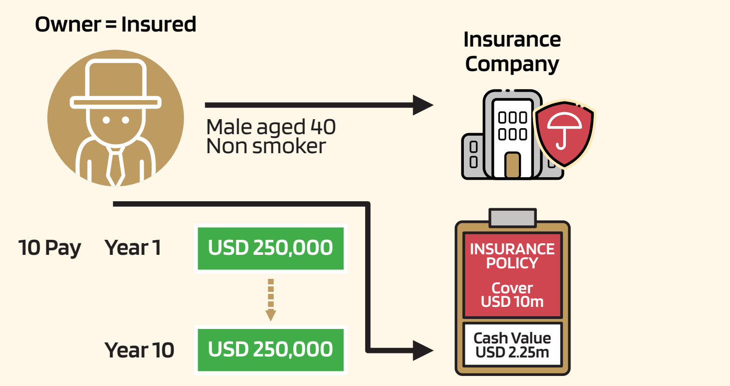
4. **Private Placement Life Insurance (PPLI):**
    - PPLI accepts both financial and non-financial assets as premium from the policyholder but it offers a low Life Cover.
    - The PPLI policyholder utilizes the tax treatment in his domicile to optimize the after-tax returns of the policy, achieves tax deferral and/or tax-free death benefits.

How is FII used?

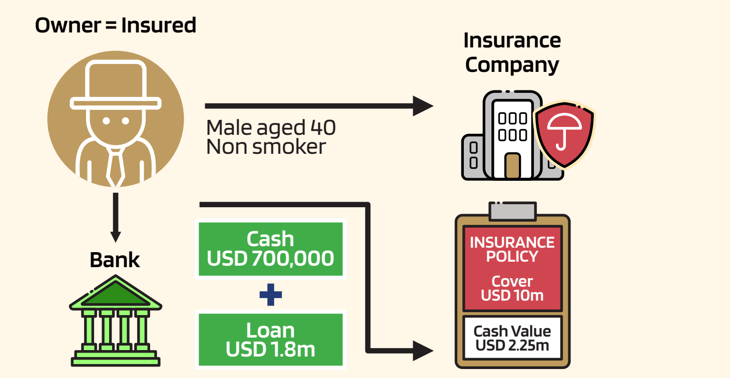
- Key person or executive planning
- Succession planning with enhance liquidity
- Asset protection for the benefit of the named beneficiary
- Estate equalisation among few beneficiaries
- Estate tax planning and tax referral
- Investment and risk management
- Philanthropy

How is FII structured?

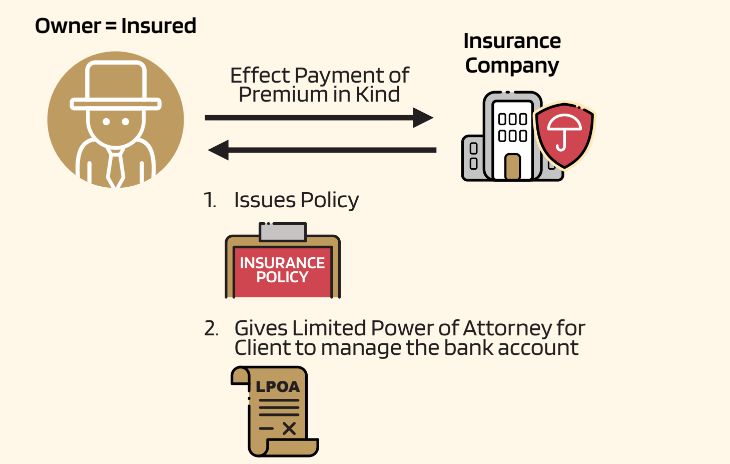
1. UL/IUL - fixed cash-pay



2. UL/IUL - leveraged with premium financing



3. VUL/PPLI



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Common HR Issues in Singapore

LONGBOW Law Corporation discusses recent cases that shed light on how Singapore courts have addressed legal issues which commonly feature in the context of employment disputes.

1. Penalty Clause

In ***Kelington Engineering v Gan Cheng Chuan [2022] SGHC 90***, the Singapore High Court had to consider whether a clause within a letter of appointment (LOA) was an unenforceable penalty clause.

