

THE CUSTODIAN

ESTATE PLANNING AND WEALTH SUCCESSION NEWSLETTER



By Lee Chiwi

Chairman,
Estate Planning Practitioners Limited (EPPL)

Chairman's message

As we approach the last quarter of 2021, I would like to reflect on the year. Most notably, we had forged ahead with our breakthrough digitalization of trust set-ups, under EPPL Digital. This development puts us at the forefront of digital trusts in Singapore and hence the tagline, "Creating the Big Bang in Trusts". EPPL Digital's maiden digital trust solution is "ProviTrust", specifically catered for the holding of Central Provident Fund (CPF) savings pay-outs on demise in trusts. We feel encouraged that ProviTrust has garnered interests from both our financial industry practitioners as well as other corporate partners.

We had also run our Estate Planning Forum Public Series 2021 in September with the theme "CPF and Your Retirement" which drew participation of 3980 attendees. This is particularly relevant in this day and age when retirement planning is a buzzword and when we need to be clear on our choices for accumulating funds through the various Central Provident Fund (CPF) schemes. The event that was warmly supported by various partners — namely the Financial Planning Association of Singapore (FPAS), Community Chest, Asia Advisers Network, Immortalize and sponsored by Endowus — featured 18 well-recognized industry speakers who provided valuable insights for the general public. We are also delighted that

due to overwhelming response, some speakers will be holding follow-up joint talks with us in the next few months.

PreceptsGroup had also recently held a small commemoration ceremony virtually to recognize the legacy gift from one of its client's estate, in hope of encouraging others to help the less fortunate through their legacy plans. As the appointed administrator for the client, Precepts Trustee identified and distributed the deceased clients' estate to charitable causes according to her wishes. Although the total legacy amount to charities is modest, it is testament to her altruistic nature. You may view the ceremony on PreceptsGroup International YouTube channel.

As professional development and adult learning continues to be strongly encouraged among the workforce, I would like to leave you with this quote by Will Rogers "Even if you're on the right track, you'll get run over if you just sit there."

As usual, we welcome any feedback or any suggestions. We wish everyone well. Stay safe and connected with us.



Estate Planning As Cornerstone Of Financial Advisory Services

On 24th August 2021,

PreceptsGroup hosted a panel discussion with their Estate and Succession Practitioners to discuss how estate planning could be a cornerstone in their current financial advisory practice. The presenters were qualifiers for MDRT, COT and TOT in recent years. These qualifications are widely recognized for top financial advisors around the world. The event was conducted over a Zoom Presentation and was attended by more than 200 participants.

The panel discussion was hosted by Tan Hwee Heng, Head of Precepts Marketing Department and included the following presenters:



Ms Jolene Goh,
PreceptsGroup
Executive Club Member
(Honours, 3 years),
MDRT 2021

Ms Jovin Yeo,
TOT 2021,
MDRT Lifetime and
Honor Roll



Ms Laura Hoi,
COT 2021,
MDRT Lifetime and
Honor Roll

Panel Host:
Tan Hwee Heng,
HOD Marketing, PreceptsGroup



HH: What were some challenges that you faced when you first started in estate planning?

Jolene: For the first 6 months after I had completed the Estate Planning training with Precepts in 2017, I didn't even dare talk about it to clients because it seemed too technical and involved many legal aspects. I had that fear that many advisors face now. The only way to overcome your fear is to do the thing you feel uncomfortable with.

When I first started talking about estate planning to my clients, I had the tendency to discuss the technicalities. It is important to note that clients do not like to be told what to do. My approach was to pitch the 'pain points', issues that will make a huge impact to their loved ones when they are no longer around.

HH: Laura, how did you get started?

Laura: This is my 19th year in the financial advisory business. In the first few years of my career, I started to explore estate planning. I probably started the earliest among the three of us. However, I was only doing a handful of Wills when my clients asked for it.

I had some fears and it was a steep learning curve. It wasn't until 2018 that I decided to attend more estate planning courses. During one of the courses, a lot of things shared were real life issues that could happen to anyone of us. Ever since that eureka moment, I started to see all the



SCAN ME

This article featured some excerpts from the event. The full video of the discussion can be found on Precepts YouTube Channel.

estate planning gaps that my clients had. I felt a renewed sense of excitement when I asked my clients pertinent questions for them to ponder over their needs. I was able to engage in deeper conversations with my high net worth clients. That was why and when I decided to use estate planning as a strategy to engage my clients. I was able to meet high net worth clients and assist them to solve pressing problems. It has helped me to become more effective with time management and my clients were confident to refer their affiliates to me.

