



THE FIDUCIARY INSTITUTE OF SOUTH AFRICA



FREE STATE REGION

MINUTES OF MEETING

held on

16-Aug-18

PRESENT

Colin Hickling	The Public Trustee & Trust Co.	(CH)
Barbara Hickling	The Public Trustee & Trust Co.	(BH)
Marié Janse van Vuuren	MFI Trust (Pty) Ltd	(MJvV)
Elna Pohl	Symington De Kok	(EP)
Andri Barnard	Symington De Kok	(AB)
Jannie du Plessis	Master of the High Court - Bloemfontein	(JDP)
Lisle Du Bruyn	Shackleton Risk	(LduB)
Henda Steyn	University of the Free State	(HS)
Liesl Alsemgeest	University of the Free State	(LA)
Rika van Zyl	University of the Free State	(RvZ)
Steyn Strauss	Phatshoane Henney Attorneys	(SS)
Marietjie Norval	PSG	(MN)
Piet Vorster	Absa Trust	(PV)
Cedric Peterson	Newtons Chartered Accountants	(CP)
Viona Pretorius	Citadel Fiduciary	(VP)
Annelize van der Bank	Citadel Fiduciary	(AvdB)
Lizette du Plessis	Globalgrowth Investments (Pty) Ltd	(LduP)
Lizette Rautenbach	Globalgrowth Trust Services (Pty) Ltd	(LR)
Rynoe Smith	PSG	(RS)
Natalie Steenkamp	Phatshoane Henney Attorneys	(NS)
Giselle Taylor-Maritz	Citadel Wealth Management	(GT)
Marsha Venter	Wealth Associates	(MV)
Theoniel McDonald	Wealth Associates	(TMD)
Nici Mc Donald	PSG	(NM)
Lechelle Erasmus	PSG	(LE)
Bertus Nel	SARS	(BN)
Anzel Jacobs	Globalgrowth	(AJ)
Larissa Jacobs	Symington De Kok	(LJ)

APOLOGIES

Craig Davids	Master of the High Court (Kimberley)	(CD)
Christelle Lourens	Sanlam Trust	(CL)
Craig Davids	Master of the High Court (Kimberley)	(CD)
John Anderson	Claude Reid	(JA)
Jannie Fourie	MFI Trust (Pty) Ltd	(JF)
Willem Lategan	RIG	(WL)

NO.	ITEM	ACTION
1	OPENING	
1.1	Opening: The chairperson opened the meeting at 10h10.	CH
	Welcome and attendance: The chairperson welcomed all attendees, with a special word of welcome to Jannie du Plessis (Master of the High Court, Bloemfontein), Steyn Strauss (Phatshoane Henney Attorneys), Lisl du Bruyn (Shackleton Risk) and the ladies from the Centre for Financial Planning and Law at the University of the Free State, namely Henda Steyn, Dr Liesl Alsemgeest and Dr Rika van Zyl.	CH
1.2	Apologies were noted.	
2	Confirmation of minutes:	CH
2.1	The minutes of the previous meeting had been circulated to everyone and there were no objections to the content or accuracy and they were proposed, seconded and adopted.	CH
2.2	Matters arising from previous meeting: None	CH
3	FISA MATTERS	
3.1	FISA CONFERENCE: 20 September 2018 - The chairperson reminded attendees of the upcoming FISA Conference on 20 September 2018 and confirmed that outstanding speakers will be present.	CH
	The chairperson also reminded attendees about Ronel William's doctorate and Lizette du Plessis, Elna Pohl and Henda Steyn indicated that they would gladly complete questionnaires on the maintenance of the surviving spouse.	CH
4	PRESENTATION: DR LIEZEL ALSEMGEEST (SCHOOL FOR FINANCIAL PLANNING AND LAW AT THE UNIVERSITY OF THE FREE STATE) - GAMIFICATION: WHAT IT IS AND WHAT OPPORTUNITIES DOES IT PRESENT FOR OUR INDUSTRY	
	Dr Alsemgeest started her presentation by explaining what gamification is and saying that one usually engages for amusement and is prone to certain behaviour. She explained game mechanics, namely rules, points, levels, leader boards and gifts and the dynamics being rewards, status, achievements and self expression.	LA
	Dr Alsemgeest explained the value of gamification in that it deeply engages stakeholders and drives participation and keeps the brand at the top. Gamification makes a non-fun activity fun, and she mentioned a few examples of gamification, namely Smart Shopper (which engages the customer), Stash your cash by Liberty (which is a way of saving without realising it) and Discovery Vitality active rewards. She then played a short video of economy, namely "Inflation island". "Inflation Island" is a gamification app which they use extensively for their students.	LA
	She explained that the managing of personal finances is stressful, intimidating and mystifying and that traditional workshops lack excitement and show limited effectiveness. She added that they are developing a retirement plan as a game and stated that it would increase the retirement preparedness of millennial employees at the UFS. She explained that millennials want active participation and constant stimulation and challenges, and frequent and quick interaction.	LA
	Regarding "Robo Advisors", Dr Alsemgeest explained that these are created, but are not a game, but can be incorporated in a game. She concluded by saying that they need approval from the university to develop a game, but once again confirmed that they are working on it.	LA
	Lizette du Plessis thanked Dr Alsemgeest for her very interesting and informative	LduP

