Effective Family Wealth Planning

Family Wealth Planning – The Dixcart Group has over forty-five years' experience in assisting clients to run and manage Family Offices.

By **Paul Webb**, 14th May 2019

Dixcart Expertise in Family Wealth Planning

The Dixcart Group has over fifty years' family wealth planning experience and assists clients in running and managing Family Offices.

We are very familiar with the issues facing families in this ever-changing international world and have extensive experience in providing trustee services in a number of jurisdictions.

We take time to establish and develop close relationships with the relevant family and with the other professionals advising them. As well as providing technical expertise in terms of structuring we also understand family dynamics and frequently assist in offering advice as to how to improve communication and how to avoid potential conflict, before it happens.

Recent Changes

Recent changes in terms of global tax regulations and increasing international tax transparency are vital to take into consideration in relation to the implementation of strategies to preserve family wealth and family business ownership structures.

Relatively new global regulations include: Common Reporting Standard ('CRS'), the US Foreign Accounting Tax Compliance Act ('FATCA'), and numerous ultimate beneficial ownership registers, which have been implemented across a variety of jurisdictions.

What are the Key Considerations to Achieve Effective Wealth Management?

Please see below the key areas that need consideration in relation to the management of wealth and succession planning, and the type of reviews that need to take place on a regular basis.

Succession and Inheritance Planning

- Set up or review policies and procedures to ensure the adequate preservation and transfer of wealth to the next generation.
- Review the ownership structure of any family businesses and other relevant assets.
- Understand how relevant local laws would apply, in relation to inheritance (for example; Civil Law, Shari'a Rules etc.).

Structuring and Tax Advice

- Consider where all relevant family members are resident and also tax resident.
- Consider or review structuring options (e.g. use of holding companies and/or family wealth protection vehicles such as family investment companies, foundations, trusts, etc.
- Review international investment structures, including the holding of real estate, from a tax and asset protection perspective, in particular in relation to 'BEPS'.

Confidentiality Management

A procedure needs to be developed to deal with relevant confidential information requests from financial institutions and third parties.

Family Governance

- Successors need to be identified and their role discussed with them.
- Develop open communication amongst family members regarding decision making strategies and processes.
- A 'Family Constitution' is a useful way to formalise family governance and to prevent potential future conflict.
- Create or identify education and training programmes to groom the next generation.

Contingency Planning

Rules and procedures (such as shareholder agreements or trust documentation forming a 'Family Constitution') should be in place to protect the family business in the case of unexpected events:

- Policies and procedures to underwrite business continuity.
- Use of appropriate legal structures to provide as much asset and wealth protection as possible.
- Consider residency programmes in reputable jurisdictions, to provide opportunities for the tax residence of family members to potentially be diversified.

Family Office Advisory Services

- Consider the segregation of the family's wealth from the family business(es).

- Develop a strategy regarding the use of the profits derived from the family business and investments, that is not going to be re-invested.

- Create a team to manage the wealth (a Family Office).

Additional Information

If you would like further information regarding a well-considered and comprehensive approach towards succession planning, please speak to your usual Dixcart contact or to a member of the professional team at the Dixcart office in the UK: advice.uk@dixcart.com.

Please also see our Private Client page.