

The Benefits of Establishing a Family Office in Cyprus

Families are becoming more and more mobile. There are many attractive residence schemes available around the world, which have added to the popularity of moving to different countries.

By **Charalambos Pittas**, 20th September 2023

Introduction

Families are becoming more and more mobile. There are many attractive residence schemes available around the world, which have added to the popularity of moving to different countries. As this trend continues the management and control of family wealth across jurisdictions becomes even more vital.

Cyprus is well known as a lively international business centre, with a straightforward and attractive tax regime for foreign investors. Its geographical location, advanced infrastructure, business orientated environment and high level of professional services, are all factors that contribute to the benefit of establishing a Cyprus Family Office that can be used to preserve and grow the Family's wealth for the next generation.

What is a Family Office?

A family office is generally a private company engaged by a single family or a group of families to manage all of their financial and legal affairs.

What Services are Offered by a Family Office?

Family office services generally involve the management of the following activities:

- Accounting and reporting: the family office needs to provide timely and accurate accounting, tax and performance reporting.

- Assistance in avoiding Intergenerational conflict.

- Direct investments: many families will have made their money through operating a business, real estate developments, private equity investing or entrepreneurial activities. These skills can be applied to increase the family's wealth through direct investments in similar enterprises.

- Education of younger generations about their future responsibilities.

- Investment management: a primary task is to manage the wealth effectively, on a large scale and over many decades. This is probably the most challenging and critical issue for most families.

- Management of a family-owned business: a forum for discussing how such a business will be managed and governed.

- Philanthropy: the pursuit of fulfilling charitable projects for the family.

What Should you be Looking for in a Family Office Provider?

There are a number of important points to take into account when selecting a provider of family office services, including,

professional expertise; in asset management, taxation and succession planning.

Other important factors to consider are:

- A legal or fiduciary professional who is not tied in to any one bank, investment manager or fund adviser. This helps to ensure impartiality of advice and allows for the selection of appropriate third-party support, free from any conflict of interest.

- Providers who have multi-jurisdictional coverage either through their own offices or through a global network or association membership. This helps achieve a well-coordinated organisation of a family's global affairs.

- A provider with proven experience in dealing with family office positions or, at minimum, complex, multi-jurisdictional and multi-generational structures.

Provision of Family Office Services by Dixcart

Dixcart Cyprus is experienced in offering Family Office services to its clients. At Dixcart Management (Cyprus) Limited we are happy to gain an in-depth understanding of your needs and to propose appropriate structures, and support for your Family Office.

If you require any additional information, please speak to your usual Dixcart contact or to the Dixcart office in Cyprus: advice.cyprus@dixcart.com.

The data contained within this Information Note is for general information only. No responsibility can be accepted for inaccuracies. Readers are also advised that the law and practice may change from time to time