PRESERVING INTERGENERATIONAL WEALTH: EFFECTIVE PLANNING STRATEGIES & SOLUTIONS

hubbis

SUMMARY

Asia's founder generations are ageing, and the second generation and also the third generations (often armed with their Western educations and perspectives) are inheriting vast private investment wealth and taking control of numerous family enterprises. They are also at the cutting edge of Asia's next wave of economic uplift. According to Russell Reynolds Associates, some 85% of the companies in the Asia Pacific region were family controlled. In the Middle East, that number is even higher at around 90%, according to media sources in that region. In Europe that figure is far lower, at an estimated 60%, with most of the very largest businesses listed and with ownership and management control spread much more widely. Moreover, recent McKinsey research indicated that over 40% of the world's largest corporations were in Asia.

SPEAKERS

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TRIDENT TRUST

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SETTING THE SCENE: ESTATE & LEGACY PLANNING ADAPTS TO THE NEW WORLD OF OVERSIGHT

Estate, succession and legacy planning and solutions are therefore of increasing importance across Asia, where wealth management practices, professionalism and structures are expanding and improving apace. The opportunity is simply vast.

The mission for the panel of experts at the Hubbis Digital Dialogue of January 18 was to highlight the key trends and articulate how estate and wealth structuring is developing to help these HNW and UHNW families plan appropriately for their collective futures. They sought to help unravel the nuances of the right approaches and how the wealth industry and associated advisors can encourage private clients in the region to adopt the best products, solutions and structures to safeguard and build their investible wealth in their lifetimes as well as to help facilitate the transition of their estates to their future generations.

But to achieve all those objectives, immense attention to detail is needed. The panel analysed the regulatory infrastructure and environments in the region to determine what liberalisation is taking place that will help more of the advice and solutions to be given and then expedited. They looked at key structures, the role of offshore and onshore entities, the role of trusts and trustees, and life insurance and analysed how to pull all these strands together into cohesive, effective solutions.

They also looked at the rising professionalism in the wealth industry around estate planning, as the banks and advisors strive to keep their private clients engaged and to retain their client relationships amongst the next generations of clients. This is also entirely true for the lawyers, consultants and fiduciary service providers who help these families articulate and execute their wealth structuring and succession planning objectives.

The Estate & Legacy Planning Environment in Asia

Asia's ultra-high-net-worth (UHNW) families are navigating a labyrinth of compliance, regulation, and global interconnectivity. The landscape has evolved dramatically, moving from simple corporate and never-questioned fiduciary structures to a regime where transparency, complex legal frameworks, and the need for diversification rule the day.

The end of simpler days in estate planning is marked by increased administrative requirements and costs. Gone are the times when setting up a business entity in jurisdictions like the British Virgin Islands (BVI) was a straightforward, low-cost affair. Today, economic substance requirements, additional accounting disclosures, and the like have escalated the complexity and expense of managing such entities. This shift underscores the importance of simplification and diversification in wealth management strategies for UHNW individuals.

Open season on any structures?

The thrust towards transparency, fuelled by initiatives like the Common Reporting Standard (CRS), has made the sharing of financial information across jurisdictions a new norm. This environment necessitates professional guidance to navigate the disclosures carefully, ensuring that families are not caught off guard by regulatory inquiries.

Globalisation compounds these challenges, with family assets and members scattered across the globe. Advisors must be vigilant, ensuring that structures and solutions are aptly suited to the changing circumstances of the family, such as relocation and its tax implications.

The complexity of the global situation demands robust planning and timely remediation of structures to adapt to family evolution, regulatory changes, and shifting government policies. For instance, changes in the UK's resident non-domicile regime highlight the need for proactive planning in anticipation of regulatory shifts.

Including trusts?

In Asia, the role of trusts and foundations in wealth structuring is undergoing scrutiny. The expansion of the Financial Action Task Force's (FATF) oversight to trusts signals a potential for more transparent trust registers. This shift could dramatically impact the privacy and beneficial ownership structures that trusts have historically provided.

