



NYLK
DIGITAL ESTATE MANAGEMENT

FREE RESOURCE · NO. 08

Crypto Inheritance & the DAF Act

Australia just regulated your exchange. It did nothing for your family's access. The complete guide to keeping crypto inheritable — under the new rules.

Your exchange is licensed now. Your crypto still dies with you.

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The only asset class that dies with its owner

A forgotten bank account is eventually found, frozen and released through probate. A forgotten hardware wallet is a paperweight. Crypto's defining feature — that possession of the keys is possession of the asset — becomes its defining estate flaw: no keys, no asset, no appeal. Researchers estimate hundreds of billions of dollars' worth of cryptocurrency worldwide is already permanently stranded in inaccessible wallets, and every year of mainstream adoption adds more.

\$0

What a court order recovers from a lost seed phrase

100%

Of self-custody value at risk with no access design

Apr 2027

DAF framework commences — for platforms, not families

#1

Asset class families most often don't know exists

WHY CRYPTO ESTATES FAIL — THE THREE DOORS

WHERE IT'S HELD	WHAT HAPPENS WHEN YOU'RE GONE	THE FAILURE MODE
Australian exchange	A deceased-estate process usually exists, but varies wildly by platform — documentation, timelines and cooperation are inconsistent.	Family doesn't know the account exists; or 2FA on a locked phone blocks even the estate team's process.
Self-custody wallet	Nothing happens. The chain doesn't know you died. The asset sits visible and untouchable forever.	Seed phrase never written down, written down and lost, or "hidden safely" — from everyone.
DeFi positions	Positions keep running unattended: loans can liquidate, rewards lapse, contracts expire.	Value erodes automatically while the family is still learning what "DeFi" means.

The visibility torture

Crypto's cruellest estate scenario is the visible-but-unreachable one: the family can watch the balance on a block explorer — sometimes for years — knowing exactly what was lost and that no process on earth releases it. This is the scenario an access design exists to prevent.



The Digital Assets Framework Act, in plain English

Australia's first comprehensive digital-asset law received Royal Assent on 8 April 2026, amending the Corporations Act. It's a genuinely big deal for the industry — and it's important to understand exactly what it does and doesn't do for your family.

What the Act does

Creates two new regulated categories — **digital asset platforms** and **tokenised custody platforms** — and requires them to hold an Australian Financial Services Licence, the same core regime that governs brokers and fund managers. Exchanges, custody services and crypto-to-crypto trading facilities all come inside the fence. The framework formally commences **9 April 2027**, with transition arrangements running through 2026 — which is why your exchange has been emailing you about licensing.

What the Act does not do

It says nothing about inheritance. It creates no executor access right, no succession standard, no obligation to release assets to a deceased estate on any timeline. It doesn't touch self-custody at all — your hardware wallet is exactly as regulated as it was in 2020, which is to say not at all. Consumer protection went up; estate protection stayed at zero.

WHAT LICENSING CHANGES FOR ESTATES — HONESTLY

ESTATE QUESTION	BEFORE THE ACT	AFTER COMMENCEMENT (APR 2027)
Will licensed exchanges have to be solvent, audited, accountable entities?	Inconsistent	Yes — meaningful indirect protection for held assets
Will there be a standard deceased-estate process across platforms?	No	Still no — each platform sets its own
Does your executor gain a legal right of access?	No	No
Does anything change for self-custody?	No	No

The honest summary: the Act makes it less likely your exchange collapses with your coins, and no more likely your family gets them out. Planning remains entirely private responsibility.

One transition-period trap

Consolidation is coming — smaller platforms that can't carry AFSL obligations are expected to close or merge through 2026-27. If your exchange winds down, your assets don't inherit their way anywhere: you'll be asked to withdraw or migrate. An account you've forgotten about is an account that can miss that window.

IF YOU'RE THE EXECUTOR OF A CRYPTO ESTATE

Work the doors in this order — and touch nothing on-chain until you've had advice.

1 Discover before you act

Bank statements show exchange deposits and withdrawals. Email shows exchange correspondence. Devices may hold wallet apps. Paper may hold seed phrases — search properly before assuming there's nothing. Record everything in the estate inventory.