Clause 1.5 of the LOA between Kellington Engineering and the employee (Gan) required that employee compensate the employer company an amount equivalent to his salary for the balance of the 3-year term in the event that the employee terminates his employment prior to the end of the contractual term. In determining whether Clause 1.5 was an unenforceable penalty clause, the Court considered:

a. Whether Clause 1.5 provides a genuine pre-estimate of the likely loss at the time of contracting; and

b. Whether the sum stipulated is so extravagant, having regard to the range of damages which the innocent party was likely to suffer, that it was not a genuine estimate of the damages that the innocent party could have suffered.

On the facts, the Court found that Clause 1.5 was unenforceable as a penalty clause as it found that the amount that the employee was required to pay to the employer company was extravagant or unconscionable in amount compared to the greatest loss that could conceivably be proved to have followed from the employee's breach.

The Court also explained that a negotiated clause between parties of comparable bargaining power may nevertheless be found to be a penalty clause. The Court held that there need not be any disparity of power between the contracting parties for the penalty rule to operate. Ultimately, the key consideration is whether the clause concerned is a genuine pre-estimate of the likely loss.

The ***Kellington*** case serves as a reminder to employers to ensure that employment terms do not fall foul of the penalty rule. Importantly, employers should note that negotiated penalty clauses between parties of equal bargaining powers which are applicable mutually to both employer and employee are not immune from challenge.

2. Salary Increments

In ***Carlsberg South Asia v Pawan Kumar Jagetia [2022] SGHC 74***, the High Court had to consider, among other issues, whether the employee (Jagetia) was entitled to an annual increment under his employment contract. The Court held that:

a. An employee has no automatic right to an increment;

b. Whether an employee is entitled to increments ultimately depends on an interpretation of the employment contract in question; and

c. Where an employment contract provides for discretionary increment, such discretion must be exercised bona fide, rationally and not arbitrarily or capriciously.

On the facts of the ***Carlsberg*** case, the Court found that the employee was not entitled to the salary increment.

Employers should note that while an employee has no legal right to automatic salary increments, where an employment contract provides for discretionary increment, employers should nevertheless exercise caution and act in good faith when exercising their discretion.

3. Termination & Investigation

Minimum legal obligation rule

In ***Dong Wei v Shell Eastern Trading [2022] SGHC(A) 8***, the Singapore Appellate Division of the High Court reaffirmed the "minimum legal obligation rule", which provides that where an employee is wrongfully terminated (as opposed to dismissed with cause), the normal amount of damages the employee can claim would be what the employee could have earned under his or her contract of employment, if the employer had lawfully terminated him or her with due notice. This is typically the length of notice required under the contract.

Termination without cause

The employee's counsel in the ***Shell Eastern*** case argued that an employer's express right to terminate an employee without cause and with notice (or pay in lieu of notice) should be limited by a requirement that the employer should not act arbitrarily, capriciously or in bad faith in exercising such right. Further, acting contrary to this requirement would amount to wrongful termination.

This argument was rejected by the Court, which stressed that the parties' freedom to enter and exit contracts was a fundamental premise of contract law in Singapore. The Court opined that it would be an unpalatable proposition if employers are compelled to hire or retain, and employees can be forced to work.

Duty to inform of investigation outcome?

In the ***Shell Eastern*** case, the employer company conducted an internal investigation against the employee (Dong Wei) for certain alleged conflicts of interest and breaches of the employer company's code of conduct. The Court took issue with the fact that the employer company failed to inform employee concerned of the outcome of the investigation. While the Court found on the facts that the non-disclosure of the outcome did not give rise to any legally remediable claim, the Court was "not impressed" by the company's conduct and opined that it was only fair for the company to inform the employee of the outcome since he was the subject of the investigation, regardless whether company was legally obliged to do so.

Conclusion

Employers and HR practitioners should take heed of the guidance provided by the Courts in these cases. Employers are also reminded by the Court in ***Shell Eastern*** Case to treat their employees with dignity and respect, seeing as how employment is, in the Court's own words, a two-way relationship "quite unlike most other wholly commercial contractual relationships."