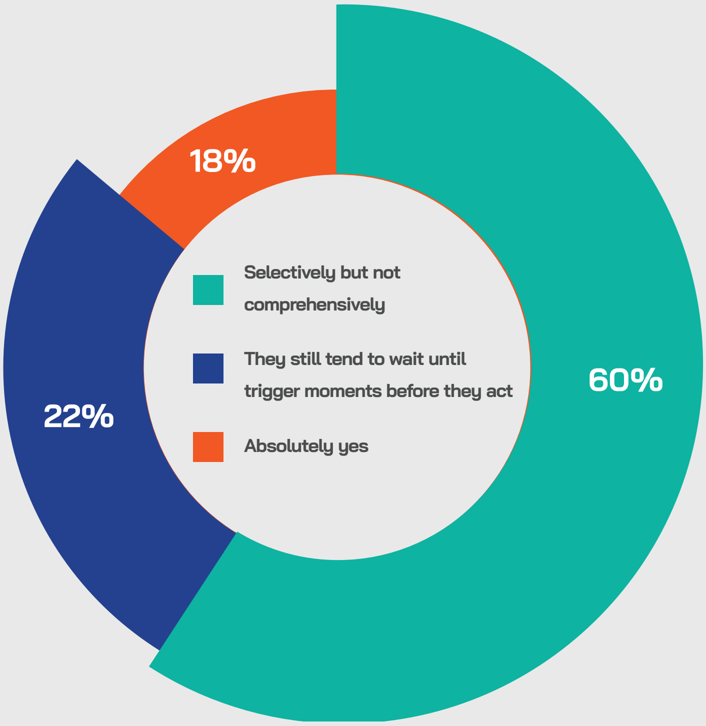
The dialogue around estate and legacy planning in Asia also touches on the importance of involving the younger generations early in the planning process. With the vast wealth transition from founders to successors being a delicate affair, fostering open communication, education, and mutual understanding between generations is crucial. Advisors play a pivotal role in bridging the generational gap, offering customised plans that cater to the unique needs and goals of each family.

Where to go?

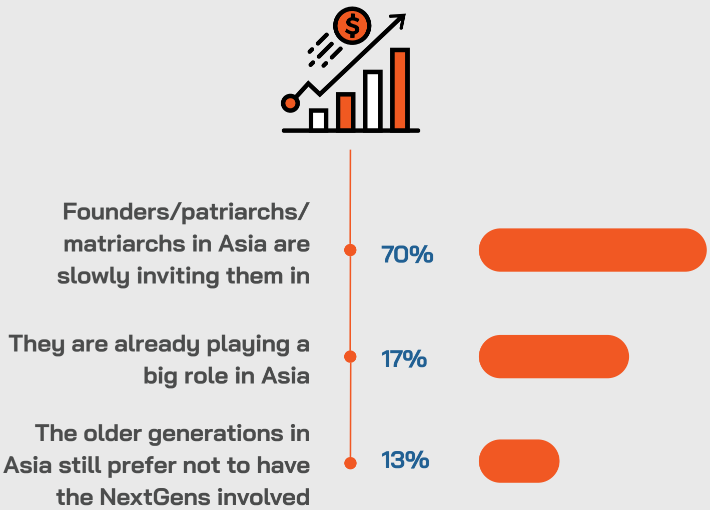
Jurisdictional preferences for wealth planning and trust structures among Asia's private clients reveal a strong inclination towards Singapore and Hong Kong, attributed to their political stability, robust legal systems, and favourable tax regimes. However, the political climate and policy changes prompt

The Hubbis Post-Event Survey

DO ASIA'S HNW AND UHNW FAMILIES APPROACH ESTATE AND BUSINESS SUCCESSION WITH THE RIGHT DEGREE OF PROFESSIONALISM AND URGENCY?



TO WHAT EXTENT ARE THE NEXTGENS PARTICIPATING IN ESTATE/LEGACY/SUCCESSION PLANNING/STRUCTURING ALONGSIDE THE FOUNDER/CREATOR GENERATION?



some families to diversify their estate planning across multiple jurisdictions, taking into account the residency and tax considerations of family members living in different countries.

