

THE CUSTODIAN

ESTATE PLANNING AND WEALTH SUCCESSION NEWSLETTER



EP Forum Highlights

The Estate Planning and Wealth Succession Asia Forum 2024 (EP Forum) held in Hong Kong, has set a new benchmark in discussions on legacy planning and wealth succession.

Bringing together 180 delegates from across Asia, including financial advisors, insurance specialists, bankers, trust experts, and family office professionals, this event provided an unparalleled opportunity to explore the evolving landscape of wealth succession.

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Chairman's Message



Lee Chiwi

Barrister-at-law, England & Wales
TEP, ChT, AEPP®
Chairman
Estate Planning Practitioners Limited (EPPL)

2024 has been a year of growth, innovation, and meaningful connections. We are excited to share some highlights with you in this issue of the Custodian.

A Milestone Moment – Our First-Ever Estate Planning Forum in Hong Kong

One of our key achievements was the hosting of our inaugural Estate Planning Forum in Hong Kong. With over 180 attendees, this event marked a significant step in expanding our reach. The exchange of insights, new ideas, and the shared commitment by estate & succession practitioners in advancing estate planning were truly inspiring. You will find an article on the key takeaways from the forum in this issue. I acknowledge all our sponsors particularly our Platinum sponsors, Labuan IBFC and Bank Islam Trust, our key-note speaker Angel Chia and esteemed panellists for whom the event owes its success to.

Mental Capacity in Will-Making

A critical element of estate planning is ensuring that individuals have the mental capacity to make informed decisions. Mental capacity is essential in Will making to ensure that the Will reflects the person's true intentions. When mental incapacity is alleged, a Will may end up invalid and lead to unintended outcomes for loved ones. I encourage you to read the article in this issue about why mental capacity is crucial in safeguarding your legacy.

Looking Ahead

As we approach 2025, we remain focused on expanding our services and finding new ways to serve you better. Elsewhere in this issue, you will find an article on Silver Bullion, highlighting the importance of asset diversification with gold assets to help secure your financial future.

We hope the insights in this issue offer valuable guidance as you plan for the future with confidence and clarity.

INTRODUCING THE PRECEPTS PERSONAL ASSETS INVENTORY BOOKLET

Estate planning can be daunting, having an updated and detailed Schedule of Asset simplifies the process. This easy-to-use tool helps you compile a detailed record of your key assets—financial accounts, property, investments, and insurance policies—in one central place. By organising your assets, you ensure nothing is overlooked during estate administration.

The Personal Assets Inventory Booklet (PAIB) is invaluable for your loved ones when applying for a Grant of Probate or Letters of Administration, reducing the risk of missed assets and potential disputes. It provides clarity and peace of mind, ensuring your estate is managed according to your wishes.

With the PAIB, you're not just documenting your assets—you're paving the way for a smoother, stress-free process for your beneficiaries during difficult times.



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

Benefits of a Schedule of Assets



Comprehensive Asset Overview



Regular Updates



Simplifies Estate Administration



Better Communication



Avoid Overlooked Assets



Prepare for Unexpected Events



Peace of Mind



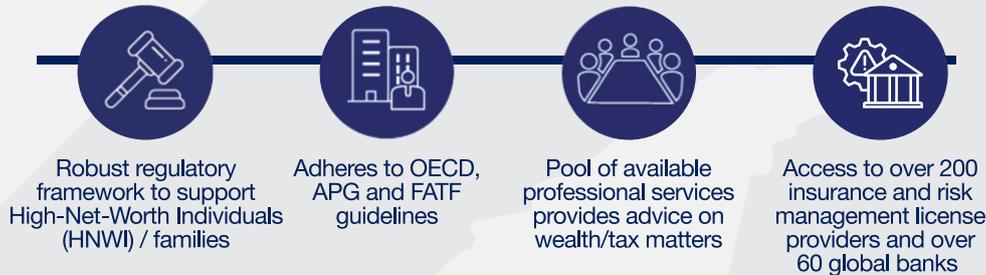
Reduce Family Disputes

Labuan IBFC: Asia's Wealth Management Hub

01 Key Offerings



02 Key Facts



About Us

Labuan IBFC

- International business and financial centre established by the Malaysian government in 1990
- Offers a comprehensive suite of solutions
- Key segments include banking, insurance, and wealth management
- Provides a business-friendly environment with simplified tax incentives
- Governed by a robust, modern and internationally recognised legal framework enforced by the regulator, Labuan Financial Services Authority (Labuan FSA)
- Supported by Labuan IBFC Incorporated Sdn Bhd (Labuan IBFC Inc.), the official promotional and marketing agency

Labuan IBFC China Desk

- A platform to help boost trade, investment and business between Malaysia and China
- Aims to position Labuan IBFC as a gateway for Chinese businesses
- Facilitates improved communications, supports business ties, and creates growth opportunities
- Supported by experts from banking, legal services, and risk management fields

Bank Islam Trust Ltd.

