

Newsletter

September 24, 2025

Indonesia's Cross-border Succession Planning Landscape: Lesson Learned



Dyah Paramita
Partner

dyah.p@morihamada.com



Arneta Raisha Nanako
Associate

arneta.n@morihamada.com

Introduction

As wealth in Indonesia becomes increasingly global, family-owned businesses and high-net-worth individuals are facing new challenges in succession planning. Assets spread across multiple jurisdictions – from overseas real estate to offshore holding structures – can complicate even the best-intentioned estate plans. When family relationships intersect with differing legal regimes, the result is often prolonged disputes that drain resources, damage reputations, and jeopardise business continuity. Recent cases highlight why early, coordinated planning is essential to safeguard family wealth and ensure a smooth transition to the next generation.

1. Indonesian Property Mogul - The Importance of Heirship

An inheritance saga involving the family of an Indonesian property mogul demonstrates how fundamental questions of legal heirship can derail succession planning. The Indonesian Supreme Court ([3561 K/Pdt/2020](#)) ruled against a petition seeking recognition as a child, thereby undermining the petitioner's claims to the family estate. Subsequent challenges to wills and distribution arrangements show how disputes can drag on for years when family status is contested.

Lesson: Establishing and documenting proof of heirship clearly is critical, particularly in blended families or where the recognition of children may be disputed.

2. Trust Litigation - Offshore Structures under Fire

In [\[2016\] SGHC 109](#), the Singapore High Court considered whether assets settled into a Jersey trust truly belonged to the estate. Following a request from the Indonesian tax authority in 2011 to investigate the USD-denominated inheritance assets of the patriarch who died in 2000, the sole executrix under a will made in 1996 set up a Jersey trust, with the consent of the beneficiaries. However, one of the beneficiaries demanded the distribution of the trust assets based on their right to inherit under the will, which was rejected by the Singapore High Court.

Lesson: Trusts and holding companies must be carefully established and consistently maintained to withstand estate challenges, especially where settlors or beneficiaries are based in Indonesia.

3. Disputes - Assets in Multiple Jurisdictions

In [\[2008\] SGCA 44](#), the Singapore Court of Appeal considered whether its courts had jurisdiction to adjudicate claims concerning foreign immovable properties (in Indonesia and Australia) under a trust claim by the deceased's executrix. While the court affirmed that (under Singapore law) the *Moçambique rule* generally bars courts from deciding title to or possession of land abroad. The Court then applied the doctrine of *forum non conveniens* and concluded that Indonesia was the clearly or distinctly more appropriate forum to try the issues concerning both the Indonesian and Australian immovable properties (given the parties' connections, domicile, prior proceedings, governing law, etc.), and that the Singapore courts should decline to exercise jurisdiction.

Lesson: Multi-jurisdictional estates require harmonised planning. Wills, marital property rules, and estate documents should address which court will have authority – otherwise, families risk fragmented litigation.

4. Wealthy Indonesian Estate in Singapore - The Challenge of Accounting for Global Assets

In [\[2003\] SGHC 126](#), [\[2003\] SGHC 143](#), [\[2004\] SGHC 131](#), [\[2005\] SGCA 24](#), and [\[2005\] SGCA 4](#), a series of cases arose from the estate of a wealthy Indonesian patriarch, who died intestate in Jakarta, Indonesia in 1974. The disputes involved his widow, children, and daughter-in-law, and centred on the ownership and distribution of a vast estate with assets in Indonesia, Singapore and other jurisdictions.

The key legal issues included whether a deed of release signed by one of the deceased's sons was void for undue influence, whether the aforementioned son's former wife had validly acquired his interest by assignment, how to classify payments made by the estate administrator (as distributions or gifts), and how to value and account for foreign assets. The courts found that the release was indeed void, the assignment valid, and that payments from the estate should generally be treated as distributions unless clearly shown to be gifts, with the valuations of Indonesian and other overseas assets upheld.

Lesson: In cross-border estate disputes, especially those with an Indonesian nexus, ownership and valuation of foreign assets must be clearly established, releases and assignments will be scrutinised for validity, and procedural discipline is critical, as unnecessary claims or issues may result in cost penalties.

- **Heirship status is foundational** – disputes over recognition of heirs can erase entitlements entirely.
- **Offshore structures are not fail-safe** – trusts and holding companies need robust documentation.
- **Cross-border planning is essential** – inconsistent wills or estate plans risk fragmented proceedings.
- **Transparency avoids delay** – courts insist on complete disclosure of assets worldwide.

For further information or assistance, please contact the authors.