

PERSPECTIVES

APRIL 2025

Each month, our experts decipher trends, opportunities and strategies shaping the financial universe of informed investors. Discover nuanced analysis and insights to guide your wealth management decisions. Forged by experience and driven by innovation, our perspectives help you build a sustainable financial legacy.



ESTATE PLANNING: THE LIFE CHAPTER NO ONE LIKES TO WRITE

In a world where building wealth requires vision and determination, the act of transferring that same wealth requires wisdom. For high-net worth families, estate planning represents far more than a simple administrative formality – it is the ultimate expression of financial wealth management, ensuring that your vision and values endure for future generations.

Yet, in many instances, this "formality" is regularly postponed, a casualty of its apparent complexity and our natural reluctance to address our end of life. What if we reframed estate planning not as a burden, but as the culmination of a lifetime of success, ensuring that our legacy will endure exactly as we imagined?

The Delicate Balance of Family Transparency

Estate planning of affluent families often comes with relational complexity. Modern family structures, featuring blended families, children with different paths and unique requirements, and successive marriages, require a tailored approach.

One of the most crucial decisions, yet often overlooked, involves the extent of transparency you should practice during your lifetime. Do you need to disclose everything to your heirs? Should you gradually prepare them for their future responsibilities? Or should you remain discreet until the very end?

Working with wealthy families has shown us that there is no one-size-fits-all answer. Nevertheless, a clear trend is emerging: addressing certain aspects of your legacy during your lifetime frequently helps to prevent significant and costly post-mortem disputes. As the saying goes, "an ounce of prevention is worth a pound of cure" – particularly when it comes to preserving family harmony in times of sorrow.

Open communication, although sometimes uncomfortable, offers the opportunity to explain your choices, prepare your heirs, and adjust your planning if necessary. Conversely, remaining silent can lead to conflicts when surprising inheritances compound grief.

Beyond Borders: The International Dimension of Your Estate

The increased mobility of wealthy Quebec families creates a new layer of complexity: multi-jurisdictional estates. A secondary residence in Florida, investments in Europe, and financial holdings in multiple jurisdictions – your patrimony knows no borders, but succession laws are often bound by territorial limits.

This little-known legal fact can have significant consequences. Are you aware that legal provisions governing real estate are those of its location rather than those of your home jurisdiction? Thus, your property located in Florida will be subject to American inheritance laws, which might be very different from provisions applicable in Quebec.

For families with assets in different jurisdictions, it is essential to consider private international law when planning their estate.

Aligning the various applicable legislation, recognizing foreign trusts, and international tax optimization represent a considerable technical challenge, but one necessary for upholding the integrity of your estate.

Adaptability: The Central Virtue of Modern Planning

Tax legislation evolves, sometimes drastically, in response to shifts in government policies. Your family and financial situation can also change. In this evolving context, a rigid estate plan can become obsolete in no time.

Modern estate planning is an ongoing process. It must be regularly revisited, adapted to legislative, jurisprudential and personal developments, and then adjusted accordingly.

This constant vigilance requires close collaboration between your various advisors – notary, tax specialist, wealth manager, and trustee. Now, more than ever, coordinating this team of experts is the key to successful planning.

Trusts: Precision Instruments for Complex Situations

In the sophisticated world of estate planning, trusts hold a distinguished status. This remarkably flexible legal instrument allows asset protection, tax optimization, and property devolution.

Contrary to popular belief, trusts are not just for wealthy families. They can address the needs of families dealing with complex wealth situations, such as transferring a family business, protecting a vulnerable heir, perpetuating philanthropic objectives, or simply wanting to maintain influence over the management of your assets beyond your death.

The unique nature of Quebec's legal landscape, which blends civil and common law traditions, offers remarkable flexibility in structuring trusts. The Quebec trust model, inspired most notably by German law, allows this instrument to be adapted to your specific objectives.

The Importance of Choosing the Right Partners

Your estate planning requires exceptional partners. Choosing your liquidators (executors), trustees, or appointees is a strategic decision with long-term implications.

Appointing a relative as liquidator or trustee often stems from a legitimate desire to maintain control within the family. However, this approach can be problematic. The emotional burden of grief, potential conflicts of interest, and the technical complexity of these responsibilities can impose a heavy burden on your loved ones.

Moreover, dysfunctional family relationships may complexify the responsibilities of a liquidator or trustee significantly. Impartiality, an essential component in performing these functions, is naturally more difficult to maintain for a family member who is directly affected by the decisions to be made.

This is why many families opt for a hybrid solution: co-liquidation or co-trusteeship between a relative and a corporate trustee like Eterna Trust. This balanced approach combines intimate knowledge of the family with technical expertise and professional impartiality.

The Human Factor: Beyond Technical Expertise

At Eterna Trust, we recognize that every family is unique, and our approach to estate planning reflects that.

Our approach is based on three fundamental pillars:

1. Multidisciplinary collaboration: We work closely with your existing advisors – tax specialists, notaries, lawyers, investment advisors – to ensure that your wealth strategy is cohesive.

2. In-depth analysis of your situation: Beyond technical aspects, we take the time to understand your family dynamics, values, and long-term objectives. This insight allows us to provide truly tailored recommendations.

3. Long-term support: Our commitment is for the duration. We ensure the rigorous implementation of your wishes, the ongoing adjustment of your planning to align with legal and personal changes, and the impeccable execution of your instructions when the time comes.

Estate planning extends far beyond financial and tax considerations. It represents your final opportunity to pass on your assets as well as your values and vision.

At Eterna Trust, we believe it is possible to transform what appears to be an administrative constraint into a fundamental act that will perpetuate your charitable influence and ensure the permanence of your legacy – that unique imprint you wish to leave in the hearts of your loved ones.



André-J. Barette, LL.L. (TEP)
Vice President – Eterna Trust

The information and opinions expressed herein are subject to change. The views expressed are provided for informational purposes only and should not be relied upon for making investment decisions. Under no circumstances may this document be reproduced, in whole or in part, without prior written permission from Eterna Financial Group.