2 Exchanges: use the estate process, never the login

Contact each exchange's support with the death certificate and probate documents and follow their deceased-estate procedure. Logging in with the deceased's credentials can breach terms of service and create real legal exposure for you — even with the best intentions.

3 Self-custody: secure first, move last

If keys or hardware wallets surface, secure them physically and get specialist advice before any transaction. On-chain transfers are irreversible — a mistaken address or a rushed consolidation is a second, permanent loss. Valuation dates and CGT also attach to movements: your accountant needs to be in the room.

4 Watch the clocks

DeFi loans can liquidate, exchange accounts flagged dormant can face closure processes, and the platform consolidation wave adds shutdown risk. Crypto is the one estate asset where slow administration itself destroys value.

5 Mind the tax file

Every disposal — even moving assets to beneficiaries — has CGT consequences in Australia. Keep acquisition records if they can be found; the ATO's data-matching with licensed exchanges is only getting stronger under the new framework.

Forensic recovery is sometimes possible

Old laptops, phone backups and cloud notes sometimes hold recoverable wallets or key fragments. It's specialist work with honest failure rates — but before an estate writes off visible value, it's worth a professional look. NYLK's post-loss forensic service exists for exactly this.



The access design: inheritable without being stealable

The whole puzzle of crypto estate planning is that the same secrecy protecting you from thieves locks out your family. The answer is never "put the seed phrase in the will" — wills become public documents in probate. The answer is separating the *map* from the *keys*.

THE FIVE RULES OF AN INHERITABLE CUSTODY DESIGN

1 The inventory names the what, never the how-to-spend

Your Digital Directive records that the assets exist, where they're custodied, and roughly what they're worth — enough for discovery, useless for theft.

2 Keys live in physical security, split from the map

Seed phrases on steel or paper in a safe or safe-deposit box — never photographed, never in cloud notes, never in the same envelope as the inventory that explains them.

3 Someone is named, and knows they're named

A specific person knows a design exists and where the instructions begin. A perfect scheme nobody knows about scores the same as no scheme.

4 The design is tested once while you're alive

Walk your nominee through the recovery path hypothetically — no keys revealed — and fix whatever confused them. Every scheme fails its first test; better now.

5 It's reviewed when holdings change

New wallet, new exchange, moved custody — the design updates the same week, or it quietly stops being true. Annual review at minimum.

Do it yourself

The five rules above plus the free 47-Account Inventory get a simple portfolio to genuinely inheritable. For a single exchange account and one hardware wallet, an afternoon of care is enough.

When to get it built professionally

Multiple wallets, DeFi positions, a business holding crypto, or holdings you'd rather no single person could reconstruct alone — that's multi-party design territory, and it's exactly what NYLK's guided setup and annual review exist for.



Hold any crypto estate plan to these six tests

Licensed platforms are welcome. They're also not a plan. Whether you build it yourself or have it built, this is the standard that makes crypto inheritable.

THE TEST	EXCHANGE ACCOUNT ALONE	SEED PHRASE IN A DRAWER	GOLD STANDARD (NYLK DIGITAL DIRECTIVE)
Discoverable — family knows it exists	—	Maybe	✓
Documented custody — what, where, how held	—	—	✓
Map/keys separation — inventory can't be used to steal	n/a	—	✓
Verified release — instructions released only on verified death or incapacity	—	—	✓
Tested & reviewed — walked through once, updated as holdings change	—	—	✓
Executor support — someone to call who's done this before	—	—	✓

Holdings your family couldn't reach today?

Bring this guide to a free 15-minute conversation — nylk.com.au

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Sources: Digital Assets Framework legislation — Royal Assent 8 April 2026, amending the Corporations Act 2001 (Cth); two new regulated categories (digital asset platforms, tokenised custody platforms); AFSL requirement; commencement 9 April 2027 with transition arrangements — per Law Society Journal, CoinDesk and Barry Nilsson Lawyers commentary, verified July 2026 · Stranded-cryptocurrency estimates: aggregated industry research via NYLK research library, 2026. This guide is general information only — not legal, financial or tax advice. Crypto estates should involve a solicitor and accountant familiar with digital assets.

Your Legacy. Poured Forward.