momentum
wealth international

Putting the pieces together: Completing the financial plan

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Duncan case study solutions

1. Misty hills farm sale proceeds R21m in his personal name

- *R3.5m Estate duty investment*
- *R8.5m GWE- with John as Beneficiary of ?*
- *R8.5m GWE with Suzie as beneficiary of ?*
- *R1m GWE in the name of Duncan and Leigh Ann with Joint & Survivorship structure*

momentum
investments

Meadow SA Trust cash amount R8.2m

- *R8.2m GWE(Asset Swap)*

Duncan’s living annuity of R 75k per month

- *Leigh-Ann named as beneficiary*

Town house in Duncan’s name no debt

- *Duncan’s will bequest*

20 offshore investment questions to ask your client

Ownership and structure

1. Who is the client?
   - Individual or natural person?
   - SA trust or offshore trust?
   - SA company or offshore company?
2. Does the SA client have foreign investment allowance that can be used to externalise funds, or will they need to use an asset swap or a prudential limit capacity provider?
3. What is the client's current tax residency, and what are their future tax residency plans? Are they a South African, dual or non-South African tax resident?
4. How should the ownership be structured: Single owner or multiple owners?

Product choice and investment components

5. Is the investment time horizon shorter or longer than five years?
6. What are the investment liquidity requirements during the accumulation and drawdown phases of the investment?
7. Will the client require a open-ended investment or an endowment product?
8. If an endowment will be used, what must the structure be: sinking fund or a life insurance bond?
9. What is the investment amount in hard currency?
10. What is the client's current tax rate and possible changes in rate in future?
11. What currency would the client like the investment to be denominated and reported in?
12. Which currency does the client want to receive withdrawals in?
13. Who will facilitate the initial investment currency conversion?
14. What investment components are required: CIS funds, model portfolios, ETFs or IPSP?
15. What currencies are these components to be denominated in?

Succession planning structure

16. What type of beneficiary nomination is required? Joint and survivorship, beneficiary for proceeds or beneficiary of ownership?
17. Has the client considered probate and the need for an offshore will, if applicable?
18. Is the investment structure safeguarded from exposure to situs tax?
19. What is the tax resident status of the beneficiaries? SA, dual or non-SA tax resident?
20. Will the tax resident status of the beneficiary change, and when?