

Moving Location – A Critical Time to Plan Succession

Moving location from one jurisdiction to another gives wealth owners the opportunity to restructure the ownership of family wealth for succession planning.

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Wealth – a Responsibility

The transfer of wealth to the next generation is a critical issue. The ability and understanding of the next generation as to how to deal with the organisation and management of the wealth being passed to them is also a vital consideration.

A family's financial wellbeing can be lost or reduced in disputes over control and management of the wealth. Unfortunately the old English expression "from rags to rags in three generations" can often become true.

Planning is Critical

Extensive initial planning, during the lifetime of the creator or current custodian of a family's wealth, needs to take place to ensure that the next generation successfully receives, manages and enjoys the wealth. The next generation must also understand the benefits to be gained by accessing appropriate professional expertise to protect and preserve their inheritance.

In situations of substantial family wealth it is fundamental for a successful transfer of the wealth, to establish an atmosphere of trust and communication between the members of the family. In addition, an understanding of the issues to be addressed with long standing and trusted professional advisers should be considered. It can be of great value to organise a family office structure either in conjunction with a professional advisory firm or independently.

Importance of the Availability of Family Office Services in a Number of Jurisdictions

During the past forty-five years, the Dixcart Group has developed the ability to establish family office structures through a number of Dixcart offices in a variety of jurisdictions.

This has enabled family offices, which are managing the wealth of international families, to develop holding and investment structures in a tax neutral manner. This is key as family members often live in different jurisdictions, experiencing a variety of taxes and with each jurisdiction demanding a different structuring approach.

A Changing World: Challenges and Opportunities

The transparency of ownership within international investments places greater emphasis on suitable and robust investment structures. Where the access to wealth is publicly acknowledged and disclosed this can potentially create a personal security problem for many wealthy individuals, which can provide motivation for individuals to move jurisdiction.

Changes to taxation expectations around the world are also now dictating the movement of individuals to jurisdictions where the imposition of tax has less impact than in the countries in which they currently live.

This movement of family members around the world presents opportunities to:

- Put in place tax neutral structuring of investment positions for the benefit of the current generation
- Provide the initial overview and planning necessary to ensure the responsible maintenance, management and distribution of the wealth to the next generation

What is Dixcart's Approach?

Dixcart works with each family wealth structure to coordinate communication with the family and to provide access to, and liaison with, additional independent, professional advisers.

Plans can be put in place to allow for changes in a family's structure and relationships to be recognised. Dixcart can coordinate variations in structure to accommodate individual and specific family wishes, whilst complying with the overall family office policy.

Summary: Appropriate Structures and Effective Communication from the Start

As wealth owners move from one jurisdiction to another, an opportunity to restructure the ownership of family wealth for succession planning purposes presents itself. Simultaneously, this provides an opportunity to implement the initial organisation of an ongoing family office and the tax neutral organisation of family affairs.

When wealth passes down generations, openness between the family, together with effective communication and coordination, will help to ensure that potentially destructive family disputes are avoided or, at minimum, are more easily contained.

Additional Information

If you would like further information regarding effective structuring and planning for inheritance please speak to your usual Dixcart contact or to one of the professional advisers in the UK office: advice.uk@dixcart.com.

Please also see our [Dixcart Domiciles](#) page.