- Established in 2003 as a subsidiary of Bank Islam Malaysia Berhad
- Authorised by Labuan FSA to incorporate or register Labuan IBFC entities
- Offers wealth management, corporate secretarial, advisory services
- Specialises in Shariah-compliant offerings - Labuan Islamic Trusts and Foundations
- Collaborates with Bank Islam Labuan Offshore Bank as a strategic partner of the Labuan IBFC China Desk

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The Case for Gold in Estate & Wealth Succession Planning

Families aiming to pass on assets to future generations need confidence that their wealth will maintain its value, regardless of short-term market fluctuations. Gold's proven resilience during periods of financial crisis makes it a natural choice for those seeking stability over the long term. We explore **five reasons** why physical gold—and silver—are timeless core assets in estate and wealth succession planning.

1 Gold as a Long-Term Store of Value

Gold has maintained its position as a reliable store of value for thousands of years, proving its worth as a hedge against inflation and economic instability. Historical data supports this: from 1970 to today, gold has averaged 8.02% annual appreciation, outpacing many other asset classes during times of economic downturn.



Figure 1: Entrance to one of the world's largest silver vaults at The Reserve in Singapore.

2 Jurisdictional Protection

Jurisdictional protection is another significant advantage when storing gold and silver in places like Singapore. Ranked as the third wealthiest nation per capita globally and with a AAA sovereign credit rating, Singapore is regarded as one of the safest locations worldwide for safeguarding wealth.

2

Its zero net debt and history of political neutrality make it a highly secure jurisdiction, especially for high-net-worth individuals. In an era of increasing government intervention and currency devaluation, storing gold in a neutral and geopolitically stable jurisdiction like Singapore provides critical protection against these risks.

Additionally, Singapore's legal framework offers further assurance by not including Force Majeure clauses in its storage contracts, meaning that even in extreme situations like war, government intervention, or natural disasters, assets stored in Singapore are protected by law.

3

Tax Benefits

This unique protection, combined with Singapore's favorable tax environment—offering no capital gains tax, dividend tax, or inheritance tax—makes it an ideal destination for safeguarding wealth and ensuring a smooth transition across generations.

Gold, when properly structured within an estate, offers several additional tax benefits that further enhance its appeal for long-term wealth preservation and transfer strategies.

For UK tax residents, Britannia gold, silver, and platinum coins are classified as legal tender, and provide unlimited Capital Gains Tax (CGT) and Value Added Tax (VAT) exemption upon realising with profits, making them an excellent option for tax-efficient wealth transfer.

Additionally, jurisdictions like Singapore provide a favorable environment for purchasing and storing gold, with no Goods and Services Tax (GST) on investment-grade precious metals since 2012.

Silver Bullion, a proud member of the London Bullion Market Association (LBMA)—the first member out of Southeast Asia—works closely with The Royal Mint to offer tax-efficient solutions. We also support retirement benefit scheme accounts, providing clients with a secure and compliant way to integrate gold into their estate planning strategies.



Figure 2: Gregor Gregersen, founder of Silver Bullion, speaks with precious metals industry leaders.

4

Flexibility & Liquidity for Wealth Planning

One of the advantages of precious metals in wealth succession planning is its liquidity. While many assets, such as real estate, can take months to sell, gold and silver are highly liquid and can be easily converted into cash if needed.

Silver Bullion goes a step further by offering collateralization and secured peer-to-peer loans, allowing clients to leverage their stored gold and silver as collateral for loans without needing to sell the asset. It offers a strategic advantage in managing estate expenses, taxes, or other financial obligations without compromising long-term wealth preservation.