This article was prepared with the assistance of Ms Ng Wei Lin (Legal Associate) and Mr. Scott Yap (Intern) at LONGBOW Law Corporation (www.LongbowLawCorp.com). If you require any further information, please contact Mr. David Teo Shih Yee (Managing Director) at david.teo@LongbowLawCorp.com

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EPPLHK Signs MOU with Institute of Financial Planners of Hong Kong

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

On 19 September 2022, the Institute of Financial Planners of Hong Kong (IFPHK) and Estate Planning Practitioners (HK) Limited (EPPLHK) signed a Memorandum of Understanding, marking an important step for EPPLHK in its first foray into the Hong Kong market.

EPPLHK will work with IFPHK as its exclusive marketing provider partner to deliver the Associate Estate Planning Practitioner (AEPP®) accredited certification programme. The collaboration provides upskilling opportunities for financial professionals and further cultivates future estate planning talent in Hong Kong to meet the growing demand in wealth transition and succession planning. IPFHK is a reputable Hong Kong-based association for advancing professional financial planning standards and promoting the importance of financial planning.

Public registration for the first intake will open in the first quarter of 2023. The course will be conducted in an online mode with a hybrid format, comprising a total of 12 training hours. Out of the 12 hours of training, six hours will be in the form of pre-recorded videos accessible via IFPHK's brand-new eLearning platform, FPlearning. The remaining six hours of training will be conducted via a live webinar for an interactive session with the trainer. Participants who have successfully completed the course and the end-of-course assessment will be eligible to apply for the AEPP® designation to enhance their professional credentials.

To support participants putting the knowledge into practice, the learning experience will be complemented with an independent trust advisory service. Through this service catered to AEPP® designees, EPPLHK aims to provide a holistic approach for financial professionals to increase their value proposition and grow the business in the industry.

EPPLHK is a subsidiary of Estate Planning Practitioners Limited, Singapore.

Rockwills Reaches Significant Milestone In Malaysia

Azhar Iskandar Hew
Group Chief Executive Officer
Rockwills Corporation Sdn Bhd

Rockwills Corporation Sdn Bhd reached a significant milestone in June this year by breaking its in-house record in Malaysia for the highest number of Wills written since its inception.

The Malaysian firm has come a long way since its incorporation in 1995. At that time, estate planning was considered a taboo, or suay, subject and not to be discussed. At best, it was usually only considered for the silver-haired, or people who were dying.

However, public perception in Malaysia about estate planning has evolved over time. Just like insurance, estate planning is no longer a taboo subject. More and more people are acknowledging that there is a need to plan for estate succession because of the possibility of unanticipated events, such as accidents and disease, that could have a serious impact on their lives as well as the lives of their loved ones.

This latest milestone represents the fruits of Rockwills' relentless efforts to educate the public in Malaysia on the importance of estate planning. Rockwills' goal is to reach out to everyone, so that nobody has to ever face the predicament of dying intestate, which invariably creates difficult and problematical situations for loved ones.

Pandemic helps drive awareness of Wills

Azhar Iskandar Hew, Group Chief Executive Officer of Rockwills in Malaysia, attributed the strong Will-writing performance to heightened awareness of the importance of having a Will, brought on by the global pandemic. "The pandemic has underscored the fragility and uncertainties of life and the importance of putting our affairs in order to better safeguard the future of our loved ones. This awareness has contributed significantly to our growth," he said.

Now, estate planning has always been an essential service to the public. There is no real best time for a person to start to prepare an estate plan. It should not be an off-the-shelf service where a person can simply add his name and ID number to a boilerplate Will. It takes time and careful planning and most of the time, high quality advice from a professional to ensure there are no surprise pitfalls waiting in the future.

It is likely that Rockwills will reach new milestones and break more records going forward. At the time of writing, there has been a 30% year-on-year surge in the number of Wills written by the firm. Moreover, the average age of Rockwills' client base in Malaysia is declining as younger people accept the need for estate planning.

For many, Will-writing is now part and parcel of prudent personal wealth and financial management. Even after 27 years of operations in Malaysia, it is evident that estate planning remains a sunrise industry. This will likely continue for many decades to come.

Estate Planning Gathering 2022 with Indonesian Counterparts

To date, about 1,472 participants have attended the AEPP® certification programme in Indonesia. They include financial planners, insurance agents, wealth managers in banks and other professions.