The discussion also highlights the value of domicile diversification, with experts advocating for acquiring residence or citizenship in alternative jurisdictions as a means of future-proofing families against unforeseen changes. This strategy, coupled with investment in international education and a portfolio of residences, presents a comprehensive approach to preserving multi-generational wealth.

Can you let go?

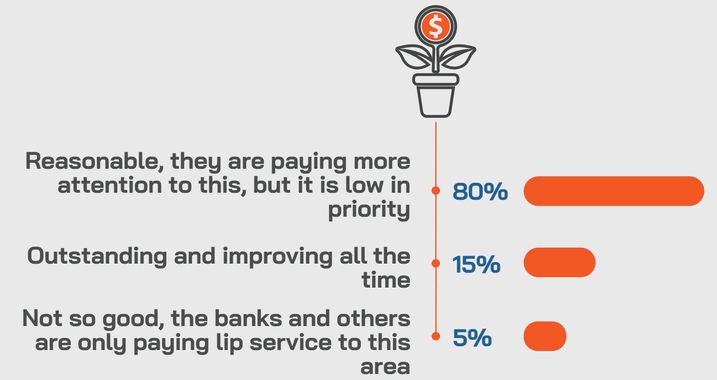
In the tightening global regulatory environment, the balance between control by asset owners and constraints imposed by tax and regulatory frameworks has become a focal point. The concept of trustees and directors acting independently rather than merely executing clients' wishes underscores the shift towards more structured and regulated estate planning.

The preparedness of Asia's wealthy families for transitioning assets, businesses, and control to the next generations presents a mixed picture. Factors such as psychological readiness, governance structures, and cultural influences play significant roles. Professional guidance and planning, incorporating structures like family offices and trusts, are deemed essential for a smooth transition.

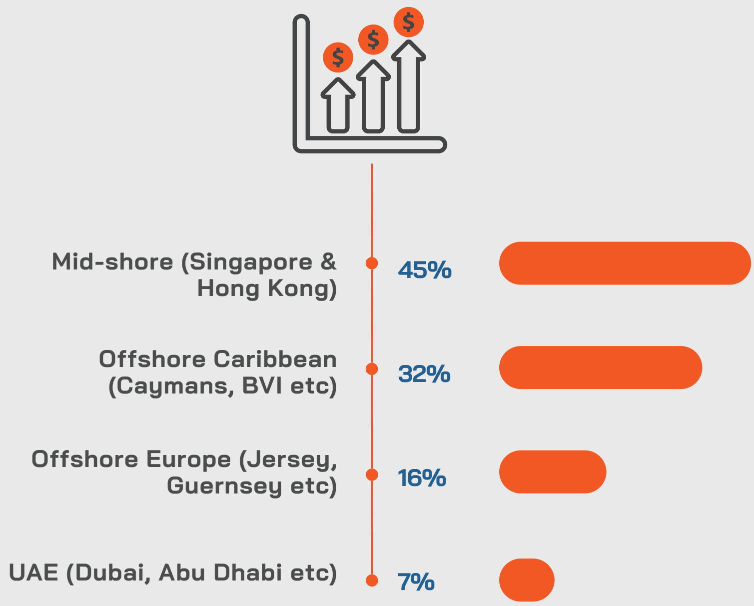
Plans, Structures, Generational Issues - Getting it Right

The myriad of developments and challenges highlighted above

HOW WELL ARE THE PRIVATE BANKS AND INDEPENDENT WEALTH MANAGEMENT FIRMS IN ASIA DOING AT BUILDING EFFECTIVE FAMILY-WIDE, MULTI-GENERATIONAL RELATIONSHIPS WITH A VIEW TO HELPING THESE FAMILIES WITH INTER-GENERATIONAL WEALTH PLANNING & STRUCTURING?