Additionally, with STAR Grams, Silver Bullion provides convenient fractional ownership of physical gold, silver, and platinum allowing investors to benefit from the unmatched clarity, transparency, and security of GramChain technology, which tracks the specific bars backing each gram. Soon, clients will even be able to pinpoint exactly which bar contains their grams, combining real ownership with fractional flexibility.



Figure 3: Silver Bullion staff gives a tour of The Reserve.

5

A Holistic Approach to Wealth Protection

In today's financial landscape, counterparty risk—the risk that a third party involved in safeguarding your assets may fail—has become a growing concern. The collapse of Silicon Valley Bank, Signature Bank, and Credit Suisse last year highlighted the fragility of relying on financial institutions to protect wealth.

Silver Bullion addresses this problem through vertical integration, meaning it controls every aspect of its operations, from storage to security, without outsourcing to third-party custodians. This eliminates middlemen, ensuring that clients' assets are directly owned and not subject to the solvency of any financial institution.

By removing reliance on external entities, The Reserve—Silver Bullion's new state-of-the-art, 180,000 square foot vaulting facility in Singapore—provides a secure, fully independent solution for asset protection.

Unlike traditional financial systems where assets are often treated as liabilities on someone else's balance sheet, assets at The Reserve remain fully segregated and off-balance sheet, owned outright by the client.

The facility includes one of the world's largest silver vaults, with a 10,000-tonne capacity, and 12,500 safe deposit boxes designed for luxury items like fine art and timepieces. With over US\$1 billion in assets under protection and a strategic location near Changi Airport, The Reserve offers global investors a trusted, counterparty-free wealth protection solution.



Figure 4: The Reserve's onyx and aluminum façade, designed with sustainability in mind.



Visit

<https://www.silverbullion.com.sg/>

or scan the QR code on the left to find out more!



4. Business Exit Strategies and Long-term Wealth Preservation

Successful entrepreneurs face significant challenges in wealth preservation and business succession. This panel delved into pre-IPO planning, family office setups in Hong Kong and Singapore, and long-term wealth planning solutions, including Private Trust Companies (PTCs) and Variable Capital Companies (VCCs). The conversation also addressed family governance and the emerging trend of next-generation members prioritising social good alongside financial returns.

5. Malaysia's Offerings for Estate and Succession Planning

Malaysia's unique trust structures, tax incentives, and programs such as the Malaysia My Second Home (MM2H) initiative were highlighted as attractive solutions for HNW clients. The panel discussed how these offerings can support estate planning and retirement strategies for both domestic and foreign clients. There was also coverage on the use by families of Labuan structures such as family foundations and trusts for holding and succession of wealth.

6. Safeguarding the Vulnerable in Wealth Transfers

With an ageing population and increasing wealth transfers, the issue of mental capacity and vulnerable beneficiaries has become a pressing concern. Panellists shared strategies for safeguarding the interests of the mentally incapacitated, outlining the risks and best practices in estate planning to ensure a comprehensive and secure wealth transfer process.

7. Estate Planning in Holistic Financial Services

The role of estate planning as an integral part of holistic financial advisory services was explored in this panel. Discussions focused on how financial advisors can acquire and retain clients by integrating estate planning into their broader offerings, creating value-added services that deepen client engagement and trust.

8. Digital Assets and Blockchain in Wealth Succession

The final panel turned its focus to the future of wealth management in the digital age. With blockchain technology and digital assets reshaping investment landscapes, panellists discussed the implications of tokenization on family wealth and succession planning. The session explored strategies for passing digital assets down to the next generation while ensuring they are not lost in cyberspace, a critical issue as laws and regulations continue to evolve.

In addition, the Platinum Sponsors, Labuan IBFC and Bank Islam Trust extended its value by offering a Masterclass via Zoom the following day, giving participants an exclusive opportunity to dive deeper into the topics covered during the event. Attendees expressed their appreciation for this supplementary session, which enhanced their understanding of the challenges and opportunities in estate planning and wealth succession.

Feedback from Delegates: A Transformative Experience

Delegates praised the forum for its comprehensive coverage of the most pressing issues in the industry today. They valued the insights from thought leaders who presented diverse perspectives and real-life case studies on estate planning. Many expressed that the forum helped them better understand their clients' key concerns, enabling them to provide more tailored, value-added advice in their professional practices.

Among the key takeaways, participants highlighted the importance of staying ahead of global trends in governance and estate structuring. The forum provided actionable insights that professionals can immediately apply to their work, strengthening their ability to future-proof family legacies for their clients.

