

**momentum**

wealth international

# Endowments: Selecting the right structure for natural persons and legal entities

Hannes Esterhuyse

Marius Cilliers



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**REPUBLIC OF CHINA**

Secured Sinking Fund Bonds of 1937

*For value received the Government of the Republic of China*

# Endowment range overriding contractual arrangements



## Global Wealth Endowment

### Capital Redemption Bond Sinking Fund

Owner(s)

Joint and survivorship provision

A successor contract owner(s)

Alternate successors

### Life Insurance Bond

Owner(s)

Insured life or lives

Joint and survivorship provision

A successor contract owner(s)

Beneficiaries of death proceeds

Alternate beneficiaries

## Local endowment and feeder funds (prudential limit capacity/asset swap capacity)

The capital gain/loss was calculated using rand values of the base cost and the investment value on disposal. Any currency movement between the rand and the underlying investment currency will contribute to the capital gain/loss.

Initial investment	US\$100 000
Initial investment in rand (exchange rate R15/US\$1)	R1 500 000
Closing value	US\$110 000
Closing value in rand (exchange rate R18/US\$1)	R1 980 000
Gain for tax purposes	R480 000

South African rand

## Offshore endowment (life insurance bond and sinking fund)

The potential capital gain or loss is calculated by using the base cost in US dollars (ie functional currency). This is then converted to rands using the spot exchange rate at disposal.

Initial investment	US\$100 000
Closing value	US\$110 000
Capital gain	US\$10 000
Rand/US\$ at date of disposal	18/1
Gain for tax purposes	R180 000

Hard currency

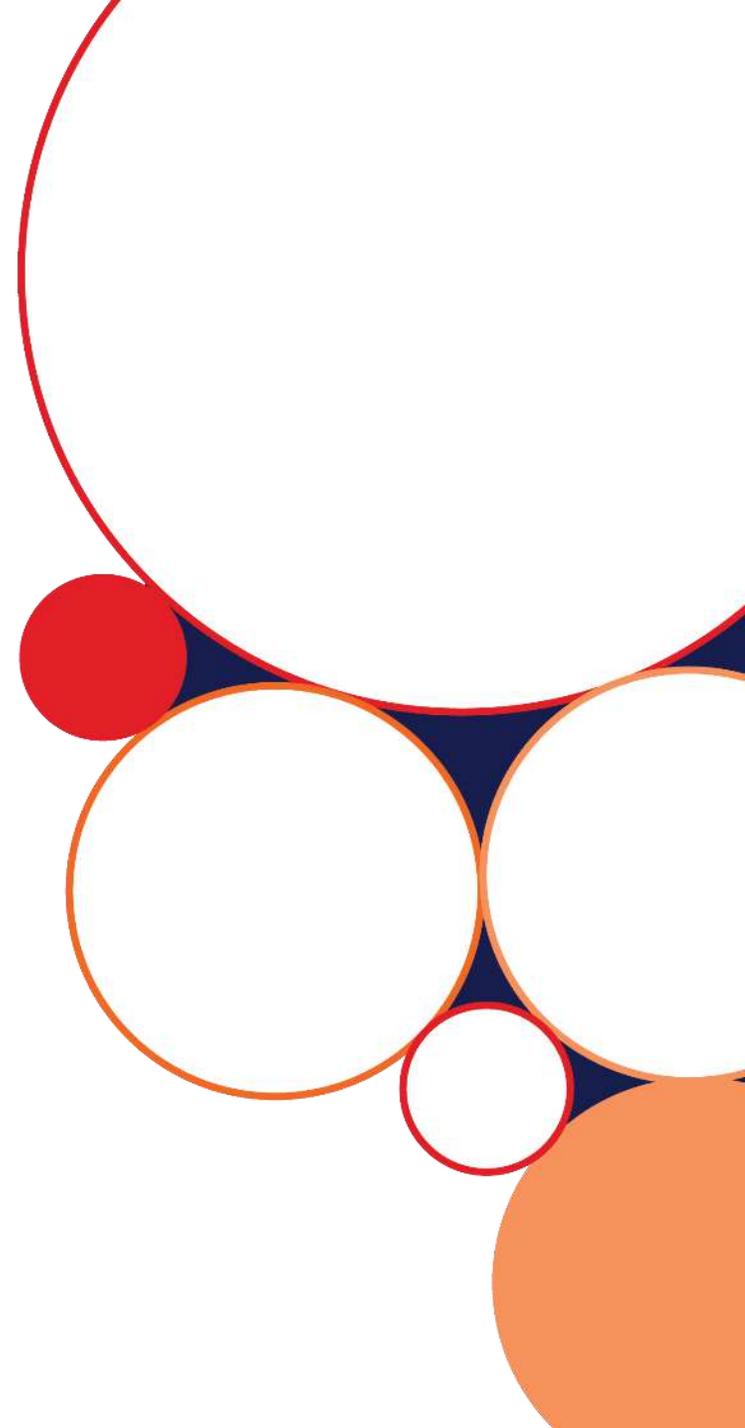
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# Functional currency