WHICH JURISDICTIONS ARE MOST IN FAVOUR AMONGST ASIA'S WEALTHY FAMILIES IN TERMS OF THEIR ESTATE AND SUCCESSION PLANNING & STRUCTURING?



underscores the pressing issues families must navigate to ensure their legacy's longevity and security. Amidst this complex backdrop, the paramount question emerges: What must families think about in order to get estate and legacy planning right in today's world?

The current landscape of managing global assets illuminates the critical need for diversification as an essential strategy in estate planning. Yet, this requirement walks hand in hand with a significant push towards simplification, particularly evident in the rationalisation of corporate structures. The era once dominated by easily managed offshore entities is evolving, giving way to a new reality where economic substance requirements and transparency are not just expectations but norms.

Simplicity in a complex world

This transition period also sees a re-evaluation of traditional estate planning instruments, with trusts and foundations under closer examination. Trusts, while still prevalent, are scrutinised for their complexities and visibility, leading to a noticeable pivot towards foundations, especially in jurisdictions with a civil law tradition where they may offer a more fitting solution. This shift signifies a desire among families to maintain control over their assets in a more streamlined and less cumbersome manner.

For clients embarking on this journey, staying ahead of regulatory changes is crucial. The increasingly stringent regulatory environment demands proactive engagement and timely adjustments to existing structures. Concurrently, the importance of educating the younger generation on estate planning and wealth management cannot be overstated. Initiatives promoting early involvement in philanthropy and governance are critical in ensuring a smooth transition of wealth and control across generations.

Adopting a holistic approach to estate planning is indispensable in navigating the complexities of managing assets and family dynamics across multiple jurisdictions. This comprehensive strategy must consider everything from the tax implications of relocation to the challenges of transferring money offshore, highlighting the necessity of a diversified advisory team equipped to tackle multi-jurisdictional issues.

Expert Opinion

RICHARD GRASBY, Partner, Private Client & Trusts, Appleby:

"We seem to be somewhat at a crossroads. Historically, trusts have been used to bypass ownership issues and avoid probate, but actually, in some areas carried on as before, from the purposes of control. And now, with more scrutiny coming through, then there are questions as to what the trust has actually achieved."
"It is a somewhat refreshing change in some respects to actually have trustees being trustees as opposed to just being effectively glorified nominees. We are seeing this shift. We are seeing challenges from the divorce courts, from creditors pushing back against what essentially are illusory trusts. The result is that clients are increasingly saying they do not want all those powers and control, and that means that probably there might be fewer trusts, and the costs may go up, but also it means that some of the structures become more substantial."

"There is a sort of joining of the dots taking place. With different structures for different purposes, there are multi-jurisdictional issues both from an asset perspective and from a personal perspective. What works in one jurisdiction won't work in all of them. You may be looking at insurance solutions, you may be looking at civil law solutions, you may be looking at trusts. That, in turn, means different advisors, multiple KYC, and so forth. Advisors must also be careful as they clearly cannot be experts in all areas. In short, there is no longer a one-stop shop to solve all these potential issues. You really need to have teams of experts and with global coverage."

Who actually benefits?

Tailoring plans to meet the specific needs and goals of both founders and their successors is fundamental. This customisation necessitates open dialogue, mutual understanding, and the crafting of governance frameworks capable of adeptly managing the complexities of wealth and control transition across generations.

The active involvement of younger generations in the estate and succession planning process is unanimously endorsed by wealth management professionals. Such engagement ensures that planning aligns with the expectations and aspirations of all family members, fostering a shared understanding and readiness for future transitions.

See the experts

Moreover, the move away from a 'do-it-yourself' approach towards leveraging professional protectors and third-party investment mandates marks a significant evolution. This trend towards professionalisation reflects a broader shift towards more structured, regulated, and sophisticated estate planning frameworks. Advisors and specialists should serve as crucial conduits in bridging generational divides, facilitating communication, offering education, mediating conflicts, and aiding in the development of governance structures that reflect the family's collective values and intentions.