A Glimpse into the Future

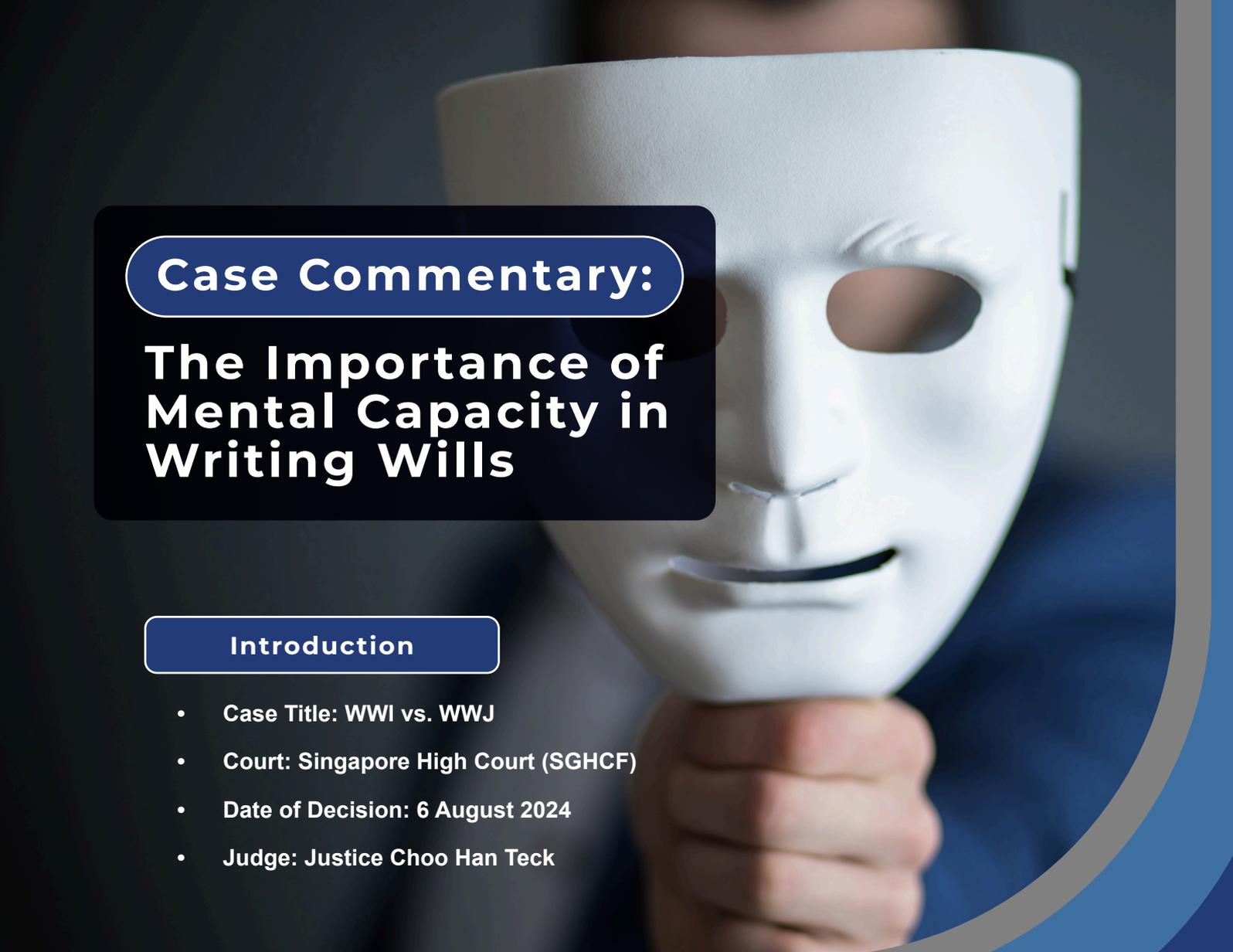
The Estate Planning and Wealth Succession Asia Forum 2024 marked the third edition of this prestigious event and its first forum in Hong Kong. With participation from across Asia and beyond, the forum has demonstrated its capacity to foster dialogues on legacy and succession planning globally. As the forum continues to evolve, it remains a vital platform for professionals seeking to navigate the complexities of modern wealth management while shaping the future of family legacies.

