



# BITCOIN ESTATE ADMINISTRATION AND EXECUTOR EDUCATION GUIDE

## PURPOSE OF THIS GUIDE

This guide is written for Executors appointed under a Will who need to locate, secure, manage, and distribute bitcoin forming part of a deceased estate.

It assumes you may have little or no experience with bitcoin. You may not yet understand how it works, how it is stored, what gives it value, or what specific risks arise when administering it after death. That is entirely normal. Most Executors are not appointed because they are technical experts. They are appointed because they are trusted to act carefully, honestly, and in accordance with the Will.

The purpose of this guide is to give you the practical understanding and safe process you need to carry out that role with confidence. It is designed to help you avoid unnecessary mistakes, move deliberately, and understand why bitcoin estate administration must usually be handled with more care than conventional bank accounts or listed investments.

This is not legal, financial, tax, or investment advice. It is an educational resource to help you administer bitcoin with awareness and care.

The Will governs your authority and duties. Supporting documents, such as the Digital Asset Inventory, Technical Roadmap, and any Letter of Wishes, may provide critical information about what the deceased held, how it was secured, and what preferences they may have had regarding preservation, liquidation, or in specie distribution.

Your role is one of temporary stewardship. You are not the beneficial owner. Your responsibility is to preserve the asset, administer it properly, and distribute it in accordance with the Will and the law. That requires discipline, privacy, good records, and a willingness to pause and seek competent assistance where needed.

## BITCOIN IN PLAIN ENGLISH

Bitcoin is a fixed-supply form of digital money that operates without banks, governments, or corporations. It runs on a global network of computers that records ownership and transfers on a public ledger called the blockchain.

Unlike money held in a bank account, bitcoin is not controlled through the ordinary banking system. There is no branch, no account manager, and no

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This document is a Bitcoin Estate Administration Guide for Executors. Its purpose is to help the person responsible for administering your estate understand, in practical terms, what bitcoin is, why it may have been structured in a particular way, what risks exist, and how to approach estate administration safely, calmly, and competently. It is designed for use by an Executor, but it may also be useful for an alternate Executor, an estate lawyer, or a carefully selected digital asset adviser assisting with administration. It assumes the reader may have little or no experience with bitcoin and is intended to give them enough context to avoid preventable mistakes, act more cautiously, and understand when specialist assistance may be needed.

This document is generally most useful where bitcoin forms part of the estate and the Executor may need help understanding the nature of the asset, the difference between various custody arrangements, the importance of private keys, seed phrases and passphrases, and the practical steps involved in locating, securing, preserving, and distributing bitcoin. It is especially useful where the person appointed as Executor is trustworthy and capable, but not already familiar with bitcoin or self-custody.

This document may not be needed in every case. For example, it may be unnecessary where the appointed Executor is already highly competent in bitcoin custody and estate administration. It may also be unnecessary if the Will-maker has chosen not to provide this type of guidance and is instead relying on simpler arrangements or direct lifetime communication. Whether this document is needed at all, and whether it should be used in full or in shortened form, is entirely a matter for your own judgment.

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institution that can simply reverse a transaction if something goes wrong. Ownership is defined by control of the relevant private key. If the correct key is controlled, the bitcoin can be moved. If it is not, it cannot.

That means what forms part of the estate is not merely an “account” in the ordinary sense. What matters is access and control. In practical terms, what you may inherit as Executor is the ability to locate and control the private keys, recovery materials, devices, and account access needed to administer the deceased’s holdings safely.

These may appear in different forms, including:

- a 12 or 24-word seed phrase;
- a hardware wallet device;
- multisig keys (where multiple keys are required together); or
- an exchange account.

Bitcoin is a bearer asset. Whoever controls the key controls the bitcoin. This creates both opportunity and risk. It allows direct ownership without reliance on a third party, but it also means that errors, carelessness, or disclosure to the wrong person can lead to irreversible loss.

## **WHY THE DECEASED MAY HAVE CHOSEN THIS SETUP**

Many bitcoin holders place a high value on direct ownership and may have deliberately structured their affairs to avoid unnecessary dependence on banks, exchanges, or custodians.

They may have valued financial sovereignty, meaning control without third-party permission; privacy, meaning reduced unnecessary disclosure of their affairs; and self-custody, meaning they retained direct control of their own keys rather than leaving assets with an institution.

This often means the system they created will look different from a traditional financial arrangement. You may encounter seed phrases, hardware wallets, passphrases, multisig arrangements, or separate layers of information spread across different documents and locations. That can look complex at first glance. Complexity, however, does not necessarily mean disorder. In many cases, it was deliberate and intended to increase security or privacy.