Regionally, Asia's private clients display a preference for jurisdictions like Singapore and Hong Kong, recognised for their political and economic stability, robust legal infrastructures, and favourable tax regimes. Nevertheless, there is a growing trend towards diversifying trust structures to better serve the varied residency and tax considerations of family members dispersed across different countries.

Expert Opinion

PAUL KNOX, JPMorgan:

"The days when a BVI company could be set up with minimal annual running costs and minimal administration are over," he said. "The administrative needs are far higher; there are economic substance requirements, additional accounting disclosures, and so forth. The costs of administering entities are increasing and requiring more personal time in administration. Accordingly, the simpler and clearer they can be with their structures, whilst at the same time.

"With the emergence of a new age of transparency, people are increasingly accustomed to having their [declared] information shared amongst jurisdictions," he commented. "This is precisely why they should take professional advice as to what is disclosed, when, and to whom so that there are no surprises if there are requests for additional information."

"There is no magic solution for this, especially if advice is not actioned on. The better firms of fiduciary advisors and lawyers and banks, and the big advisors, generally try and be on top of these issues. But as I cautioned, if a client refuses to confront the issue, they will need to be ready to face the negative implications."

Trusts and Astute Estate & Legacy Planning: Navigating Modern Complexities

In the modern era of wealth and estate planning and management, the concept of trusts has maintained its relevance as a cornerstone of strategic wealth management. These vehicles, rooted in a long tradition of safeguarding assets, are undergoing significant transformations to adapt to the complexities of today's global financial and geopolitical landscape. Trusts, while not inherently thrilling, have proven to be reliable and effective tools in the hands of those who seek to protect and grow generational wealth.

Expanding optionality

The recent geopolitical tensions and shifts in the global finance arena have underscored the importance of strategic trust deployment. High-net-worth individuals, in particular, are increasingly leaning towards diversification, setting up multiple trusts across various jurisdictions. This approach not only aims to mitigate risks associated with geopolitical unrest but also ensures that assets remain accessible and protected, no matter where they are located. The trend towards diversification is a testament to the adaptive nature of trusts in response to external pressures and uncertainties.

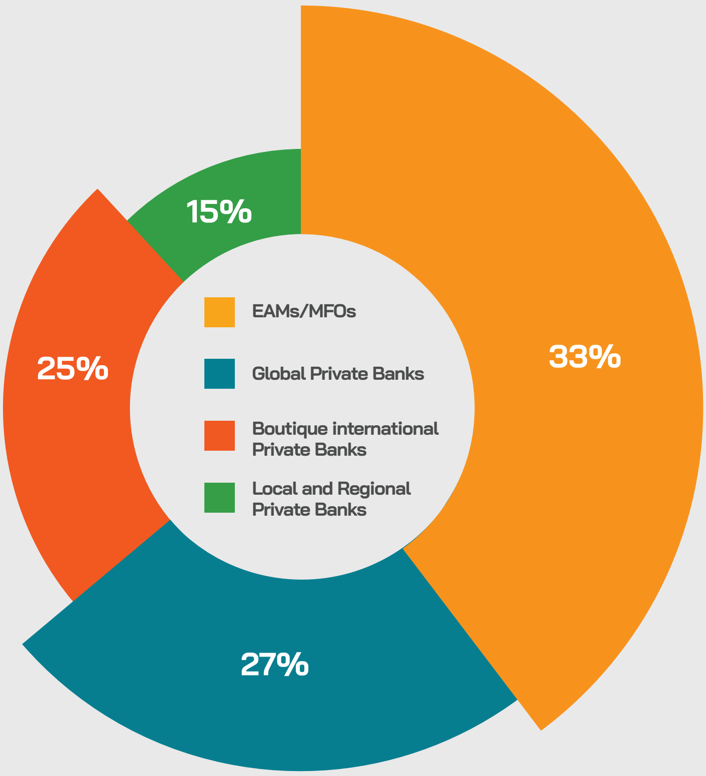
"Clients should also look for mobility," an expert commented. "A trustee with a global presence can support a family as members may spread out in different parts of the world, and hence may require restructuring of the trust within the same umbrella."