HH: **Jovin, how does estate planning integrate with financial planning? How did it lead to you to close more cases?**

Jovin: I used to do more insurance planning, less on investments and I didn't really know how to apply estate planning. I found it very difficult to break into the high net worth market. This is because they only saw me as an insurance advisor. However, when you engage your clients using the approach of estate planning, they were more willing to reveal more personal and confidential information.

For example, I was referred to this client who only wanted to write a Will initially. Through a series of questions, I found out that this single lady was planning for retirement as well. But the most alarming discovery was how she has been passing money to a friend to invest for her.

Through our discussion, she realised that passing money to her friend to invest may not be the best solution. Hence, it opened a case for me to plan for investment as part of her retirement.

HH: **Jolene, do you regularly face clients who just want a simple Will?**

Jolene: Wills are simple, it is the human being who is complex. The situation may look simple at the onset, but you do not know of any underlying complications at that moment. It is not about writing but rather the planning of distribution and that is why we come into the picture.

For simple Will Writing services, they will just write whatever without looking into the blind spots that might have been overlooked. Nothing is more expensive than not knowing your blind spots. You may pay a small price today, but at the end of the day, somebody will pay a huge price for that missed blind spot.

A simple Will can make complex things complicated. A complete plan makes complex things simple for you. Hence, I will ask my client which one would you prefer?

HH: **Laura, can you share with us a case you have encountered?**

Laura: Just a few months ago, while talking to a client, I casually asked if she had done her Will. Being single and in her 40s, she started telling me about how her parents were made executors of her aunt's estate. When her aunt passed away 5-6 years ago, her parents were in their 70s and had to handle the estate of her aunt!

The fact that I could engage in such a conversation was because of my estate planning background and knowledge. It has helped me engage her in a deeper conversation centred around how a poorly thought-out Will had resulted in her parents being sued by her cousins.

It really messed up the whole family dynamics because of that one mistake her aunt made in the Will by appointing her sister and brother-in-law (the client's parents) as the executors. With the client's father having passed away, it was now left for her poor 70-year-old mother to go through court proceedings as she was sued by her own family members. All these are so heart breaking and could actually have been easily avoided.

HH: **How else has estate planning helped with your business?**

Jovin: In the past, I was doing an average of between 80 to 150 cases to qualify for MDRT. Last year, I did 85 cases to clear the Top of the Table qualification. This year I have cleared the Court of the Table with just 38 cases. So you can see the potential and opportunities for estate planning is huge when it forms part of your process.

This growth has led to greater satisfaction in my work and eventually more time for my family, which was unlike the past. Nowadays, I hardly go for appointments on weekends.

HH: **How do you find Precepts as an estate planning platform?**

Laura: I tell my clients that one of the biggest advantages of Precepts is the executorship appointment and because Precepts holds a Trust licence, we are able to perform as Corporate Executor and Trustee for our clients. For most law firms, they typically do not have the ability to be a corporate executor.

Precepts' founder, Mr Lee Chiwi is very experienced and I am assured to know that he has legal background and is legally trained. Precepts also has a dedicated team that helps me when I am doing Wills, Trust and Estate Planning with my clients.

There is a committed team of people who can support me and that is one of the biggest strengths of working with Precepts, compared with referring the case to someone else.



Estate Planning for Divorcees (part 2)

Lisa Gay (Business Development Executive, Marketing) caught up with Ms Lim Kim Hong (Advocate & Solicitor, Sole Proprietor, Kim & Co.) and Tan Hwee Heng (Head of Marketing Department, Precepts) to understand more about estate planning for divorcees. Ms Kim, fondly known as Kim, has been practising law as an advocate and solicitor since 1988. She has been running her own practice, Kim & Co, for the last 17 years.

Previously in Issue 18, we featured some questions that are commonly asked by many of Precepts clients. Below are further questions addressed during the discussion.



Lim Kim Hong
Advocate & Solicitor
Sole Proprietor
Kim and Co.

LG: Can you elaborate more on what are the criteria the testator should consider when appointing a Trustee in the Will to handle the monies meant for the children?

HH: After the divorce, the trust between both parties may have diminished significantly. Hence the testator is usually concerned that if he/ she does not plan properly, monies left for the child or children may not be used for the right cause. They are most concerned that the monies left in the estate, meant for the children will be “hijacked” by the ex-spouse. Hence the trustee should be someone who can deal with the ex-spouse over a long-term basis.

Kim: If the Will provides for minor children as beneficiaries, the Testator will normally provide for the Trustee to hold monies left for the children upon their attaining a certain age. However, there will also be an express clause for the Trustee to apply those monies for the children’s health, welfare and education pending such age.