As Executor, it is important not to assume that a structure is incomplete or mistaken merely because it is unfamiliar. Take time to understand the setup before acting. A careful review of all estate planning documents is usually essential before any recovery attempt, wallet restoration, or movement of funds is considered.



## THE ESTATE DOCUMENT SET

High-quality bitcoin estate plans usually separate information by sensitivity. This is deliberate. Not every document should contain everything, and not every person should have access to the same information at the same time.

- Will: Public. Grants your authority.
- Letter of Wishes: Private. Explains the deceased's preferences.
- Digital Asset Inventory: Sensitive. Lists holdings, custody types, devices, and locations.
- Technical Roadmap: Top secret. Contains access instructions or locations of keys.

These documents should be cross-referenced together. One document alone may not tell the full story. For example, the Will may confirm your appointment, the Digital Asset Inventory may identify a hardware wallet and where it is stored, and the Technical Roadmap may explain that the wallet also requires a passphrase or an additional key. If you read only one document in isolation, you may misunderstand the arrangement entirely.

The deceased may also have left separate notes, password records, device PIN instructions, or contact details for a trusted adviser such as Dale Warburton or another competent bitcoin-native adviser who has been independently vetted through proper due diligence. Those materials should be reviewed carefully and treated as part of the broader administration context.

## FIRST PRINCIPLES FOR EXECUTORS

The following principles should guide your conduct from the outset:

- Stay calm. Bitcoin does not expire. Speed creates risk.
- Secure first. Control physical access before anything else.
- Privacy matters. Limit disclosure. Do not discuss holdings unnecessarily.
- Do not improvise. Follow documented instructions. Do not experiment.
- Do not sell by default. Consider the Will, tax, and the deceased's intent.
- Do not commingle. Never mix estate bitcoin with your personal wallets or accounts.
- When in doubt, pause. Seek competent bitcoin-native advice.
- Document everything. Record addresses, dates, txids, fees, and reasons for decisions.



These are not merely best-practice suggestions. In bitcoin administration, they are central risk controls. Most serious mistakes occur when someone moves too quickly, assumes they understand more than they do, or treats bitcoin as if it were a conventional online account. It is not. Deliberate process and disciplined restraint are often far more important than technical confidence.

## **IMMEDIATE ACTIONS: FIRST 24–72 HOURS**

This is often the highest-risk period. People may be grieving, practical pressures may be building, and devices or documents may still be accessible to others. Act deliberately and avoid panic.

- Secure physical access: Lock down the home, office, safes, and deposit boxes. Limit access to authorised persons only.
- Gather documents: Locate the Will, Letter of Wishes, Digital Asset Inventory, Technical Roadmap, and any password records.
- Identify devices: Note any hardware wallets, phones, laptops, tablets, and USB drives. Do not plug them in or power them on unless and until there is a clear reason and a safe process for doing so.
- Do not digitise secrets: Never photograph, scan, email, text, or store seed phrases in the cloud.
- Establish a safe workspace: Use a clean, secure laptop and avoid public WiFi or uncontrolled environments.
- Consider engaging a Digital Asset Adviser specialising in bitcoin self-custody, such as Dale Warburton, or another competent bitcoin-native adviser who has been independently vetted through proper due diligence.
- Inventory without spending: List what you find, where you found it, and what it appears to relate to. Do not restore seed phrases or move funds yet.

The goal during this period is preservation and understanding, not action for its own sake. In many estates, the safest thing an Executor can do early on is secure the environment, gather the information, and slow the process down until the full picture is understood.

## **UNDERSTANDING CUSTODY TYPES**

The deceased may have used one or more of the following arrangements. It is important to identify which type you are dealing with before taking any action, because the correct administration pathway may differ significantly



depending on the custody model. These are outlined fully in Annexure A, attached.

## **CRITICAL RECOVERY CONCEPTS**

There are several concepts that Executors commonly overlook. This may lead to incomplete recovery attempts or serious misunderstandings about what the estate actually controls.

**Passphrase:** The same seed phrase used with a passphrase can open a completely different wallet from the seed phrase alone. Always check the Technical Roadmap and supporting records carefully.

**Descriptors/Wallet Files:** Modern wallets may require configuration files, extended public keys, script information, or coordinator data in addition to the seed itself. A seed phrase alone may not tell the whole story.

**Multisig Quorum:** In a multisig setup, one key is generally not enough. What matters is whether the required quorum can be assembled safely and lawfully.