Parallel to this, the changing dynamics of family structures and the complexities involved in transferring wealth across generations have prompted a more sophisticated arrangement of trust structures. The emergence of master trusts, supplemented by multiple sub-trusts, addresses the potential for conflicts among beneficiaries by allowing for a customized approach to asset distribution. This innovation respects the unique characteristics of each family branch, ensuring that wealth preservation and succession planning goals are met without disruption.

Trust the experts

Another noteworthy evolution in the trust landscape is the shift towards appointing professional protectors or trusted advisors, moving away from the traditional practice of designating family members for these roles. This change reflects a growing appreciation for impartiality and professional oversight in trust administration, enhancing the trust's effectiveness in achieving its protective and wealth management objectives.

WHICH TYPES OF PROVIDERS ARE DOING THE BEST JOB AT ADVISING ON AND HELPING PLAN FOR SMOOTH ESTATE AND BUSINESS SUCCESSION AND TRANSITION?



The selection of the right trustee is more critical than ever, with the focus on stability, global presence, and a deep understanding of the family's history and evolving needs. The analogy of choosing a family doctor for the trustee selection process highlights the importance of a long-term, informed partnership that will support the family's legacy across generations.

Transparency vital

As trusts continue to play a pivotal role in estate and legacy planning, the landscape is further complicated by increasing demands for transparency. Global initiatives aimed at combating money laundering and terrorist financing are bringing trusts into the spotlight, challenging their traditional confidentiality. The Financial Action Task Force (FATF)'s focus on transparency signals a shift towards more open and regulated trust structures, with significant implications for privacy and the administration of trusts.

The regulatory evolution, driven by a global push for transparency, suggests that the role of trusts in estate planning is set to become more complex. Trusts are adapting to these changes, balancing the legitimate privacy needs of families with the demands of global transparency standards. This delicate equilibrium underscores the need for strategic, flexible, and forward-looking planning in the management of wealth.

On a far tighter and more demanding global regulatory environment that requires robust, prescient planning and smart wealth and estate structuring, an expert commented: "In terms of structures, trusts, and so forth, there is now a real balance between what control the asset owner would like to have and what control the regulatory and tax environment would determine they can actually have. Furthermore, trustees (and directors) always 'doing what they are told' [by the clients] should be a thing of the past."

New versions of an old and trusted song

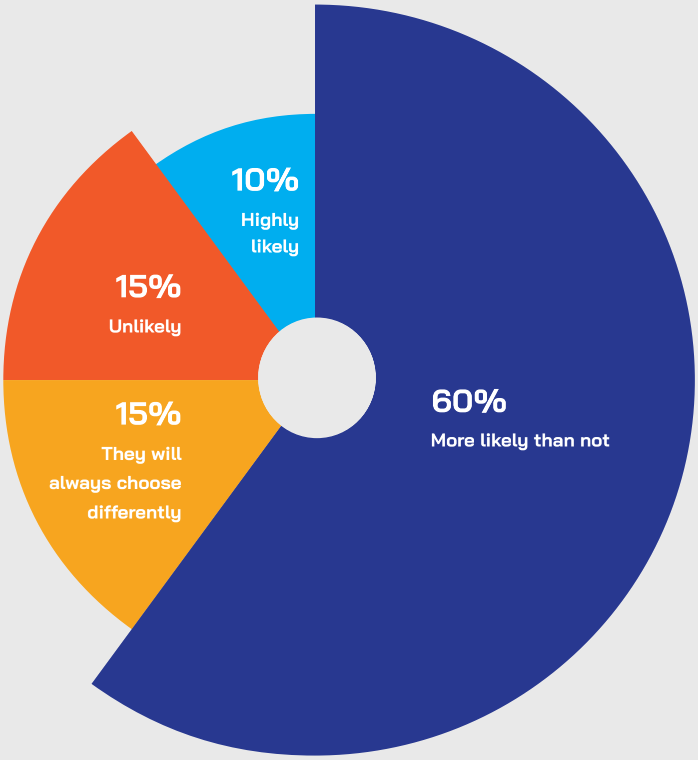
In this new era, the essence of trusts—as tools for wealth preservation and intergenerational transfer—remains unchanged. However, their structures, administration, and integration into broader estate planning strategies are evolving. Trusts are stepping up to meet the challenges of a transparent world, proving that they can still provide robust solutions for those looking to secure their family's future in a changing global landscape. As we navigate these shifts, the principles of diversification, sophistication, and professional oversight continue to be the pillars of effective trust planning, ensuring that legacies are protected and nurtured for generations to come.