In conclusion, the forum has not only been a resounding success but also a transformative experience for all who attended. The conversations and connections forged during the event will undoubtedly continue to influence the wealth succession landscape in Asia and beyond.



Networking and Masterclass: Beyond the Discussions

Attendees not only gained invaluable knowledge from the forum's panel discussions but also enjoyed ample opportunities for networking and deepening professional connections. A post-event networking dinner allowed delegates to continue the conversation in a more informal setting, fostering meaningful exchanges and collaborations.



Case Commentary:

The Importance of Mental Capacity in Writing Wills

Introduction

- **Case Title:** WWI vs. WWJ
- **Court:** Singapore High Court (SGHCF)
- **Date of Decision:** 6 August 2024
- **Judge:** Justice Choo Han Teck

Background and Story:

This case involves a legal dispute between two brothers, WWI and WWJ, over the validity of three Wills written by their mother. The main issue centered around the second Will, which was created with the help of a will writing firm but was later declared invalid by the court.

The family's story begins with their father, who built a successful business and managed several properties before passing away in 1993. After his death, the family continued living together, but tensions grew over how the mother's estate should be divided. WWJ, the older brother, had been helping manage the family business and caring for their mother, while WWI, the younger brother, became more involved in the mother's estate planning as she aged.

Key Events Leading to the Dispute:

- 1 The First Will:** In 2005, the mother, concerned about her property, created her first Will. This will left most of her estate to WWJ, with smaller gifts to her other children. The Will was made in the presence of a lawyer.
- 2 Decline in the Mother's Health:** By 2016, the mother's health was worsening. In early 2017, she took a basic mental test and did not do well, raising concerns about her ability to make decisions. Despite a doctor recommending a more detailed evaluation, this was not done.
- 3 The Second Will:** Instead of following up with a more thorough health check, WWI arranged for his mother to create a second Will in April 2017. This Will left everything to WWI. The Will was witnessed only by estate planners but not by a person who was qualified to assess the mental state of the testator.

4 Growing Concerns and the Third Will: After learning about the second Will, WWJ took his mother for another check-up, during which she expressed doubts about the documents she had signed. WWJ then arranged for his mother to create a third Will, which was similar to the first, but with some changes.

5 Conflicting Medical Opinions: As time passed, the mother's health continued to decline. Doctors gave conflicting opinions about her ability to make decisions. One doctor, consulted by WWI, diagnosed her with moderate dementia and suggested that any decisions made in the past year might not be valid due to her mental state.

The Legal Dispute and Court Decision:

The court invalidated both the second and third Wills, affirming that the mother lacked mental capacity at the time of their signing. Consequently, the first Will was upheld as the only valid document. The court highlighted that WWI was aware of his mother's deteriorating mental state, yet failed to take appropriate steps to ensure she was mentally competent to create a new Will. Additionally, the court noted that the estate planners, who acted as witnesses, lacked the necessary qualifications to assess the mother's mental state, further weakening the credibility of the second Will, and the circumstances suggested that the Will might have been influenced by WWI's interests rather than his mother's true wishes.

Key Issues Highlighted by the Case:

1 Failure to Properly Assess Mental Capacity:

The most critical mistake was not conducting a thorough mental capacity assessment before the second Will was signed. A basic mental test was conducted, but the warning signs were ignored, leading to doubts about whether the mother understood what she was doing.

2 Unqualified Witnesses:

The second Will's credibility was compromised by the reliance on estate planners as witnesses, who lacked the expertise to confirm the mother's capacity to understand the document she was signing.

3 Suspicious Timing and Circumstances:

The second Will was made shortly after the mother's cognitive decline became apparent, and without adequate medical or legal safeguards. This created suspicion that the Will was made under undue influence.

4 Family Conflict and Lack of Transparency:

The ongoing disagreements between siblings, combined with the lack of clear communication, intensified the dispute. Poor documentation and hidden intentions only fuelled the legal battle.

Ensuring Better Practices in Will Execution

1 Thorough Mental Capacity Assessments:

If there's any concern about a person's mental state, it's crucial to get a proper evaluation by a qualified doctor. This ensures that the person is fully aware of their decisions when making the Will.

2 Use Qualified Witnesses:

For more complex cases like this, where there is reason to believe that the Testator might not have the full mental capacity to make a Will, having experienced and impartial witnesses, such as medical professionals, becomes even more critical. They can further verify that the Will was signed freely and with full understanding, providing an additional safeguard against any potential challenges.