**Hidden Wallets:** A visible balance may be only part of the arrangement. Some setups intentionally separate visible funds from the main holdings.

**Watch-Only First:** Where possible, inspect balances and structure without signing transactions or exposing private keys.

The central rule is this: do not assume recovery is complete until all documents and custody details have been reconciled. A partial recovery can create false confidence, and false confidence is dangerous in bitcoin administration.

## **SAFE ADMINISTRATION WORKFLOW**

The safest approach is to follow a disciplined sequence and not skip ahead simply because something appears straightforward.

**Inventory:** List all wallets, devices, seed phrases, accounts, and related materials. Label each by discovery location and apparent function.

**Secure:** Store seed phrases in sealed envelopes or other appropriate secure storage. Keep devices in a locked container with access restricted to authorised persons only.

**Inspect:** Use watch-only or otherwise safe methods to confirm balances and wallet types before attempting any spend or restoration.



**Confirm Path:** Cross-check all documents and identify any missing pieces, such as a passphrase, coordinator details, multisig keys, or exchange account access requirements.

**Decide Action:** Consider whether the proper course is to hold, sell, or distribute in specie. That decision should be informed by the Will, any Letter of Wishes, the estate's practical needs, and appropriate tax or legal advice where required.

**Execute Safely:**

- Engage a bitcoin self-custody specialist if you are not sufficiently qualified;
- Verify addresses on the hardware wallet screen where applicable;
- Use a test transaction where appropriate; and
- Document the txid, date, fee, and reasons for the transaction.

A careful workflow protects not only the asset, but also the Executor. Good process demonstrates prudence, reduces avoidable loss, and creates a proper record of administration decisions if they are ever questioned later.

## **HIGH-RISK MISTAKES AND SCAMS**

**Bitcoin attracts sophisticated attackers** because transactions are generally irreversible and control of a secret often equals control of the asset. Executors should therefore assume that any moment of confusion, urgency, or overconfidence creates an opening for error or exploitation.

**Seed Exposure:** Typing or photographing a seed phrase can result in instant theft. Never enter it into a website, and never expose it digitally unless you are following a safe process with the support of a qualified professional who has been independently vetted through proper due diligence.

**Impersonation:** Fake exchange support, fake wallet support, and fake recovery providers often create urgency or confusion. Verify all contact details through known and trusted channels.

**Malware:** Compromised devices can alter copied addresses, log keystrokes, or exfiltrate wallet data. Use clean devices and controlled environments only.

**Fake Recovery Services:** Anyone claiming they can “unlock” or “recover” bitcoin in exchange for your seed phrase should be treated with extreme suspicion. Work only with reputable, established, bitcoin-only specialists who have been carefully vetted.

**Urgency:** Statements such as “act now or lose the funds” are often warning signs. Act calmly, carefully, and deliberately.



Over-Disclosure: Telling family, friends, or casual advisers too much about holdings can create unnecessary risk.

Beneficiary Pressure: A beneficiary may push for quick transfer or immediate sale. Do not allow pressure to replace process. Verify authority, readiness, and the correct administration path first.

If compromise is suspected, stop immediately. Secure what you can, document what has occurred, and seek expert assistance before moving anything. A rushed attempt to fix a problem can make matters worse.

## **DISTRIBUTION AND BENEFICIARY HANDOVER**

There are several possible administration outcomes, and the right one will depend on the Will, the estate's obligations, the deceased's preferences, the beneficiaries' preparedness, and any tax consequences that may arise.

Hold: In some cases, temporary retention may be the most prudent course while the estate is administered or while advice is obtained.

Sell: Sale may be required or preferred in some estates, but this can have tax, record-keeping, and timing implications.

In Specie: Direct transfer of bitcoin to a beneficiary may better preserve the deceased's intentions and may avoid unnecessary liquidation, but it should only occur where the beneficiary is properly prepared to receive and secure it.

Before transfer:

- Confirm the beneficiary has a secure wallet.
- Verify the address three or more ways where practical.
- Consider a small test transfer first.
- Document everything.

Do not assume a beneficiary understands bitcoin simply because they say they do. If the asset is to be transferred in specie, it is often prudent to ensure they understand wallet control, seed phrase protection, and the irreversible nature of transactions before final transfer occurs.

## **AUSTRALIAN PRACTICAL MATTERS**

In Australia, the administration of bitcoin within an estate may involve familiar estate processes combined with additional record-keeping and practical issues specific to digital assets.