HH: Indeed, the ex-spouse may still have significant emotional influence on the children while they are of tender age or even beyond. Hence, when these children receive the deceased parent’s monies at age 21, tensions will arise because the surviving spouse may make emotional demands to ask the children to hand over the monies to him/ her. This can create a hostile environment for the children.

We usually recommend clients to state that the remaining monies left after maintenance, education, insurance needs, be distributed to the children upon only reaching a more matured age or upon reaching some milestones. This is crucial. The children should not be faced with the emotional stress by the ex-spouse asking for monies left by the testator at that age when they may be still residing in the same household. So, most of the remaining monies can be inherited by the children when they own their house or the trustee can also use the monies from the estate to help the children pay for expenses directly, without the children receiving the monies in their bank accounts.

LG: How about some clients who have decided that they simply do not wish to leave anything for the children?

Kim: Under the Guardianship of Infants Act, the surviving parent, that is the ex-spouse or legal guardians appointed in the Will are required to maintain the child. Under the Family Maintenance Act, the surviving ex-spouse can still apply to court to request for maintenance from the estate, if there are no provisions made in the Will. For example, the father is required to provide a monthly maintenance under the divorce settlement to the mother. The mother who is the ex-spouse, can apply to court to request the estate of the father to provide for the child.

LG: Does the estate need to provide for ALL the expenses of the children?

HH: It might not be prudent to not leave anything for the children completely. On the other hand, based on our experience in handling such estates, for modern families, if it has always been a shared responsibility, it can be considered fair that one party need not necessarily pay for the full share of the expenses of the children. If the deceased is the mother, the mother's estate need not pay for all the children's expenses going forward. An example will be that the Will can state that mother's estate shall only pay 50% of the enrichment classes and 50% of holiday expenses incurred on a yearly basis. Such instructions can be stated in the Will for the appointed Trustee to act on.

There will be cases where the ex-spouse may demand that the estate pays for the full expenses. Individual trustee may not know how to handle such demands if the Will has been silent on this issue. For example, the ex-spouse may state that \$10,000 was spent for family holidays for the children, which actually includes the ex-spouse's own expenses. If it is an individual trustee who has no experience in handling such demands, it is easy to succumb to such demands because the ex-spouse may potentially influence the children to turn against the trustee. The inexperienced trustee will even have to deal with threats of being sued.

This is where professional trustee companies like Precepts Trustee can be most effective because we can deal with the ex-spouse for the long term without being pressurized by such demands. Such demands might also need to go through the Precepts Board of Trustees to ensure any distribution fulfils the intention of the deceased parent. Hence there is a lot more oversight as well as consistency over decades. The professional trustee will only pay the fair share of expenses for the children.

Useful Guide to Terms & Points to note:

Useful Guide to Terms & Points to note:

Custody: Part of Divorce settlements. Parent who has custody will be able to make long term decisions for the children.

Guardianship: Appointment through a Will (for estate planning purpose). Surviving parent will be a natural guardian.

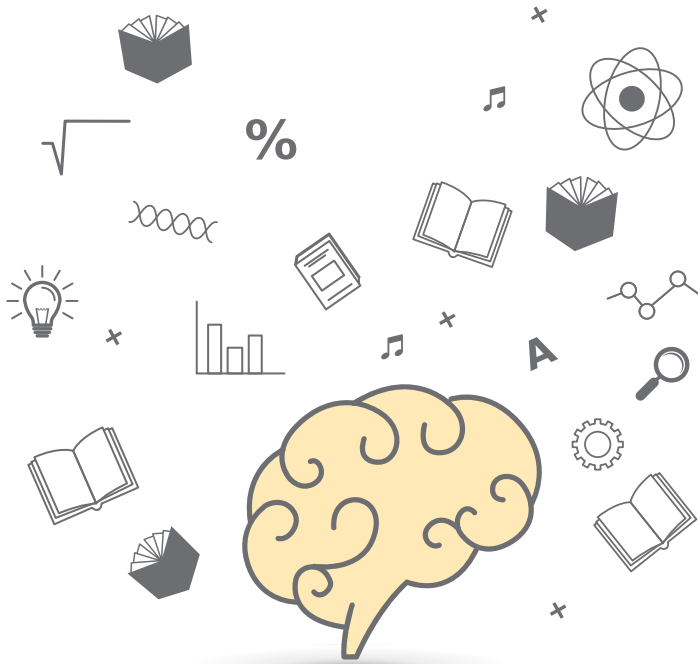
Testator: The person who is making the Will.

Trustee: Handles the distribution of the Estate monies. Need not be the same person as the guardian.

Testamentary Trust: A trust set up via a Will, to state how the monies shall be distributed over a period of time.