Domicile Diversification and its Role in Smart Estate & Legacy Planning

Another expert said he believes that for wealthy clients and their families, the world truly can be their oyster. He ardently advocates that those who can afford to do so should acquire residence or citizenship in alternative jurisdictions, not just for the benefits it brings for the immediate or near future, but also for the decades, even centuries, ahead.

On the true value of investing in optionality through residence and/or citizenship by investment programs, he said: "When it comes to preserving multi-generational wealth and future-proofing your family, you need to ensure you create new opportunities as well as mitigate risks. One of the best investments you can make in this regard is to secure a world-class international education for your children in combination with a portfolio of residences and citizenships that give them personal access rights to a range of jurisdictions. I often ask my clients: If you had USD 10 million to invest in your child's future, would you give them the cash, or would you invest it in their education and a range of investment migration programs that give them the right to live and work in a country or countries where they could possibly turn that into USD 100 million?"

IN YOUR VIEW, HOW LIKELY ARE THE NEXTGENS TO BE LOYAL TO THE PRIMARY PRIVATE BANK OR EAM/MFO FAVOURED BY THE FOUNDER GENERATION?



Regulation and tax driving better structuring

Estate, legacy, and succession planning are especially topical in a world of intensifying regulation, greater scrutiny, and diminishing privacy. Wealthy families are becoming acutely aware of the limitations of only having one citizenship, particularly where they are allowed to hold dual or multiple citizenship.

"We certainly advise these families that limiting themselves in such a way is not a sensible approach," he explained. "Domicile diversification is very valuable at any time, especially in an uncertain world. We are active across major developed countries, such as the USA, which is now our biggest single market, and across emerging or less stable countries, which for the last three decades have dominated our business in terms of private clients. People of all nations are now looking at investment migration for optionality for themselves and their families because the reality is that we do not know what tomorrow will hold for us all."

He commented that diversification and optionality help protect clients and the families, and future generations against unforeseen changes and open the door to opportunity. An investment of EUR 738,000, for example, in Maltese citizenship, which provides access to the EU, is a remarkably good investment, he added.

Final Thoughts

Asia's ultra-high-net-worth families find themselves at a critical juncture. As these families confront the challenges of transferring vast private wealth and control of family enterprises to the next generations, the importance of sophisticated, forward-thinking planning strategies becomes paramount.

Expert Opinion

ZAC LUCAS, PARTNER – International Private Wealth, Spencer West:

"The regulatory environment surrounding trusts is likely to undergo significant change, primarily due to transparency issues the international community continues to emphasise. Recent FATF changes to trust transparency introduces a shift towards more openness, extending the obligation to provide information not just to professional trustees but also to lay trustees, trusts that have a nexus with a jurisdiction (such as owning a local company or significant investments), and trusts that use a jurisdiction's laws, all will be required to report and disclose their beneficial ownership information. These changes, aimed at enhancing transparency, might lead to the establishment of trust registers, marking a departure from the traditionally private nature of trusts. This evolving landscape presents a challenge as jurisdictions respond to these expanded requirements, potentially affecting the real essence of trust privacy."

"The new approach taken by FATF signals a fundamental shift in how trusts are perceived and regulated. This shift could result in significant implications for clients who have long viewed trusts as a means of maintaining privacy over their financial affairs. The potential for jurisdictions, such as those in Southeast Asia, to create trust registries for recording information is a dramatic change. It underscores the international push towards greater disclosure, which could reshape the traditional trust structure and its uses."