**Authority:** Probate or Letters of Administration may be required when dealing with exchanges, custodians, or other third parties.

**Records:** Keep clear records of date-of-death values, disposal dates, transaction IDs, fees, and AUD equivalents where relevant.

**Tax:** A sale or disposal may have capital gains tax implications. Obtain appropriate tax advice. That analysis is not covered in this guide.

**Exchanges:** If an exchange is involved, expect identity verification, account review, and possible delay. Prepare identification documents and supporting estate papers early.

Even where self-custody is involved, the Australian administration context still requires careful documentation. Strong records support proper estate accounting, informed tax advice, and defensible decision-making.

## **EXECUTOR CHECKLISTS**

The following checklists are intended to help you confirm that the key administration steps have been completed in a sensible order.

Within the first 72 hours:

- premises secured;
- all docs gathered;
- devices identified (not powered);
- no secrets digitised;
- safe workspace established; and
- inventory started.

Before any bitcoin movement:

- full docs reviewed;
- custody type confirmed;
- all keys/pieces located;
- addresses verified offline;
- test tx planned;
- records prepared; and
- advice obtained if needed.

Before distribution:

- Will or Letter of Wishes followed;
- beneficiary readiness confirmed;
- tax implications considered;



- final records complete; and
- transaction executed and documented.

## **CLOSING**

As Executor, you are temporarily stewarding a unique asset that requires discipline, privacy, and care. Bitcoin is not inherently impossible to administer, but it is unforgiving of carelessness, haste, and misplaced confidence.

This guide is intended to equip you with the practical mindset needed to secure the asset, avoid common pitfalls, and fulfil your duties responsibly. Where the path is unclear, it is entirely appropriate to pause and seek assistance from [Dale Warburton](#) or another competent bitcoin-native adviser who has been independently vetted through proper due diligence.

When administration is complete, store your records securely and ensure the estate file clearly reflects what was located, what action was taken, and why. A careful Executor does not merely complete transactions. A careful Executor preserves value, reduces risk, and leaves a defensible record of prudent administration.



## ANNEXURE A: DIFFERENT TYPES OF BITCOIN CUSTODY

Type	Description	Executor Notes	How Access Works
<b>Exchange (Custodial)</b>	Bitcoin held by a third-party company or exchange rather than directly in the deceased's own wallet. Examples include <b>HardBlock</b> , <b>Amber</b> , and <b>PayBTC (Australia)</b> .	Look for exchange accounts, account emails, app logins, SMS or email verification methods, and any linked identity documents. Contact the platform and ask for its deceased estate or probate process. Prepare for delays, KYC checks, frozen access, and requests for probate, death certificate, Executor ID, or certified documents. Record the exchange name, support contact, login email, and whether 2FA is enabled.	<b>Company controls the keys.</b> Access depends on the platform approving the estate process and releasing control.
<b>Hot Wallet</b>	Software wallet connected to the internet, typically on a phone or computer. Examples include <b>BlueWallet</b> , <b>Muun</b> , and <b>Sparrow</b> when used on an internet-connected device.	Look for a wallet app on the phone or desktop, seed phrase backup, app PIN, device passcode, and any cloud or encrypted backup. These wallets have higher malware and compromise risk than offline setups. Confirm whether the wallet is self-custody or linked to another service. If the device is damaged, lost, or compromised, recovery may depend entirely on the seed phrase and any passphrase.	<b>One key controls spending.</b> Access usually comes from the device itself or recovery with the seed phrase.



## ANNEXURE A: DIFFERENT TYPES OF BITCOIN CUSTODY CONTINUED

Type	Description	Executor Notes	How Access Works
<b>Hardware Wallet</b>	A dedicated offline signing device used for self-custody. Examples include <b>Coldcard, Trezor,</b> and <b>Jade</b> .	Look for the physical device, recovery seed, PIN, any backup device, and setup instructions. Also check whether it was used with companion software such as <b>Sparrow</b> or another wallet interface. The device alone is not enough if the seed or passphrase is missing. If a passphrase was used, funds may not appear unless the exact passphrase is entered. Store and handle all components separately and carefully.	<b>One key signs offline.</b> Access usually requires the device or the recovery seed, and sometimes a passphrase as well.
<b>Single-Sig + Passphrase</b>	A single-signature wallet that uses one recovery seed plus an additional BIP39 passphrase, sometimes called a "25th word." This may be used with wallets such as <b>Coldcard, Trezor, Jade, BlueWallet,</b> or <b>Sparrow,</b> depending on setup.	Look for both the <b>seed phrase</b> and the <b>separate passphrase</b> . The passphrase creates an entirely different wallet, so the seed alone may open a valid-looking wallet that does not contain the intended funds. Check for written hints, hidden wallet references, password manager entries, or instructions describing a "25th word," "hidden wallet," or "passphrase wallet." Exact spelling matters.	<b>One key plus a passphrase.</b> The seed alone is not enough if a passphrase-protected wallet was used.