Age 21: Legal age to inherit remaining monies left by the estate for the minor children if the Will does not state otherwise.





The Things to Know About ProviTrust - Series 1



Ooi Sen Tee

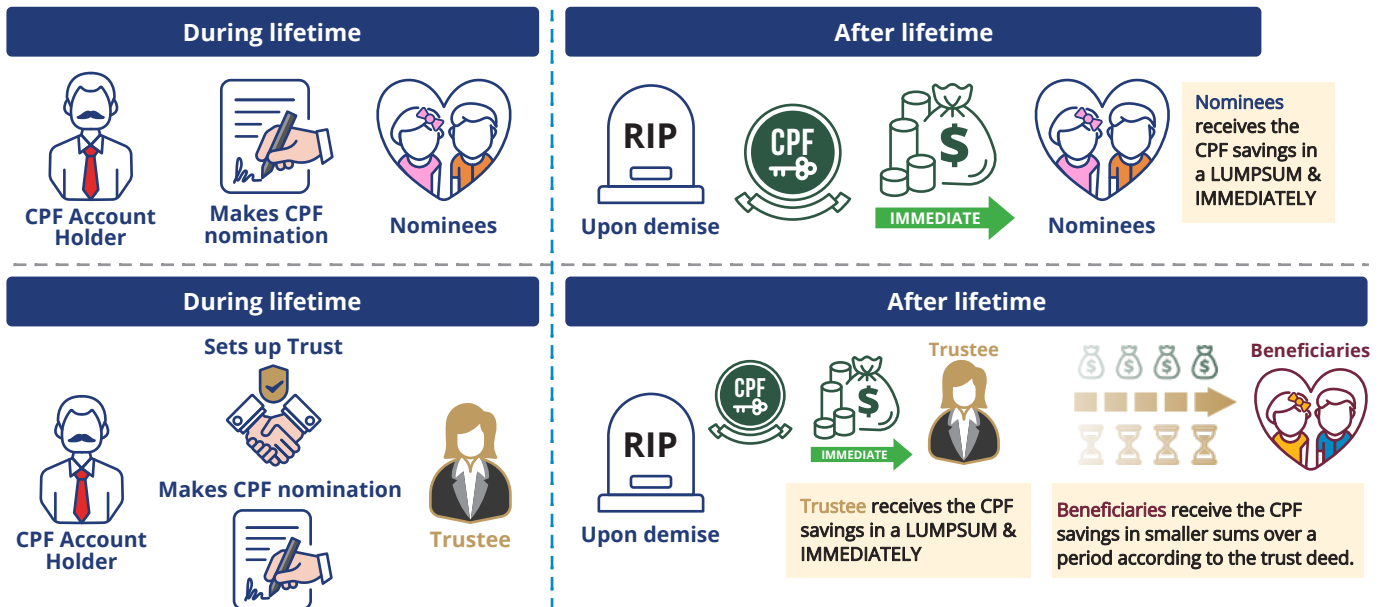
AEPP®
 Relationship Manager
 Precepts Trustee Ltd (PTL)/
 Estate Planning Practitioners Limited (EPPL)

Since the launch of ProviTrust, we are heartened to receive an influx of queries from practitioners managing customers' enquiries. We have compiled a list of commonly asked questions in this first series which will help you to understand the ProviTrust process.

Q: Why do I need a trust when I can make a CPF nomination for my CPF savings?

A: The CPF nomination specifies the persons who will receive your CPF savings and how much each nominee would receive upon your demise.

A trust expands the options, to further address other concerns, such as deferring and staggering the payout to the nominees should you deem them financially immature or vulnerable because of young or elder age.



