

## MARKET COMMENTARY

Global markets were adversely affected after news that Argentina had defaulted on its debt once again, thus also prompting a downgrade in the country's sovereign rating by Fitch.<sup>1</sup> This negated the effect of the gradual monthly growth in USA – leaving the Dow Jones to close in the red. The major European markets also ended the month in the red as persistent tension in the Ukraine have resulted in the EU and US imposing sanctions on Russia. Locally, due to the fact that June's trade deficit narrowed more than forecasted, the JSE ended the month in positive territory, only slightly affected by the overall dip in global markets.

<sup>[1]</sup> Chan F. The Straight Times; 1 Aug 2014



### YEAR TO DATE: 31 JULY 2014

SA	• 12.81%	CASH	• 3.32%
PROPERTY	• 8.36%	BONDS	• 4.42%
INDIA	• 22.32%	RUSSIA	• (7.23%)
CHINA	• 6.22%	BRAZIL	• 10.90%
INDONESIA	• 19.06%	GERMANY	• (1.52%)
LONDON	• 1.23%	USA	• (0.08%)



## ESTATE WIND-UP SIMPLIFIED: STAGES 3 TO 5

In the final instalment of the Estate Wind-Up's, we address the Investigation of the L & D account by the Master, the availability of the L & D account for inspection and the Finalisation of the Estate.

Investigation of L & D account by Master

STAGE 3

2 to 4 weeks

L & D account for inspection

STAGE 4

4 weeks

Finalisation of the estate

STAGE 5

2 to 6 weeks

### The Master's Office : Deceased Estates

- ◆ The Master's office is a division of the High Court that supervises the administration and the efficient wind-up of deceased estates
- ◆ An Estate may be reported to any Master's Office, provided that it is reported to only one Master

Once the compilation of the L & D Account has been completed, an originally signed copy (by the executor) and if applicable, any relevant SARS documents are to be sent to the Master's liaison for submission.

## STAGES

### 3. INSPECTION OF THE L & D ACCOUNT BY THE MASTER

### 4. L & D ACCOUNT MADE AVAILABLE FOR INSPECTION (to public)

### 5. FINALISATION OF THE ESTATE

## REQUIRED INFORMATION

1. **SUPPORTING DOCUMENTATION** relating to the L & D (e.g. bank statements)
2. **PROOF OF PAYMENT OF MASTER'S FEES**
3. **PROOF OF PAYMENT OF ADVERTS**
  - Debtors & Creditors Advert
  - L & D Account Advert

**NOT APPLICABLE** as the L & D account is only made available once Numbers 1, 2 & 3 are provided to the Master's Office.

### DOCUMENTS PROVIDED BY MASTER'S OFFICE

1. **FILING SLIP** (issued by the Master's Office)
2. **DISCHARGE LETTER** (issued by department of justice)
3. **STAMPED L & D ACCOUNT** (issued by the Master's Office)

## POTENTIAL PROBLEMS

1. Delays with submission of supporting documentation due to lack of **GENERAL FINANCIAL RECORD KEEPING**
2. **Payment of MASTER'S FEES** made from any bank account other than the Estate Late Bank Account
3. **Payment of ADVERT's** made from any bank account other than the Estate Late Bank Account

1. **LODGEMENT OF OBJECTION** to L & D Account by an aggrieved party (which will thereafter be referred onto the Executor)

1. Delays due to **CREDITORS** of the estate not being settled
2. Delays to liabilities of the estate not being settled (in both instances 1 and 2 preventing the Filing Slip, Discharge Letter and stamped L & D Account from being made available)

This issue has delivered the 3rd and final instalment on the ***Administration & Winding up of Estates***, covering the various stages and their expected timeframes; required information at each stage; and potential problems at each stage.

The problems that cause delays, friction and disharmony can be 100% avoided, provided that there is a proactive approach well before old age to:-

- Simplify/collate your investments and have them reported from one place /firm.
- Review the WILL and have an assessment done on whether – in practical terms – it will pose a winding up problem. Make changes now, if necessary.
- Have your original WILL kept very safely, with a copy to a trusted relative /advisor.
- Appoint a highly competent and professional firm to WIND UP an Estate.

Start now – this is one area you do not want to put off for later.

*Viren B. Garach*

