

# Wills and inheritance planning

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*Savvas Savvides, lawyer and partner of the MICHAEL KYPRIANOU LAW FIRM, provides his guidance on aspects of Cyprus succession law.*

## **1. How often do clients instruct you for advice on succession planning? How important is it to plan ahead when it comes to succession?**

The pandemic and the global uncertainty has taught people that they need to be prepared, and a step ahead in order to have control of their estate and family affairs. Thus, in the last three years, much has changed in relation to succession and estate planning. In the past, people often were thinking about this but they would put the idea to one side until a more convenient time. These days people actually give priority to this issue.

## **2. What are your clients' main concerns?**

The Cyprus succession law, as in many parts of the world, is not a straightforward area, especially when it involves cross border matters or complicated personal situations. Moreover, succession is not an easy topic as it is associated with emotional aspects of a person's life. Very often clients are considering having a succession plan in place, but they do not know how to set it up. Drawing an inheritance plan might not be the happiest subject, but it will definitely go a long way towards helping our closest persons for the time when we will not be around to support them. Also, a succession plan can form a road-map giving instructions to our beneficiaries with regards to our created wealth and assets, wherever these are located.

## **3. When is the right time to set up an inheritance plan? And what would be the first step?**

Certain life events usually cause you to establish your inheritance plan. When purchasing a property, after marriage, divorce or remarriage, at the birth of a child or grandchild. The stage of life in which you are is usually the one that sets the right time to set up an inheritance plan. In your 30s, when people often start their families and their careers; by the time you reach your 50s, you need to check and ensure everything is where it needs to be and by your 70s, usually and statistically you already have the 'perfect' inheritance plan in place! No matter what your stage of life is, the time to set up an inheritance is 'right now'. It's never too soon to be thinking about your loved ones and your business and assets, and what will happen to them when you are gone.

For an inheritance plan, the first step is to find a lawyer that understands your unique circumstances and especially your domicile circumstances in order to create an inheritance plan that will reflect your goals, your current stage of life and background. Each case is unique and needs to be examined under the facts of each case.

## **4. What happens if a person owns different assets in more than one country?**

Each case is examined on its own particularities, however, there are usually two options. Either the person can execute one Will containing all assets from different jurisdictions, or the person can execute more than one Will, perhaps one for each jurisdiction. There are different factors to be taken into consideration before a decision is made in this regard; for example, the inheritance tax of each jurisdiction, the complications of the country's succession regime, the variety of the assets per se, etc.

## **5. Is it necessary to have a Will? What will happen if a person dies without having a Will?**

Probate and estate administration work is often a complex and difficult experience, especially for people who do not reside in Cyprus. Thus, it is very important to plan your inheritance plan ahead and leave a will where it clearly includes provisions as to who will be dealing with the estate (also known as “Grant of Probate” or “Grant of letters of administration), the administration of the estate, winding up the estate, settling applicable taxes and distributing the property to the beneficiaries.

When a person dies without leaving a valid will, their property (the estate) must be shared out according to certain rules. These are called the rules of intestacy. A person who dies without leaving a will is called an intestate person.

## **6. Should spouses share the same Will?**

In cases where spouses share the exact same assets and beneficiaries, it might be considered to have one common Will executed by both spouses together, or each spouse could execute a separate Will whereby each Will reflects in content the Will of the other spouse. A common Will can be altered or revoked by each testator. However, a distinction should be made when it comes to mutual Wills. Mutual Wills are binding between the testators and can not be altered, even after the death of one of the testators, thus restricting the freedom of revocation, which is an essential principle of Cyprus succession law.

## **7. Who will undertake to implement the provisions of the Will after the testator's death?**

In case a person dies with a will then the person that is nominated as administrator of the estate shall apply to the court for the issue of a probate and the court shall issue a probate whereby the administration of the estate of the deceased shall be granted to that person, who will be the executor.

In cases where no one is nominated as an executor in a will or the executor appointed in the will has died; or the executor has been renounced, or the appointment of an executor is invalid; or the court exercises the discretion given to it under the relevant law; or the executor is incompetent because of their minority status, mental state or other disability or the executor resides out of the jurisdiction, then the court grants a ‘letter of administration to an individual’ (the administrator), to administer such an estate.

## **8. Are there any other tools besides having a Will?**

Inheritance planning can include different options depending on the person's actual conditions and portfolio of assets. Creating a trust could be considered in certain cases and in fact, a trust is a tool which is frequently used in succession planning. Moreover, other options could include using joint bank accounts, insurance policies, gifts inter vivos. Such options are in practice combined.

## **9. Is there anything else you wish to comment on?**

A will or testament is a very important legal document. This main statute that involves the above matter is Chapter 195 Cyprus Succession Law and Wills.

Each individual who owns assets in Cyprus, regardless of whether they are living in Cyprus or elsewhere, should refer to a lawyer for legal advice since the will has to meet specific criteria provided by local law, to be valid and make it possible to execute it in the future.

The content of this article is valid as at the date of its first publication. It is intended to provide a general guide to the subject matter and does not constitute legal advice. We recommend that you seek professional advice on your specific matter before acting on any information provided. For further information or advice, please contact Savvas Savvides, Senior Partner, Paphos office,

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