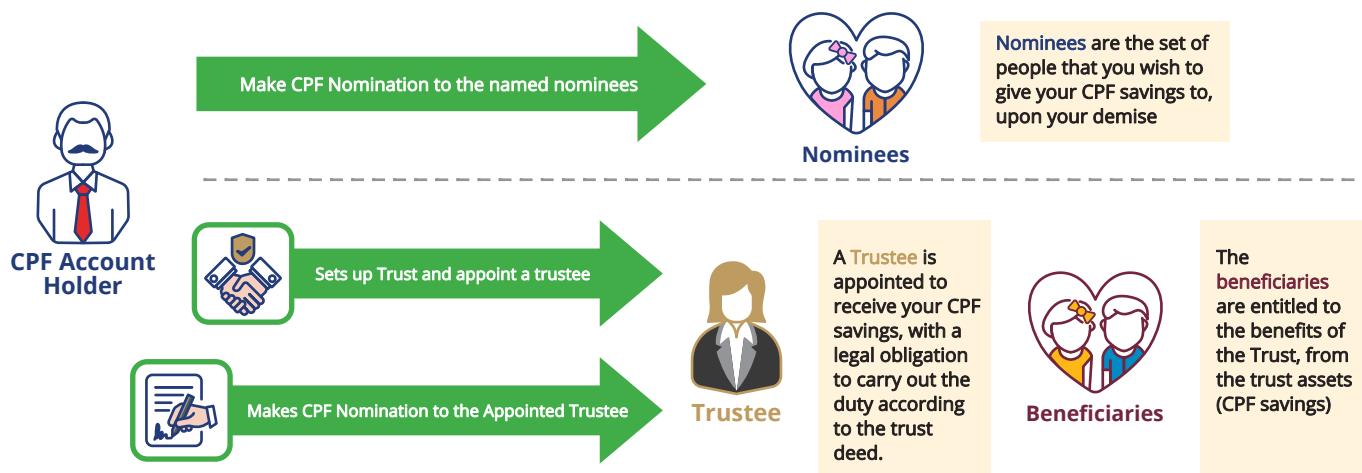
Q: Do I still need to make my CPF nomination after I set up ProviTrust?

A: Yes, you will need to make your CPF nomination to your appointed trustee of the ProviTrust. Without making a nomination, the trustee will not be able to receive your CPF savings upon your demise to carry out the duty as trustee according to your instructions in the trust deed.

Q: What is the difference between a nominee and a trustee?

A: A CPF nominee is any person or organization whom you appoint to receive a share of your CPF savings.

A trustee in general acts as the legal owner of the trust assets (the CPF savings) and is **responsible** for the handling and distribution of the assets in the trust, according to the trust deed, for the named beneficiaries.



Q: Can I transfer other assets into ProviTrust and activate it during my lifetime, since this is a living trust?

A: ProviTrust is designed specifically for your CPF savings. This is a digital trust where the set-up process is via a portal using your SingPass login. The process will be completed after the CPF nomination (through the CPF Board portal) is made by naming the trustee as the nominee.

Q: How do I decide whether I should set up a fixed trust or discretionary trust?

A: A fixed trust is set up with your instructions where your appointed trustee must strictly follow them as stipulated in the trust deed and he has no power to alter them.

You may use the following guide as reference to set up a fixed trust:

1. When you only have one group of beneficiaries, and you do not anticipate any issues that may arise with them receiving the specified fixed shares.
2. The tenure of the trust period is relatively short, and you do not foresee any drastic or frequent changes, to your beneficiaries' circumstances during the trust period.
3. When you have determined the distribution manner and you do not foresee any need to change the instructions during your lifetime.
4. When you wish for your trustee to follow strictly on the allocation, and the trustee is not have any power to alter it.

With a discretionary trust, you may name beneficiaries and specify the desired allocation that you wish to give to them. But the trustee can exercise his/ her discretion to alter the wishes, validated with supporting rationale, and exercised in the best interest of the beneficiaries, in situations where their circumstances may have changed.

You may decide to set up discretionary trust using the following guide as reference:

1. When you like to prioritize your beneficiaries to benefit from your CPF savings. There are two groups of beneficiaries for a discretionary trust. The main group will be prioritized to receive your CPF savings, and a substitute group will be the secondary beneficiaries to receive in the event of the main group's demise.
2. You have beneficiaries who may be exposed to risk of bankruptcy or may experience dysfunctional marriages.

3: You would like to give the flexibility to your trustee, to provide for your beneficiaries with your CPF savings, when genuine needs arise.

Q: Will my trustee know how much I have in my CPF account during my lifetime?

A: No, the trustee will not know your CPF account details, during your lifetime. The trustee is only aware of the trust details, such as the beneficiaries and the distribution manner to each beneficiary, that is recorded in the trust deed.

Q: If I nominate a trustee in my CPF nomination without informing him or her, will he or she be notified?

A: No, your trustee will not be notified by CPF board when you have changed or nominated him or her as trustee.

However, since this is a trust arrangement and you are appointing your trustee to act according to your instructions, it is a good gesture to keep your trustee informed and updated of any changes that you have made, on your CPF savings distribution plan.

Q: Can I appoint more than one trustee with ProviTrust?

A: With ProviTrust, only one trustee appointment is allowed, which could be an individual or Precepts Trustee.

This is because ProviTrust is designed to receive CPF savings as trust asset through the CPF nomination. After the trust is set up, you must nominate the appointed trustee in your CPF nomination. CPF nomination doesn't allow substitute nominee, hence no substitute trustee.

Q: Can I change the trustee after I have set up ProviTrust?

