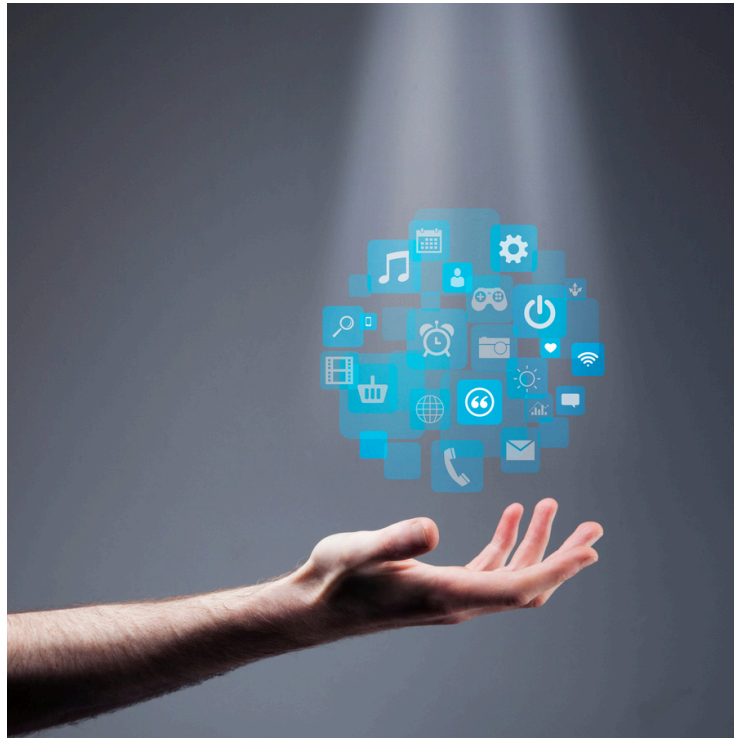


Estate planning: Let's discuss Digital Assets



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Imagine a situation where someone owns cryptocurrency in a self-custodial wallet (where no third-party provider is involved). The value of their crypto assets may be quite substantial. This individual, passes away and there is no provision in their will for their digital assets. Their heirs can only access the cryptocurrency by having the private key. They have no idea where to look. They might not even be aware that the deceased owned digital assets. Digital currency may be lost forever.

Digital assets are not like traditional assets. As a result, unusual challenges may be presented. Online platforms usually come with stringent privacy policies. If no proper authorisation is given, successors may encounter difficulties accessing the accounts of a loved one that has passed away.

But what are digital assets?

A digital asset is broadly defined as anything that exists in a digital format and has value. This value can be monetary or provide some form of utility. They can be owned and transferred electronically. This broad term encompasses a wide range of items, from photos, videos, domain names, gaming contents, to social media accounts, emails and cryptocurrencies.

In this digital era, the value of digital assets can be quite considerable; therefore, individuals should consider protecting such digital assets, especially in the context of estate planning. It is important to ensure access to digital assets by heirs, trustees, beneficiaries and successors in general.

Are there any best practices that can ensure access to digital assets in the context of succession?

1. Plan Ahead

Proactive planning is a must. This applies to every asset not only assets in the digital realm. However, ownership of digital assets comes with some complexities. Heirs may not know that their loved one possessed digital assets. Access to such assets is not always possible. The owner may want to keep certain elements (for example specific accounts) private. Thus, a strategic approach is required in order to implement the digital legacy someone wishes to leave behind.

2. Incorporate Digital Assets into your Will or Trust

Digital assets usually hold significant personal and financial value and as such they should be treated, in the context of estate planning, as any other assets that are valuable. It is essential to include these assets in any will or trust to ensure they are properly managed, accessed, or transferred according to the wishes of the testator or settlor.

3. Ensure Access by Successors

Clear instructions should be incorporated into a will or a trust instrument on how digital assets should be managed and distributed. Detailed instructions should be provided on what should happen to each account –whether certain accounts should be deleted, or transferred to specific individuals. Privacy policies and terms of service agreements may pose limits on what can be done with these accounts after the owner's death. For this reason, proper professionals should be engaged.

4. Compile an Inventory

A comprehensive list of digital assets should be prepared by those who own them. Such inventory should include a detailed description of the assets, online accounts, virtual possessions, subscriptions and passwords. It may be prudent for passwords to be kept in a separate file. Such detailed inventory will ultimately serve as a roadmap to ensure access to the assets.

5. Review Regularly

Digital assets constantly change. Furthermore, evolution in the digital asset world is fast and constant (unlike with what happens with traditional assets). Regular review of such assets and the succession plan linked with them, is crucial especially as online platforms are updated, new technologies emerge and digital assets accrue. A succession plan involving digital assets should not be static, but it should be subject to regular review.

6. Obtain Proper Advice

Digital assets should not be overlooked in estate planning. Therefore, professionals should be engaged to assist with the task. Work with estate planning professionals who understand the complexities of digital property, and be sure to review privacy policies and terms of service for each platform to avoid unexpected barriers for the heirs and successors.

We at Patrikios Legal understand the current needs of individuals in the context of modern estate planning. Patrikios Legal can advise, assist and guide individuals throughout the process of planning ahead and protecting their assets in the digital world. Moreover, our services include estate planning, regulation of succession and asset protection.



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