



Succession Planning 2.0

Frequently Asked Questions (FAQs) on Estate and Succession Planning RELATED TO NOMINATION

To be read in continuance with Succession Planning 1.0

Q.11 What is a Nomination?

Ans. Nomination is the process of appointing someone to receive certain assets, like bank accounts or insurance policies, upon your death. It is specific to certain assets.

Difference between Nomination and a Will:

Nomination: A nominee only acts as a trustee.

Will: Through Will the property ownership is transferred to the legally entitled individual.

Nomination is not a substitute to the Will.

Q.12 How can a Nominee be appointed?

Ans. In accordance with the applicable law for the specific asset class, an individual can apply with the respective authority for which the nomination is required by submitting the applicable forms to appoint the person mentioned as nominee.

Q.13 What should NRIs do if they have assets in multiple countries?

Ans. For assets in multiple countries, prepare separate Wills for each country. Every country has its laws relating to inheritance and which apply generally to assets held in that country. Hence making separate Wills is advisable. It also facilitates smoother and faster transfer of asset titles to your family, avoiding delays caused by the proceedings in your resident country.





Frequently Asked Questions (FAQs) on Estate and Succession Planning RELATED TO PRIVATE TRUST

Q.14 What is a Private Trust?

Ans. A Private Trust is a legal arrangement where a person (the settlor) transfers assets to a trustee, who manages and distributes the assets to beneficiaries according to the terms outlined in the trust deed.

Q.15 How does a Private Trust differ from a Will?

Ans. A Will is a legal document specifying how assets should be distributed after death. Whereas in case of a Private Trust, the assets get transferred during the lifetime of the person. Private Trust is a separate legal entity where assets are held and managed by a trustee, often allowing for more comprehensive management and distribution of assets during your lifetime and after your death.

Q.16 How a Private Trust be better than a Will in India?

Ans. Here are some key advantages of a Private Trust over a Will:

Avoids Probate: Assets in a Private Trust do not go through the probate process, which is required for Wills. This can lead to faster and more efficient distribution of assets, bypassing potential delays and costs associated with probate.

Immediate Asset Management: A Private Trust allows for immediate management of assets upon the settlor's incapacity or death, ensuring continuity in the administration of your estate without waiting for probate proceedings.

Privacy: The terms of a Private Trust are not made public, unlike a Will which becomes a public document once probated. This can help maintain privacy regarding the distribution of your assets.

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Asset Protection: Assets held in a Private Trust are generally protected from creditors and legal disputes, providing a safeguard against potential claims.

Guardianship and Care: A Private Trust allows you to appoint trustees to take care of minor children or dependents, ensuring their welfare according to your specific instructions.

Q.17 Can NRIs create a Trust for their assets in India?

Ans. Yes, NRIs can create a Private Trust for their assets in India. This can help in efficient management and distribution of assets.

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