



# DIGITAL ASSETS

AN ESTATE PLANNER'S GUIDE



**Laurelo**

your path to probate

# Your Guide...



Welcome to "Digital Assets - The Estate Planner's Guide," specifically designed for estate planning firms operating in England and Wales. In this guide, we will explore the concept of digital assets, their importance in estate planning, and considerations for effectively managing them. Whether you're an experienced estate planner or new to the field, this guide will provide valuable insights to help you navigate the complexities of digital assets in your practice.

## SOME STATISTICS

Additionally, 90% of estate planners anticipate an increase in client demand for advice on managing these assets.

Approximately 1 in 5 estate planners deal with digital assets on a monthly basis.

**60%**

### STEP - WHITE PAPER

60% of estate planners have encountered client inquiries about digital assets.

Estate planners often face challenges when attempting to access a deceased person's online accounts. 18% of estate planners have been asked about obtaining access to such accounts, highlighting the need for comprehensive strategies to address this issue.

# UNDERSTANDING DIGITAL ASSETS

Digital assets encompass a wide range of items stored electronically that hold financial, personal, or sentimental value. It's crucial to recognise and include them when planning for the distribution of an individual's estate. Let's explore some common types of digital assets:



## CRYPTOCURRENCY

Cryptocurrency refers to digital or virtual currencies, such as Bitcoin or Ethereum, that use cryptography for secure transactions. These assets hold monetary value and require specialised knowledge to manage and transfer.



## NFTS (NON-FUNGIBLE TOKENS):

NFTs represent unique digital assets, such as artwork, music, or collectibles, which are verified using blockchain technology. These assets have gained popularity and require special consideration due to their distinct characteristics.



## DOMAIN NAMES

Domain names are valuable digital assets, especially if they are associated with a well-established brand or have high traffic. They can hold significant commercial value and need to be managed appropriately during estate planning.



## COMPUTER SOURCE CODE

Computer source code refers to the underlying instructions that power software applications. If the deceased person had ownership or intellectual property rights over software code, it becomes an essential digital asset to consider during estate planning.



## WEBSITES/HIGH-VALUE SOCIAL MEDIA ACCOUNTS

Websites and social media accounts with a substantial following or commercial potential are digital assets that require attention. They may generate income or hold sentimental value for the deceased person's loved ones.



## GAMBLING ACCOUNTS

With the increasing popularity of online gambling, digital assets such as gambling accounts or virtual casino items can have monetary value. It's crucial to identify and address these assets during the estate planning process.

# FURTHER EXAMPLES OF DIGITAL ASSETS

Apart from the specific types mentioned above, digital assets can take various forms. Here are some additional examples to consider:

## **Journals:**

Digital journals, blogs, or personal diaries stored on computers or cloud platforms fall under the category of digital assets. They often contain personal thoughts, memories, or reflections, which may hold sentimental value for the deceased person's family.

## **Photos and Videos:**

Digital photographs and videos captured and stored electronically are valuable digital assets. They document special moments, memories, and experiences that the deceased person's loved ones may cherish.

## **Messages:**

Digital messages, including emails, instant messages, or social media conversations, hold personal and sometimes legal significance. They may provide insights into the deceased person's relationships, intentions, or financial matters.

## **Creative Projects:**

Digital assets can include creative projects such as manuscripts, artworks, music compositions, or other forms of intellectual property. These assets may have commercial or sentimental value and require careful consideration during estate planning.

## **Keepsakes:**

Digital keepsakes, such as virtual heirlooms, family history records, or genealogical research, can be essential to preserving family legacies. These assets may hold sentimental or historical significance for future generations.

# CONSIDERATIONS FOR ESTATE PLANNERS

As the digital landscape evolves, estate planners must adapt to effectively manage digital assets. Consider the following insights from the Society for Trusts and Estate Planners (STEP) to stay ahead in this field:

## ACCESSING ONLINE ACCOUNTS

Estate planners often face challenges when attempting to access a deceased person's online accounts. 18% of estate planners have been asked about obtaining access to such accounts, highlighting the need for comprehensive strategies to address this issue.

## BURDEN OF DEALING WITH TECH COMPANIES:

When managing digital assets, estate planners may encounter obstacles when dealing with technology companies such as Google or Apple. Almost half of estate planners find this aspect burdensome, emphasising the importance of being prepared to navigate these challenges effectively.

## PREPARING TO MANAGE DIGITAL ASSETS:

Close to half of estate planners have already begun preparing to handle digital assets. It's crucial for estate planning firms to recognise this growing trend and proactively equip themselves with the necessary knowledge and tools to manage digital assets effectively.

## SECURITY CONSIDERATIONS AND TOOLS

When addressing digital assets in estate planning, security is a paramount concern. One critical aspect is managing passwords and ensuring their secure transfer. Consider introducing tools such as Keylu, which specialises in securely managing and transferring digital credentials, including passwords, encryption keys, and access codes.

## DIGITAL ASSETS AND THE LAW OF ENGLAND AND WALES

It is essential to understand the legal aspects related to digital assets in England and Wales. Stay informed about relevant legislation, regulations, and case law developments to ensure your estate planning strategies align with the legal framework. Regularly consult legal experts specialising in digital assets to stay updated on any changes that may impact your practice.



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## ABOUT LAURELO

We are an award-winning family run estate planning firm who work with estate planning professionals providing them and their clients with estate administration

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