3 Avoiding Suspicious Circumstances:

The timing of Will creation should be carefully considered. Writing or amending a Will during periods of mental decline without proper safeguards can raise red flags and increase the likelihood of a legal challenge.

4 Encourage Open Discussions and Documentation:

Clear communication about estate plans among family members and transparent documentation can help prevent misunderstandings and legal disputes.

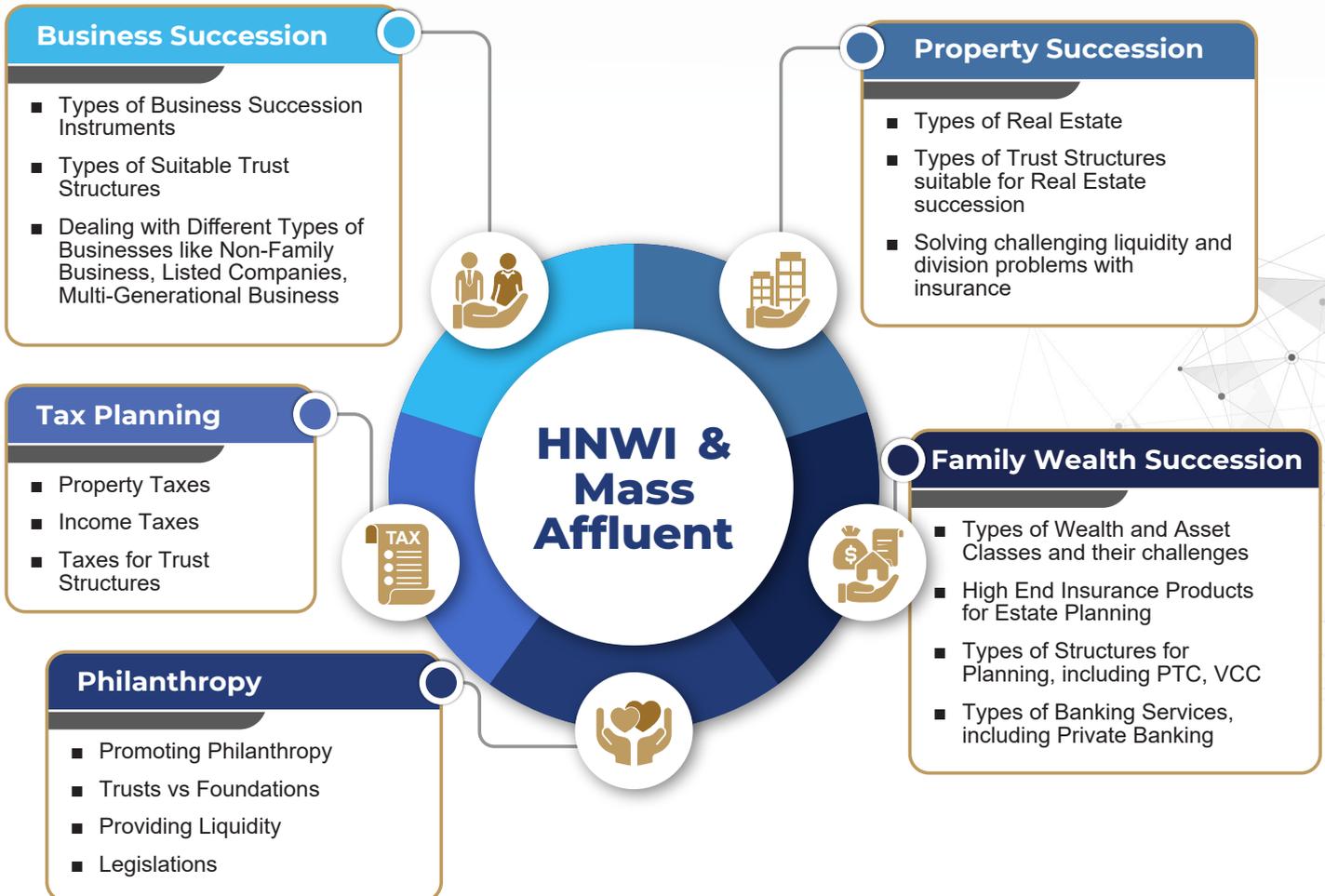
All estate planning companies should therefore observe the above practices to ensure that their clients' Wills get probated smoothly and avoid unnecessary disputes.