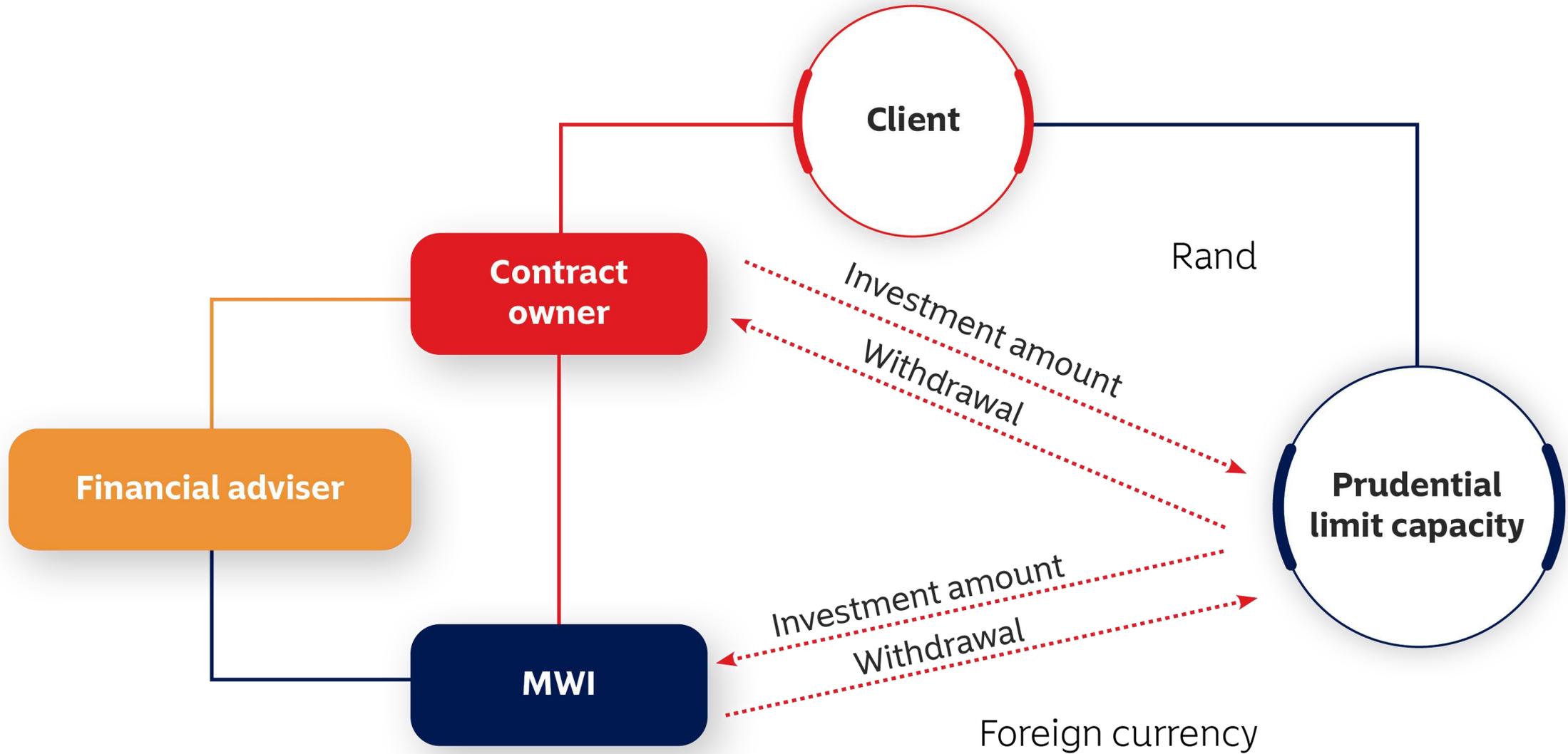
## In relation to –

- a person, means the currency of the primary economic environment in which the business operations of that person are conducted; and
- a permanent establishment of any person, means the currency of the primary economic environment in which the business operations of that permanent establishment are conducted;

(Section 1 – Income Tax Act)



# Using asset swap provider



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Cessation of Tax Residency: Capital gains tax consequences on investments

Endowment Based Investment Comparison

Endowments Technical Details

Endowments vs Direct Investments by Companies

Endowments vs Direct Investments by Individuals

Endowment vs Direct Investment Comparison

Endowment vs FIO vs Share Portfolio

# LookitUP



Refine



Forms and More



Momentum Estate Plan



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Thank you