## ANNEXURE A: DIFFERENT TYPES OF BITCOIN CUSTODY CONTINUED

Type	Description	Executor Notes	How Access Works
Multisig	Wallet requiring multiple keys to spend. May involve a collaborative custody partner or platform. Common structures include <b>2-of-3</b> and <b>3-of-5</b> , often coordinated through <b>Nunchuk, Unchained, Casa, Theya, or Sparrow.</b>	<p>Look for multiple hardware wallets, multiple seed phrases, key labels, multisig setup files, wallet descriptors, and apps such as <b>Nunchuk</b> or <b>Sparrow</b> on phone or desktop.</p> <p>Determine the signing quorum required and identify where each key is stored and who controls it. Some keys may be with the owner, some in secure storage, and some with a collaborative custody provider.</p> <p>Executor should locate all relevant devices, seeds, and account relationships before attempting recovery.</p>	<b>Multiple keys are required.</b> Funds can only be moved when the required signing quorum is met, such as <b>2 of 3</b> keys.



## ANNEXURE A: DIFFERENT TYPES OF BITCOIN CUSTODY CONTINUED

Type	Description	Executor Notes	How Access Works
<b>Collaborative Custody</b>	A multisig setup where one or more keys are held by the owner and one or more by a specialist provider. Common providers include <b>Nunchuk, Unchained, Casa,</b> and <b>Theya.</b>	Look for provider accounts, onboarding emails, service agreements, app access, recovery instructions, and references to shared or assisted custody. Confirm what the provider holds, what the deceased held, and what the Executor must supply. The provider may help coordinate recovery, but it usually cannot recover funds without the required client-side keys, documents, or approvals. Record support contacts, account identifiers, and any key-location notes.	<b>Keys are shared between the owner and a provider.</b> Access depends on both the documented setup and the required signing quorum.
<b>Spending Wallet</b>	A smaller wallet used for regular transactions rather than long-term savings. Often mobile-based and sometimes Lightning-enabled. Examples include <b>Wallet of Satoshi, AQUA, BlueWallet,</b> and <b>Muun.</b>	Look for wallet apps on the deceased's phone, transaction history, Lightning balances, small on-chain balances, and signs that this wallet was only for day-to-day use.  Check whether it is custodial or self-custody. Do not assume this wallet represents the person's full bitcoin holdings.  Estate instructions should clearly distinguish between "spending bitcoin" and long-term savings stored elsewhere.	<b>Usually one wallet for everyday spending.</b> This may be separate from the main long-term bitcoin storage setup.

**IMPORTANT NOTICE:** This kit is for informational and organisational purposes only. It does not constitute legal, financial, tax or investment advice. Laws governing wills, estates and digital assets vary significantly by jurisdiction. You should seek independent legal advice before executing your Will. My Bitcoin Will and its related documents are provided without warranty of any kind.

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Because this document does not dispose of assets and is not a prescribed legal form, there is no single required format or mandatory content. This template is only a foundation. You may amend it as needed, shorten it, expand it, remove sections, add

sections, or tailor the explanations to suit your own holdings, your chosen Executor, and the complexity of your arrangements. If there are matters that are irrelevant, they can be deleted. If more explanation is needed, it can be added. If there are particular warnings, preferences, or practical instructions you want included, you should include them. The document should be made to fit the actual circumstances rather than followed mechanically.

You should also use common sense when deciding how much detail to provide. In some cases, a short and simple guide will be enough. In others, more detailed explanation may be appropriate, especially if the Executor is not bitcoin-native, if the custody setup is more sophisticated, or if you want to reduce the risk of confusion or poor decision-making. The aim is not to produce the longest possible document. The aim is to produce a useful and understandable one.

You may provide this document to your Executor in printed form, keep it with your estate documents, or convert it to PDF and store or circulate it that way if you prefer. The method of storage and delivery is entirely your decision. What matters is that the right person can access it at the right time and understand its purpose.

**Once you have read this note and finalised the document to your satisfaction, delete this guidance note and all other comments from the document before using it, printing it, sharing it, or saving it as a final PDF or Word version.**