- 5 **UPDATES FROM THE MASTER'S OFFICE**
- 5.1 **BLOEMFONTEIN:** Mr Jannie du Plessis mentioned that the Master's Office realised that Corporations request the appointment of "A" or "B" or "C" as trustees of a corporation but that only ONE person, an individual, can be appointed. He confirmed that they do not allow options and referred to Section 6.4 of the Trust Property Control Act. JduP
- Mr Du Plessis also referred to Regulations of the Administration of the Deceased Estates Act and reminded attendees that all assets, administration cost and liabilities on a Liquidation and Distribution account should be numbered - "Voucher Numbers" - since numbers ease questions by the Master's office. JduP
- A short discussion took place on Regulation 910. Mr Du Plessis indicated that the Master's Office will have discussions about this regulation and that he would be able to give feedback thereon during the next meeting. He added that, in his personal view, the said regulation should be replaced. JduP
- Mr Hickling thanked the Master for his valuable contribution and support. CH
- 6 **PRESENTATION: LISLE DU BRUYN (SHACKLETON RISK) - BONDS OF SECURITY FOR EXECUTORS, CURATORS AND TRUSTEES**
- Ms Du Bruyn started her presentation by giving background on Shackleton Risk confirming that they are committed to sponsoring FISA meetings. Bonds of security are quite technical, and she advised that she was going to try to simplify the explanation, however confirming that bonds of security were very administration intensive. LduB
- She explained the appointing process and added that a bond is issued for protection, since they realise that someone has to accept responsibility for actions taken. She also explained their services, turnaround times, bonds, liquidation and curatorships and stated that they LduB
- Ms Du Bruyn concluded by saying that risk should be planned and stating that Shackleton Risk wants to see growth and add value. LduB
- Mr Hickling thanked Ms Du Bruyn for her presentation and for Shackleton's contribution to the meetings. CH
- 7 **PRESENTATION: DR RIKA VAN ZYL (SCHOOL FOR FINANCIAL PLANNING AND LAW AT THE UNIVERSITY OF THE FREE STATE) - AN OPINION ON THE CHIEF MASTER'S DIRECTIVE 2 OF 2-17 ON THE AMENDMENT OF TRUST DEEDS** MH
- Dr Van Zyl explained that a vested right is seen when a beneficiary accepts a benefit and saying that many case law supports this, e.g. Crookes v Watson. RvZ
- Dr Van Zyl referred to the Chief Master's Directive and said that the question was raised whether provisions can overrule the common law by admitting to change without the consent of the beneficiaries, with reference to Potgieter vs Potgieter. RvZ
- She added that a trust cannot be amended without the permission of the beneficiaries. She explained that you get a vested right with acceptance and referred to the Potgieter vs Potgieter case. RvZ
- Dr Van Zyl defined a vested right as an inheritance, bequest or other interest in a deceased estate. She added that one should take note of the clauses in the trust deed and beware not to be unlawful or to trigger taxes. She also explained that a trust is created on the assumption that the discretionary beneficiaries can only accept benefits when the trustees exercise their discretion to offer real benefits to these beneficiaries and that when beneficiaries accept the benefit, irrespective of any other rights they may already have under the trust, they will receive vested rights to claim that benefit after which any amendments that could affect the benefit that the beneficiary has a right to, will require the beneficiary's approval. RvZ

