



IS IT REALLY NECESSARY TO HAVE MULTIPLE WILLS FOR ASSETS IN DIFFERENT COUNTRIES?

By **Bruce Lam Vui Sin**

Who needs this?

- Singaporeans who are based in Singapore and have assets in Singapore and overseas
- Singaporeans who are based overseas and have assets in Singapore and overseas
- Foreigners who are based in Singapore and have assets in Singapore and overseas

Unless all your assets are in Singapore, then a Singapore Will is sufficient.

Otherwise, based on the above three scenarios, customers may be torn between drawing up either a Worldwide Will or single Will for different countries.

However, fret not. I will give you a checklist and a simple case study to help in your understanding so that you can make a better-informed decision.



CHECKLIST

FOR DRAWING UP SEPARATE WILLS

8 MOST COMMON REASONS

Domicile <ul style="list-style-type: none">• Country of Birth and Citizenship• Location of Residence of Family Members/Relatives• Intended Length of Stay and Plans in Singapore• Period and Location of Past Residences• Location of Assets and Business Interests• Any Intention to apply for Citizenship if currently a Permanent Resident or on Work Permit	Family's Dynamic <ul style="list-style-type: none">• Having Minor Children• Having Grandparents in the same household• Single Parent or Widow• Divorced cases• Polygamous Marriage• Special Needs Children
Costs <ul style="list-style-type: none">• Transportation Cost• Translation Cost• Grant of Probate Resealing Cost	Time <ul style="list-style-type: none">• Administrative Hurdles that lead to Delay
Distribution Methods <ul style="list-style-type: none">• Different Sets of Beneficiaries• Strategic Business Decisions	Business Requirements <ul style="list-style-type: none">• Shareholders' Agreement• Business Succession & Transition Planning
Guardian of Minor <ul style="list-style-type: none">• In the event of a Common Disaster• Availability of Trustee Services• Guardian in Different Country	Language & Legal Systems <ul style="list-style-type: none">• Common or Civil Laws• Translation Requirement• Taxes

There are eight pointers mentioned below that you can consider when deciding if you want to do up multiple and separate Wills in different countries. The list is not exhaustive, but these are usually the most common and practical reasons why people would want to have multiple and separate Wills.

1. Your Domicile
2. Family's Dynamic
3. Costs
4. Time
5. Distribution Methods
6. Business Requirements
7. Guardianship of Minors
8. Language & Legal Systems

CASE STUDY #1

For example, let's look at a scenario of a Singaporean who has assets in Singapore and overseas. Let's assume this Singaporean to be Mr. Lim, age 40 years old, married with one daughter, has purchased properties in Malaysia and run a textile factory in Malaysia with his business partner.



Mr Lim, Singaporean, 40 years old, married with 1 daughter

Properties valued at \$2M in Malaysia.

Has a business valued at \$5M with his business partner

Below, I have listed out the pros and cons if Mr. Lim were to have either of the 2 options :

Worldwide Will	1 Singapore Will & 1 Malaysia Will
	
Language <ul style="list-style-type: none">• The Will content might need to be translated into the working language of the country. It could be for example Bahasa Malaysian, etc. This will require extra time and money.	Language <ul style="list-style-type: none">• The Wills are drafted in the proper languages recognised by the respective countries. This allows for faster probate process. Possibly, saving at least \$1,000 - \$3,000 in cost and 6-12 months in time.
Law of the Country <ul style="list-style-type: none">• Singapore adopts the Common Law system. The issue will arise if the Will is to be probated in a Civil Law system like China and it might not be recognised. Further complications will arise in countries like Indonesia when different states and provinces adopt various legal systems and standards.• Immovable assets like property cannot be distributed in the same manner in every country. Immovable assets will follow the law of the country.	Law of the Country <ul style="list-style-type: none">• Will execution can be done simultaneously. In the event of any complications or disputes in either country, it will not affect the probate process in another. The funds can be used quickly for emergency purposes like mortgage loan repayment, replacement for loss of income, etc.• Having separate Will allows immovable assets to be distributed easily to the beneficiaries according. Tax will also be another consideration.
Cost <ul style="list-style-type: none">• An International Will done in Malaysia and needs to be resealed in Singapore Court, estimated legal fees of \$5,000-\$10,000 usually will be more than doing a separate Will in the first place.	Cost <ul style="list-style-type: none">• It is more economical. With this savings of \$5,000-\$10,000, it can even allow Mr. Lim to do up a Trust & LPA for a more comprehensive estate planning. In addition, any amendment of the Will is independent of another.

OTHER CONSIDERATIONS

Guardianship

- If the appointed testamentary guardian is neither Singapore Citizen nor Singapore Permanent Resident and Mr. Lim's minor child is in Singapore, he can cater in his Will for a temporary guardian to look after his daughter until the testamentary guardian has arrived in Singapore to take over the guardianship in the event both his wife and he are deceased. As the family is based in Singapore, having this provision in the Singapore Will is advisable.
- In the event Mr. Lim does not have a suitable person to be the guardian of his daughter, he can appoint a corporate trustee to administer his estates, including sorting out the affairs of his daughter. Certain countries may not allow arrangement like this.

Distribution Method

- Mr Lim's business assets should not be co-mingled with personal assets for his family. There could be a business buy-sell agreement, and a separate Will allows smoother business succession and transition.
- Mr. Lim could have different sets of beneficiaries in Malaysia and Singapore. Factory and business to be taken over by his business partner and Singapore assets are given to the family members.
- Mr. Lim could have other family members like siblings, parents and relatives living in Malaysia and want these groups of people to be taken care.
- Mr. Lim could rewrite either his Malaysia or Singapore Will independently unlike his Worldwide Will. This provides flexibility and is less messy.

Values of Assets

- If the estate size is small (e.g. \$10,000), you might not need a Will as it is relatively costly to go through the probate process. The estate can follow the Intestate Succession Act (ISA) for distribution.
- Sometimes, when time is limited and pressing, any delay in estate distribution can cause the beneficiaries to lose money. An example will be holding on to the shares during an economic crisis or depreciation of property value.

Conclusion

If you decide only to have a Worldwide Will, you may need to have specific condition/s in your Will. At the end of the day, in either situation, it helps knowing that, where there's a Will there's a way, for it is indeed a key that unlocks the door to the testator's heart so that loved ones can come through that door safe, sound and financially secured.



About the Author

Bruce Lam Vui Sin is a licensed financial practitioner and an active IFPAS member. He holds the AEPP®, CLU®/S, ChFC®/S, AFC, IBFA, SAMP™ designations.

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