

# Estate winding up in shambles

**WIDESPREAD:** PROBLEMS, FINGERPOINTING AT MASTER'S OFFICES JUST TIP OF THE ICEBERG.

→ Billions of rands tied up because of the brokenness of entities of the government.

Amanda Visser

Moneyweb

The entire system dealing with deceased and insolvency estates is broken. Most of the finger-pointing is at the master of the high court, though that is but the tip of the iceberg.

Billions of rands are tied up in deceased and insolvent estates because of the brokenness of government entities such as the Government Printing Works (GPW), the department of home affairs, the department of justice (responsible for the master's offices), and the South African Revenue Service.

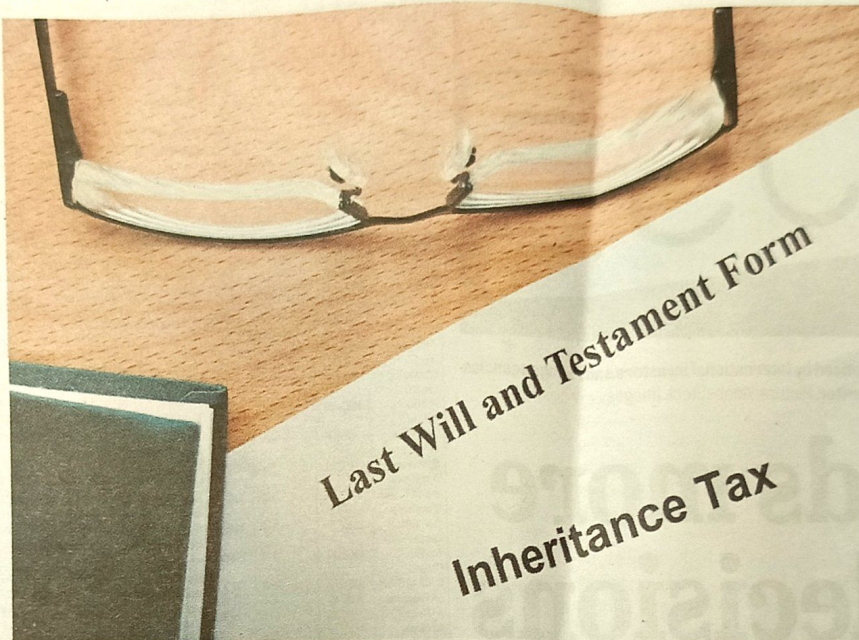
Katherine Gascoigne, senior associate at Gascoigne Randon & Associates, says in her practice alone more than R100 million is tied up in deceased estate accounts. "The money should be in the hands of the heirs and released back into the economy. This is not happening because of delays. It is ridiculous."

An estate with few assets and no complications used to take between six and nine months to wind up.

It is taking double the time.

Jane Barnard, whose mother had a "simple estate with a few investments", is incensed by the lack of finality.

It has been nine months since the liquidation and distribution account (L&D) was lodged at the master's office in Thohoyandou.



**CLAIM.** One law firm with more than R100 million tied up in deceased estate accounts says the attitude is, "We will not help you unless you cross [our] palm with silver". Picture: Shutterstock

There has been no feedback from the office at all.

Moneyweb's questions remain unanswered.

The lack of accountability and service delivery, along with fraud, corruption and outdated and dysfunctional technology is causing hardship for the families left behind – and costs are piling up.

## Grinding to a halt

The GPW ground the process to a halt. The South African Restructuring and Insolvency Practitioners Association (Saripa) had been to court numerous times just to get the GPW to do its job.

The adverts alerting debtors and creditors must be published in the legal gazette every Friday.

However, weeks go by without

this happening.

Saripa obtained a court order in 2021 forcing the GPW to print the three gazettes it was mandated to do.

In the latest action Saripa brought an urgent application asking the court to hold the GPW CEO as well as the minister and director-general of home affairs in contempt of the 2021 court order. It wanted the CEO, the minister and the DG to be sent to jail.

The matter was struck off the roll for want of urgency.

Saripa did receive a letter confirming that the reautomation project for the e-Gazette system had been completed.

COO René Bekker said they were "cautiously optimistic" that the gazette would be printed

with the master's office, delayed status updates and old and outdated technology.

There was no reply by the time of going to print.

## Liquidation and distribution

It can take up to six months for home affairs to update a person's marital status (from single to married, married to divorced, married to widowed).

Until that happens there is no progress on the estate's winding up.

The executor must provide the master's office with an L&D account within six months of their appointment.

"Sometimes you don't even get your certificate of balance and the documentation you need from the banks within those six months. The delays are absurd," says Gascoigne.

Lawyers at a small firm in Limpopo are at their wits' end with the master's office.

They are dealing with about 20 deceased estates.

Some of them have been delayed for more than a year because the L&D account has not been approved.

"Although it is not an official directive, the unofficial turnaround time is supposed to be 21 days. We have been requested not to enquire during that period," one of the lawyers said, speaking anonymously.

## Lack of service

There has been a period of two months when it was impossible to register a deceased estate at the Thohoyandou master.

"The systems of the master and the department of home affairs did not communicate with each other. It was impossible to register an estate," the Limpopo lawyer said.

every Friday, but would go back to court if further failures occurred.

Saripa member and insolvent estate administrator Rikus Hartman says they know of at least 2 000 unfinalised insolvent estates.

## Frustration

Gascoigne says a huge improvement in the process is the ability to report estates electronically – if it works.

The department of home affairs' link is imperative for the registration of deceased estates.

However, it is more offline than anything else.

"I cannot explain the difficulties it is causing," says Gascoigne.

Moneyweb sent questions to the department of home affairs regarding its dysfunctional link