	She added that when a benefit is delivered to the beneficiary, the trustees would be free to make amendments to the trust without the consent of any beneficiary who does not have vested rights.	RvZ
	Dr Van Zyl concluded her presentation by emphasising the importance to the acceptance of vested rights and that trustees should make resolutions.	RvZ
	Mr Cedric Peterson thanked Dr Van Zyl for her meaningful presentation on the subject.	CP
8	PRESENTATION: HENDA STEYN (SCHOOL FOR FINANCIAL PLANNING AND LAW AT THE UNIVERSITY OF THE FREE STATE) - DISCUSSION OF RESULTS OF THE PERCEPTION OF TRUSTS SURVEY FOR FINANCIAL ADVISORS (ETHICS)	
	Ms Henda Steyn advised attendees that all members of the FPI received a questionnaire and gave statistics on the participants who answered the said questionnaire.	HS
	She explained that trust develops when people interact more in a role based manner than in a person based manner and advised attendees, in closing, to build a personal and professional relationship with clients and saying that visibility is important to the public.	HS
	Mr Hickling thanked Ms Steyn for her feedback and contributions to FISA meetings.	CH
9	PRESENTATION: STEYN STRAUSS (PHATSHOANE HENNEY ATTORNEYS) - PRACTICAL SOLUTIONS - PROBLEMS IN ESTATE ADMINISTRATION	
	Mr Strauss stood in for Dolf Schutte and addressed attendees on this very interesting and popular discussion point.	
	Mr Strauss worked through some practical solutions to problems in estate administration, e.g. Section 40 Endorsements, where property is transferred to testamentary trusts and the existing title is merely endorsed. He also mentioned that agricultural property cannot be transferred to more than one person, but added that it can be transferred to 3 trusts.	SS
	Mr Strauss reminded attendees to always sign an acquittance, irrespective if a testamentary trust or an inter vivos trust applies.	SS
	Mr Strauss also discussed the taxation in estates, with specific reference to the changes in the taxation on 1 March 2016, when it was regulated that income after death would be taxed in the hand of the beneficiaries. He added that that date of death was deemed the date of disposal at market value and that items subject to Capitals Gains Tax should be valued on date of death. He explained that all income after death should be declared in returns and that an estate is taxed the same as an individual (marginal rates, etc.) but that NO rebates can be claimed. He advised attendees that the final return needs to be submitted and paid by the estate, since that estate should be registered for tax (2nd registration).	SS
	A brief discussion took place on farmers, the difference between market value and section 42 of the income tax act, as well as shares in exchange for livestock.	SS
	Mr Straus concluded his presentation by urging attendees to register and pay post death income.	SS
	Mr Hickling thanked Mr Strauss for standing in for Mr Schutte and for his valuable presentation on this very popular topic.	
10	UPDATES FROM SOUTH AFRICAN REVENUE SERVICES	
	None.	

8 **GENERAL AND CLOSURE**

Mr Hickling concluded the meeting by thanking the speakers once again for their interesting, CH
informative and valuable presentations, all present members for their attendance, the
representatives of Shackleton Risk for their attendance and sponsoring of the lunch,
immediately after the meeting. He once again invited all to furnish him with possible topics
for future presentations and concluded by confirming the date for last annual meetings as 15
November 2018 and 14 February 2019, when the Bi-Annual elections will also take place.

The quarterly meeting adjourned at 12h55.

Signed as a true record of proceedings, on this ____ day of _____ 2018.

CK HICKLING - CHAIRMAN