The AEPP® certification programme is the only course that involves a blended approach towards civil law in Indonesia and common law in Singapore for the purpose of estate planning for Indonesian families who have assets in Indonesia and abroad. The programme discusses the importance of writing a Will in different jurisdictions, Trust as a legal perwalian solution as well as the provision of a life insurance policy in one unified solution.

With the support of Estate Planning Practitioners Limited (EPPL), some of the AEPP® alumni will have the opportunity to join the discussion with Singapore estate planning specialists and practitioners at EPPL's office in Singapore. They can benefit from how estate planning practices in Singapore relate to the AEPP® knowledge that they acquired in Indonesia. It is expected that this activity will be held on a regular basis.

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Estate Planning Lessons From Downton Abbey

ESP Bernice Huang delves into a few story lines of the popular TV series that highlight the importance of estate planning

Succession planning has been a crowd-pulling theme for dramas and movies through the ages. Such dramas are filled with family intrigue, incidences of backstabbing and feuds that usually circulate around the theme of family business succession. It is also rare to find a popular series that showcases positive examples where a family has conducted their succession plans using legal structures.

Downton Abbey is a British historical drama television series set in the early 20th century, created and co-written by Julian Fellowes. Centred on the Crawley family's generational history, noble kinship, servants, deaths, births, marriages, divorce, conflict, inheritance lineage, intestate laws, liabilities, and family trust assets, the TV series went for six seasons. There were also two movies based on Downton Abbey, with the latest in 2022.

The series began with Robert Crawley, Earl of Grantham, facing a complex trust inheritance issue - he has three daughters but no sons, and needs a male heir. His closest male kin and first cousin, Patrick Crawley, was slated to marry Robert's eldest daughter, Mary, so as to preserve the estate within Robert's family. However, Patrick is on the Titanic when it sinks and is presumed dead.

After a search, the succession of the Crawley estate with its large surrounding land holdings falls to the next male heir, distant cousin and a stranger to Robert's family, Matthew Crawley. On first impressions, Robert dislikes Matthew and finds him too middle-class for his blue-blooded family, despite Mathew being a practising lawyer. Matthew, on the other hand, finds aristocracy too straight-jacketed. He prefers a simpler life and to focus on developing his professional career.

The series moves from pre-war through World War I and right till before World War II. It showcases how estate planning done right can create ideal situations where the rest of the family takes up the mantle and prevents the property from failing, like many estates across the country at that time.

Spoiler Alerts

Here are THREE highlights from the TV series that showed why estate planning is important:

1. **Appoint a Corporate Trustee to manage Trust Assets**: Robert Crawley, the sole custodian of the family trust assets, goes into misery and anxiety when he invests heavily in a Canadian railroad company that goes bust. His pound-foolishness causes him to lose the principal sum, putting his family in financial jeopardy, and he is at a loss not knowing how to save his family from possible bankruptcy.

2. **Placing inheritance assets into a Trust**: Martha Levinson is the widowed mother of Cora Crawley, Lady Downton. During one of her visits to Downton, she is partying away and has several suitors, despite being in her 70s. Notably, her son and brother of Cora stands at one side of the party, wondering aloud with confidence, whether the suitors know his mother's assets are locked in a Trust and that she is only entitled to a living allowance from the Trust till her demise. The Trust, set up by Martha's husband, has allowed her to continue to enjoy her life while allaying the concerns of her family members in that the family assets are safe from opportunistic suitors.

3. **Expect the unexpected, draft your Will**: Matthew Crawley, having first survived the war albeit with crippling injury, finally marries Mary. Matthew then dies in a tragic motor accident on the day when his first child George is born, soon after he held his baby in his arms. The family members are overwhelmed with more financial worries when they realise that Matthew has died intestate without leaving Will instructions. This puts Mary and George in a complicated inheritance fix, while facing a hefty estate duty tax. The grief combined with the complexity of the estate succession tear through the family.

Downton Abbey is a magnificent story that mirrors real-life family issues and wealth disputes. It showcases how the English legal instruments and structures like Trusts are used. It encourages us to rethink our family estate plans and seek professional advice. Overall, the calm manner by which the family deals with numerous crises shows that good succession plans can make family united and resolute.

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