A: Yes. There are two important steps to note when you change your trustee for your ProviTrust. Firstly, it is to send your request via email to info@epplasia.com or contact your Estate and Succession Practitioner. There will be a supplementary deed issued, to remove the existing trustee and appoint a new trustee, and a fee will be incurred.

Secondly, you need to change your nomination with CPF Board, by nominating the new trustee. This is to ensure that your CPF savings will be paid to the new trustee upon your demise. CPF Board will transfer your CPF savings according to the latest nomination made. You may want to inform your beneficiaries too.

Avoidance Of ABSD And Purchases Under Trusts

Readers might have recently come across the Straits Time article titled "Property agents, buyers jailed for evading \$69,000 in stamp duty by backdating option to purchase" published on 24 Sep 2021 by Wong Shiying.

The prosecution of the various parties is a warning to any person who attempts to use fraudulent documents to avoid paying ABSD (Additional Buyer's Stamp Duty). Apart from the jailable terms, the couple involved was ordered to pay a penalty of S\$276,000, four times the amount of ABSD evaded.

In another Channel News Asia article, it said that if individuals were aware of such evasions, they could contact **the Inland Revenue Authority of Singapore (IRAS)**, and a reward based on 15 per cent of the tax recovered, capped at S\$100,000 would be given to informants in successful cases!

A structure where ABSD is possibly also avoided relates to trusts which have been set up by many parents. Many appoint themselves as trustees; likely for their own convenience and without understanding the proper role, administration and responsibilities of trusteeship. Many of these trusts if scrutinized could be nominee arrangements instead, the motive largely being to avoid

ABSD. Under the scrutiny and audit of the IRAS, many of these trusts could be deemed as tax avoidance schemes and the "parent trustee" possibly prosecuted and fined.

The current ABSD rules introduced as part of the property cooling measures do not penalize genuine trusts that are set up for inheritance and succession planning and where ABSD is not payable when the beneficiary concerned does not own any other residential property. For the longest time, the Trustees Act already gives powers to trustees to purchase residential property for the benefit of a beneficiary. The situations where such property trusts can be planned for and unaffected by the imposition of ABSD are numerous, such as for protection of beneficiaries who are minors, spendthrifts or even if adult are vulnerable because of the loss or potential loss of mental incapacity.

Those who are considering purchasing residential property and setting up a trust to hold the property where another person is beneficiary should seek proper legal and tax advice.

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MALAYSIAN ESTATE PLANNING TRENDS



Sam Chan

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Estate Planning with a holistic approach had started as a trend in Malaysia since the mid-90s. Holistic estate planning is more than writing a Will where planning involves taking into consideration a person's liabilities, his family's financial sustainability, mitigation of financial risk upon his death, and many more aspects. Estate planning has to be customized depending on what concerns or assets a person owns. As the society or economy develops, so does the approach to estate planning.

In Malaysia, the unprecedented challenges brought by the current Covid-19 pandemic have caused a surge in the demand for estate planning services. The fear of getting infected has fuelled the urgency on a public scale where Malaysians need to sort out their affairs and to prepare for the worst that could happen to them. The legal requirements of signing the Will or Trust documents further complicate the situation due to the strict movement restriction and social distancing procedures imposed by the Government.

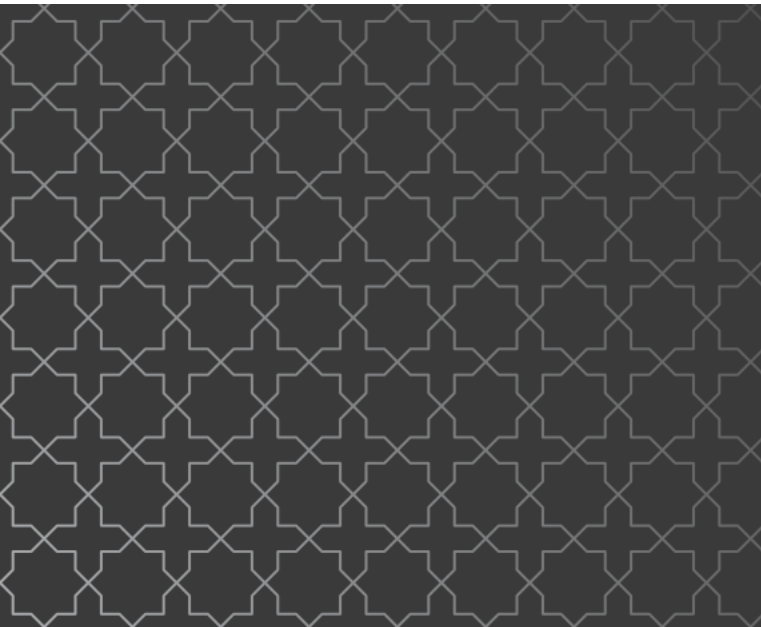
The Covid-19 pandemic has also caused a lot of Malaysians to be stranded in overseas countries. Most of them are working overseas to make a living. They would save or invest their earnings back in Malaysia for their family members. There are also foreigners who work and own assets in Malaysia.

