Estate Liquidity Checklist

for Business Owners

Can your estate pay its way without selling what matters most?

Your family can be wealthy on paper and still be forced to sell your business. Estate duty, capital gains tax, executor's fees and debts must all be paid **in cash** before your heirs receive anything. Tick each item you can confidently answer "yes" to. Every empty box is a gap worth closing.

1. Know your numbers

- ☐ I have a current list of my assets and their values: company shares, loan accounts owed to me, property, investments and policies.
- ☐ I have listed my debts, including bonds, overdrafts and every **suretyship** (personal guarantee) I have signed for the business.
- ☐ I know my likely **estate duty**: 20% on the first R30 million of the dutiable estate and 25% above that, after a R3.5 million deduction.
- ☐ I know my likely **capital gains tax on death**, after the R440,000 exclusion that applies in the year of death.
- ☐ I have estimated my **executor's fee**: 3.5% of gross assets, plus VAT, and 6% of income earned after death.
- ☐ I have compared the total cash my estate will need with the cash it will actually have on the day I die.

2. Your will

- ☐ I have a signed will that has been reviewed in the last three years, or since my last major life or business change.
- ☐ My will is consistent with my shareholders' agreement and my company's Memorandum of Incorporation (its founding rules).
- ☐ I have chosen an experienced executor and considered fixing their remuneration in my will.
- ☐ If I am leaving assets to my spouse, I understand this postpones estate duty to the second death, and there is a plan for that estate too.

3. Your business agreements

- ☐ There is a signed **buy-and-sell agreement** under which my co-owners must buy, and my estate must sell, my shares when I die.
- ☐ The valuation formula in that agreement reflects what my business is worth today, not when it was signed.
- ☐ Each owner holds the policy on the others' lives, and I pay none of the premiums on my own life, so the payout stays out of my estate.
- ☐ The cover amount matches the current value of my share of the business.
- ☐ My loan account in the company is dealt with, so the company is not forced to repay it in a hurry.
- ☐ I know what my bank will do with company facilities and my suretyships if I die.

4. Cash for your estate and family

- ☐ I have life cover **payable to my estate**, earmarked for estate duty, tax and administration costs.
- ☐ I understand that a policy paid to a named beneficiary goes to that person, not my executor, and is still usually counted for estate duty.
- ☐ My family has access to money for living expenses while the estate is wound up, which often takes a year or more.

5. Trusts and lifetime planning

- ☐ I have taken advice on whether a **trust** should hold growth assets, so future growth falls outside my estate.
- ☐ If I have lent money to a trust, I know the loan stays in my estate and that an interest-free loan can attract donations tax.
- ☐ I use the annual donations tax exemption of R150,000 where it makes sense.

6. Paperwork your executor will need

- ☐ My family knows where to find the original will, share certificates, title deeds, policies and business agreements.
- ☐ My income tax returns are up to date, and my executor will have my tax number and my accountant's details.
- ☐ My shareholders' agreement, Memorandum of Incorporation and buy-and-sell agreement are filed together with my will.

How did you score?
All boxes ticked: well done. Diarise a review in two to three years, or after the next Budget.
One to five empty boxes: your plan has gaps that could cost your family dearly. Fix them now.
More than five empty boxes: your estate is at real risk of a forced sale. Speak to an estates attorney soon.

Book your estate liquidity review

With more than 51 years' experience in winding up estates, Roy Bregman and the team at Bregman Moodley Attorneys Inc. will review your will, company documents and cash position, and show you exactly where the gaps are.

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Figures are for the 2026/27 tax year (from 1 March 2026) and may change in future Budgets. This checklist is general information, not legal or tax advice for your circumstances. Taking the Sting Out of Legal Problems Since 1974.