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Specially crafted for financial advisors and practitioners, who are already equipped with foundational estate planning knowledge.



Upcoming Courses & Dates:

- | | | |
|---|--|---|
| 1 | Engaging HNWI Clients & Understanding Banks HNWI Offerings: | 28 th Oct 2024
(Mon) |
| 2 | Buy-Sell Arrangements for Business Owners: | 29 th – 30 th Oct 2024
(Tue – Wed) |
| 3 | Estate Planning and Trusts relating to Real Estate: | 14 th Nov 2024
(Thurs) |
| 4 | Wealth Transfer of Real Estate for Financial Services Professionals: | 18 th – 19 th Nov 2024
(Mon – Tue) |



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SAN DIEGO SINGAPORE TIJUANA

Interview with Estate & Succession Practitioner:

Nelson Tan



“
Plan Well. Plan Ahead.
Take Action.
”

Q) When did you become a Precepts Estate & Succession Practitioner?

A) I joined Precepts in August 2022 as an ESP.

Q) What prompted you to consider a career and business as a Precepts Estate & Succession Practitioner? Why did you choose Estate Planning?

A) I transitioned into Estate Planning after COVID disrupted the corporate world, particularly the Office Equipment and Services industry where I previously worked. The restructuring processes took a mental toll, leading me to leave without a clear direction.

I sought guidance from three key individuals: Life Coach Mr Zaidi, Career Coach Mr Winston, and veteran ESP, Mr Michael. Through these discussions, I realised I wanted to "be useful and helpful" in my next career. The meeting with Mr Michael introduced me to Estate Planning, and I saw how it could fulfil my desire to help others.

The certainty of death and the lack of preparedness for it motivated me to pursue this field. After completing Precepts' 5-day training, I was convinced that this was the right platform for my career shift.

Q) What difference did Precepts make in your journey?

A) Precepts has been instrumental in transforming me from a corporate professional to a dedicated Estate and Succession Practitioner. They provided structured training, ample resources, and a supportive framework that helped me practice Estate Planning professionally and confidently. The knowledge shared by fellow practitioners has also been invaluable to my growth.

Q) What are some of your core beliefs for Estate Planning?

A) My core beliefs focus on accessibility and personalisation. Estate Planning isn't just for the wealthy or elderly; it's for everyone, especially to safeguard loved ones. Everyone has unique concerns and assets, so estate plans should be tailored to individual needs rather than using generic templates.

Additionally, estate plans must evolve with life changes, making periodic reviews essential. My guiding principle is: "Plan Well. Plan Ahead. Take Action."

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

A) Clients should begin by consolidating an overview of their assets and liabilities. It's important to be clear about their intentions and how they want their assets to be protected, preserved and distributed.

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

A) Many clients believe a simple Will is sufficient and often think Trusts are too complex or costly. Clients focus on asset distribution and not estate planning.

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

A) I explain that just as Singapore has National Reserves to benefit future generations, a Trust can act as a "Family Bank." A Trustee acts like a dedicated Personal Assistant, ensuring assets are safeguarded and distributed according to their wishes for up to 100 years.

Estate Planning also incorporates risk management, mitigation of liabilities, and financial planning, especially for untimely death, disability, critical illness, and retirement.

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

A) Typically, it takes 3 to 5 meetups and between 45 to 90 days, although some clients may take up to a year depending on their conviction to complete their Estate Plan, which often includes a Financial Review, Will, LPA and Trust.

Q) What do you enjoy most about the business?

A) I enjoy meeting clients from all walks of life and gaining insight into their dreams, concerns, and family challenges. Engaging in meaningful conversations and helping them with purposeful planning is incredibly fulfilling.

Q) What motivates you in this business?

A) What truly motivates me is the instant connection I make when discussing Estate Planning with clients, friends, and family. Being able to share experiences and help people take their first steps in planning their legacy is very satisfying and fulfilling.

Additionally, the lack of awareness about Estate Planning drives me to keep learning and sharing with the wider community.

Q) What do your colleagues and/or family members think about you being an Estate Planner?

A) My ex-colleagues, friends, and family now see the value of Comprehensive Estate Planning and think highly of my work. They've found the knowledge helpful, and appreciate that I'm making a purposeful impact through my career. Being an Estate & Succession Practitioner allows me to be both useful and helpful to everyone around me.

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