They would be concerned with what they could do to protect their families during the international travel restrictions. Can the Estate Planner give them advice and take their instructions remotely? Can the Will be prepared in Malaysia while they are in another country? Can the Will be signed outside of Malaysia? Can a Will or Trust be signed electronically? Can a non-Malaysian citizen be a witness to the Will?

In Malaysia, a person writing a Will must comply with the formalities stated in Section 5 of the Wills Act 1959 for the Will to be valid and effective. Among other requirements stated in the Act, the Will must be attested by at least two witnesses in the presence of the testator and each other.

All these years, Estate Planners, like any other professionals, would meet the testator in person to discuss their estate plan. A meeting will be arranged to find out the testator's concerns before proposing appropriate solutions that meet the testator's needs for the preparation of the Will or Trust documents. The Estate Planner would bring the finalised Will or Trust for the client to sign in the presence of the witnesses. When the nation declares an emergency lockdown, the Estate Planners have to adapt quickly to the situation.

Thanks to the advancement of technologies and the internet, estate planning services are still accessible during the restrictions imposed as a result of the Covid-19 pandemic. In line with the social distancing SOP, the Estate Planner would be using online meeting platforms to meet and discuss with the testator regarding their Will and Trust set up. As the Will and Trust documents must still be in hard copies, the documents would be couriered to the Testator's residence. The testator will then sign the Will in the presence of the witnesses such as their neighbours, to comply with the legal requirements. In the meantime, the Estate Planner can use video calls to guide the testator and the witnesses for the attestation.



Digital Assets

Even before the pandemic, we are already in the era of convenience where banking and investments, taxi and food deliveries are just a few swipes and taps on our smart devices. Digital lifestyles are inevitable. Hence, there are growing concerns from the general public as to whether it is possible to include their digital assets in their Wills especially those who have invested in cryptocurrencies that are significant in value.

Digital assets are assets that are in a digital form or other intangible forms by electronic, magnetic or optical means or by some other similar means giving the owner an ownership claim or a right of use or interest in these. Examples would be cryptocurrencies, social media accounts, e-wallet accounts and cloud storage accounts. These are assets that can be given to loved ones. Some digital assets such as social media accounts and cloud storage accounts require the consent of the platform

operator before the executor of the estate, who does not have account details, can gain access to it. Digital assets, unlike the traditional assets which can be kept in a safe deposit box or drawer, may not give any ownership title. It largely depends on the terms set by the platform that is the digital asset enabler.

One of the common problems with digital assets planning is that family members have no knowledge of the existence of the digital assets. The digital assets are likely to be irrecoverable if no one is aware that the deceased owned these assets. However, if the digital assets are accounted for in the Will, it can save the family a lot of time and trouble to gain access to those assets and begin distribution.

Thus, a digital asset owner should state clearly in the Will the specific digital assets to be given if he/ she would like to give his/ her loved ones the contents of his/ her digital accounts, regardless of the financial value. Itemisation of the digital accounts in the Will is required to facilitate recovery of these digital assets as they are dependent on user details and passwords for the executor to recover it. Next is to put in place security to restrict access to unauthorised persons.

In summary, the demand for estate planning has increased significantly due to the COVID-19 pandemic and estate planning is constantly evolving to adapt to the ever-changing environment. There is no one-size-fits-all solution for estate planning. One can easily write a Will but will need a professional to formulate a better estate plan. Ultimately, it is important to take advice from an experienced and well-informed Professional Estate Planner who can be innovative to provide solutions. Given today's uncertainties, it is never too early to start planning your estate.



Tri Djoko Santoso

AEPP®, CFP®
Founder, LN Consulting

Tri Djoko Santoso CFP®, AEPP® is the founder of a leading financial planning school in Indonesia. His school is a business partner of EPPL which administers the AEPP® training in Indonesia. He is a Precepts Estate and Succession Practitioner.

Importance Of Planning the *Perwalian* (Guardianship)

It is imperative for every family in Indonesia to understand the importance of planning the *Perwalian*. In most family situations, children's lives and assets are affected when they lose one or both parents. How *Perwalian* regulation is applied in Indonesia should be considered for Indonesian families when they have assets not only in Indonesia but globally.

