

Planning for an untimely death

Succession planning often only comes to the top of the agenda after it is too late

A recent consumer poll by DIFC Wills & Probate Registry revealed that expatriates stay longer than expected in Dubai, but do not plan to protect their future.

Despite 64 per cent of respondents saying they have extended their time in Dubai, and 58 per cent claiming to have multiple assets in the emirate, little more than 10 per cent have a registered will.

There are many issues a business would face in the event of a major shareholder or company owner unexpectedly passing away.

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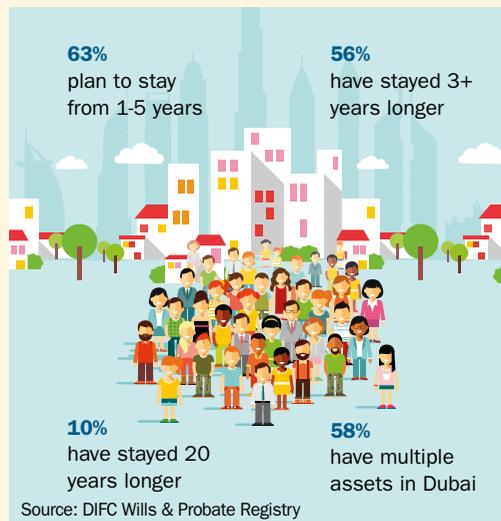
There is the immediate commercial perspective of continuing trading without a key player in place, making it imperative that the most appropriate individuals are selected to take over the reins.

In the longer term, by not having a registered will, the deceased's shareholdings would be passed on according to sharia law rather than to their desired beneficiaries.

As with any business, an unintended fragmentation of a major block of shares could be very detrimental, particularly as it could create new dynamics and tensions at both the board and shareholder levels.

There are numerous practical issues that can be faced once a company shareholder passes away, including bank accounts being frozen, or not having the necessary passwords to access information technology systems.

EXPATRIATE TRENDS IN DUBAI



Finally, there is the emotional side of an unexpected death. Are there relationships to be considered as part of the succession planning?

There are currently three options within Dubai: the Foreign Will, meaning it has been registered in the individual's home country; a Notarised Will, involving a legal body that will act on your behalf in addition to advising you on what is required; and finally the DIFC Wills & Probate Registry.

The Registry provides legislative certainty that a person's Dubai and Ras al-Khaimah-based assets will be distributed as set out in their registered wills. It is the first jurisdiction in the Middle East and North Africa region where one can register an English-language will under internationally recognised common law.

In the event of a death, the Registry collates the relevant paperwork and passes this to the DIFC Courts, where a case file is opened. Once the paperwork is reviewed and found to be compliant, the next step is for a probate order to be issued. This is carried out by the DIFC Courts and the probate order then empowers the executor named in the will to fulfil the wishes of the deceased. **M**

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