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wealth international

Greed is good, legacy is better: Succession considerations

Eugene Taljaard and Misha Badassy

Equal inheritance does not always create equal outcomes

Same value. Different jurisdictions. Different results.

Duncan's wealth

ZA

Leigh-ann
South Africa

Tax position
SA tax resident

Nomination
Spousal maintenance needs

Structure
Living annuity and joint owner on endowment

Cross-border outcome
Not applicable

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UK

John
United Kingdom

Tax position
UK tax resident

Nomination
Equal share – own family needs and objectives

Structure
Ownership or proceeds?

Cross-border outcome
Value depends on local rules and nomination option chosen

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Duncan's wealth

ZA — Leigh-ann, South Africa

- **Tax position**
  SA tax resident
- **Nomination**
  Spousal maintenance needs
- **Structure**
  Living annuity and joint owner on endowment
- **Cross-border outcome**
  Not applicable

UK — John, United Kingdom

- **Tax position**
  UK tax resident
- **Nomination**
  Equal share – own family needs and objectives
- **Structure**
  Ownership or proceeds?
- **Cross-border outcome**
  Value depends on local rules and nomination option chosen

AU — Suzie, Australia

- **Tax position**
  Australian tax resident or dual tax resident?
- **Nomination**
  Equal share – own family needs and objectives
- **Structure**
  Ownership or proceeds?
- **Cross-border outcome**
  Identification of jurisdictions: Value depends on local rules and nomination option chosen

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Australian tax resident or dual tax resident?

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Structure
Ownership or proceeds?

Cross-border outcome
Identification of jurisdictions:
Value depends on local rules and nomination option chosen

ZA
Peter
SA trust beneficiary

Tax position
SA tax resident

Nomination
Equal share – own family needs and objectives

Structure
Trust beneficiary along with ownership and not proceeds

Cross-border outcome
Trust distributions:
Value depends on local rules and nomination option chosen

Equal allocations may create **unequal outcomes** when beneficiaries have different tax residences, objectives and succession requirements

momentum
investments

What does the next generation really inherit?

Cash payout

Endowment policy
Investment held in the estate

Death event
Policy triggers cash payout on death

Policy terminates
Investment structure ends

Cash paid
Lump sum settles to nominated beneficiaries

Cash | Tax | Market timing | Estate planning

Inherited: Cash payout

VS

Continuity of ownership

Endowment policy
Investment held in the estate

Successor owner
Ownership passes seamlessly

Investment continues
No forced disinvestment

Beneficiary chooses
Timing and strategy, choice remains flexible

Growth | Adviser guidance | Tax Planning | Continuity

Inherited: A decision

Cash payout or decision?

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