What is *Perwalian*

Perwalian or guardianship serves 2 purposes. Firstly, for the supervision of minors (under 18 years old including children who are still in the womb) who are not under the control of the parents, and secondly, for the management of the children's assets. Due to the minors' incapacity in taking legal action, they may be vulnerable to the actions of their *Perwalian*.

The emergence of the *Perwalian* is caused by the termination of a marriage arising from death of one or both parents, the divorce of the parents or a court decision regarding the revocation of parental power which will have legal consequences for both the husband and wife, especially the interests of the neglected child.

Who Is Eligible for The Appointment of a *Perwalian*?

The Indonesian government has issued a revised regulation no. 29 of 2019 concerning the terms and procedures for appointing a *Wali* (guardian). This revision includes the arrangements for the appointment of a *Wali*, procedures for the appointment and termination of a *Wali*, guidance and supervision of child guardianship, as well as reporting and documentation. The aim is to protect the child's rights and meet the basic needs of the child as well as managing the child's assets.

To be appointed as a *Wali*, the parties in the following order are prioritized:

1. Children's family (blood related family up to the third degree*) or
2. Paternal or maternal such as uncle or aunt or
3. Other people or
4. Legal entity, for example, technical implementing units of ministries/ agencies.

* *Third degree is a common term used in Indonesia for Perwalian which means descendants up to three generations; for example, father and child are first degree, grandfather and grandchild are second degree.*

They should meet some basic requirements to be appointed as a *Wali* such as being physically and mentally healthy; well behaved, economically stable, sharing the same religion as the child and have obtained a court order. The *Perwalian* will end when the child attains the age of 18 years.

What Are the Duties and Responsibilities of a *Wali*?

The duties and obligations of a *Wali* include taking care of the child's assets and be responsible for any losses caused by poor management, the maintenance and education of the minor, representing the child in all civil actions, carrying out the recording and inventory of the child's assets and be accountable for the discharge of duties as a *Wali*.

Balai Harta Peninggalan

Balai Harta Peninggalan (abbreviated as BHP) is the guardian supervisory board in Indonesia. BHP as the supervisory guardian board will provide legal consideration in terms of rights and obligations for minors.

BHP is a *Unit Pelaksana Teknis* (Technical Implementation Unit) under the Directorate of Civil Affairs, Ministry of Law and Human Rights of the Republic of Indonesia. In essence, the duties of BHP are: "representing and managing the interests of people (legal entities) who because of law or legal decisions cannot carry out their own interests based on applicable laws and regulations".

Role of Trusts

Trust is a primary tool as part of financial planning for Indonesian families with offshore assets. Trusts can be considered as an alternative to the *Wali* to protect and preserve children's assets in Singapore. A Trust can continue to function even when they are over 18 years old. It helps every parent to have the peace of mind to ensure that their children and assets in Singapore are safe for the longer term.



Program AEPP telah memberi manfaat bagi lebih dari 1377 praktisi dari 200 institusi jasa keuangan Indonesia.

Untuk informasi kelas in-house dan umum silahkan email Eko Prasetyo, aep@LNamanah.com

www.epplasia.com



Commemoration Ceremony

A Legacy Gift for the Needy from the Estate of — Mdm — R.P. Manimekalai

PreceptsGroup recently held a virtual commemoration ceremony to recognize its late client's intention to give back to society and help the less fortunate. It is a humble gesture and a testimony of Mdm Manimekalai's kindness.

Mdm Manimekalai's estate was administered by Precepts Trustee Ltd. She had indicated in her Will to give part of her estate towards charitable causes. In fulfilling her legacy, Precepts Trustee Ltd identified three charities - namely the Singapore General Hospital Needy Patients Fund, the Sri Krishna Mandir Welfare Society and the Rare Disorders Society Singapore.

At the commemoration ceremony, the respective missions of the beneficiaries were presented by each of them. There were heart-warming videos that captured the noble social work that they were engaged in. Cheques were presented at this event and custom-made plaques were presented in recognition of the gifts from Mdm Manimekalai's estate. The plaques will be kept with Precepts Trustee Ltd as custodian.



EXCLUSIVE GIVEAWAY for Precepts Clients



1 sleeve consists of 3 golf balls

To our valued clients who are golfers, do drop by our Precepts office if you are within the vicinity to pick up 2 complimentary sleeves of the Precepts Trustee TaylorMade V3 Urethane golf balls. **Limited to one redemption per client and while stocks last.**

In lieu of the Covid-19 situation, we will require all visitors to make an appointment to visit our office. [Click here](#) or scan the QR code to claim the gift and to book an appointment. You will receive an email confirmation for the redemption. This link will close when the gifts are fully redeemed.



We are located at 10 Anson Road #06-17 International Plaza Singapore 079903.