Using Cyprus as a Centre for Managing Family Wealth

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By **Jake Magell**, 6th March 2024

Introduction

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

Cyprus is a well-established 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 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.

- Advisory services: Efficient structures to suit your family's needs, whether that be asset protection, tax efficiencies or global mobility.

- 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: 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.

- Additional 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.

How Can Dixcart Cyprus Help You?

Dixcart is a family owned and run business, as a result we understand the needs of a family better than most. With over 50 years of experience in the sector, we have a wealth of knowledge in assisting families, and our teams offer in-depth expert knowledge on the local regulatory framework, along with the backing of our international group of offices, to help us find the perfect solution for you.

At Dixcart we believe that every family is different, and so we treat them as such. We are happy to gain an in-depth understanding of your needs in order to propose appropriate structures, and support for your specific requirements.

Cyprus as a jurisdiction doesn't just offer year-round sun. It also has a wealth of beneficial tax incentives that are perfectly tailored to suit the needs of a family office, such as 0% income tax on dividends, interest and capital gains for both corporates and individuals. There is also no inheritance tax or wealth tax.

If you're interested in opening a family office, please contact us. We will be happy to answer any questions you have and assist in future proofing your family wealth; advice.cyprus@dixcart.com.

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