"The landscape of tax regulation and compliance is rapidly evolving, with jurisdictions worldwide tightening their grip in the post-COVID era. Anticipating changes, such as those witnessed in Thailand with the alteration of tax rules, becomes crucial for effective planning. This anticipation extends to understanding the potential for increased tax compliance, investigations, and audits, driven by a global push towards reducing wealth inequality and enhancing tax collection efficiency. For international families and businesses, staying ahead of these developments is not merely about structuring for tax advantages but ensuring comprehensive compliance to avoid the pitfalls of regulatory scrutiny."

"The rising scrutiny by international regulatory bodies extends beyond trusts to the realm of investment migration, with a particular focus on Citizenship by Investment (CBI) schemes. The collaboration between the OECD and FATF to address the 'misuse' of these schemes highlights a growing concern over their potential for abuse. Advisers must navigate this complex regulatory environment, ensuring clients are aware of the increasing transparency and potential conditions attached to CBI schemes. This environment demands a nuanced understanding of the evolving standards and a strategic approach to maintaining compliance and leveraging the benefits of trusts and investment migration within legal and ethical boundaries."

The shift towards transparency, driven by global regulatory changes, demands a nuanced approach to managing wealth that balances the need for diversification with the imperative for simplification. The traditional reliance on trusts and foundations is being reevaluated in favour of structures that offer greater control and less visibility, reflecting a broader trend towards 'professionalisation' in estate planning.

Amidst this complex environment, the key to any successful wealth transition lies in proactive regulatory compliance, education of the younger generations, simplification and transparency amidst complexity, and the strategic use of domicile diversification. As advisors and families alike navigate these shifting sands, the collective mission remains clear: to craft resilient, adaptable strategies that safeguard and enhance multi-generational wealth in an uncertain world. ■

Expert Opinion

MARILYN SEE, Trident Trust

"While the trust industry strives for stability, we do see a few interesting trends, and in particular an increasing demand for diversification, sophistication and professionalism. Diversification, as clients look towards distinct trusts in different jurisdictions to protect from geopolitical risks. Sophistication, with the rise of master trusts and multiple sub-trusts as families grow larger. And lastly, professionalism as clients become more open to appointing trusted advisors as protectors to avoid conflict of interest amongst the family."

"When selecting trustees, clients should look for stability. Trusts are designed to be multi-generational, emphasizing the importance of selecting a trustee with a stable workforce and a long-term perspective. It is essential that a trustee understands the family's history, dynamics, and the reasons a structure was set up in a particular way, with a focus on how the family evolves."

"Clients should also look for mobility – a trustee with a global presence can support a family as members may spread out in different parts of the world and hence may require restructuring of the trust within the same umbrella."

Expert Opinion

DOMINIC VOLEK, Group Head of Private Clients at Henley & Partners:

"When it comes to preserving inter-generational wealth and future-proofing your family, you need to ensure you create both new opportunities as well as mitigate risks. One of the best investments you can make in this regard is to secure a world-class international education for your children in combination with a portfolio of residence and citizenships that give them personal access rights to a range of different jurisdictions. I often ask my clients: if you had USD 10 million to invest in your child's future, would you give them the cash, or would you invest it in their education and a range of investment migration programs that give them the right to live and work in a country or countries where they could make USD 100 million?"

"There is now a real balance between what the asset owner would like to have in terms of control and what the regulatory and tax environment would suggest they have in terms of control. Furthermore, trustees (and directors) always 'doing what they are told' should be a thing of the past."

"It is important for many in the industry to realise that a family office is not a product and in and of itself does not offer a complete solution – particularly in respect of succession."

PERSPECTIVES FROM THE HUBBIS POST-EVENT SURVEY OF DELEGATES

Hubbis conducted a Post-Event Survey amongst delegates. The replies were both interesting and often quite detailed. This is a short summary of the findings.

Hubbis How prepared are Asia's wealthy family leaders for transitioning assets, businesses, and control to the next generation?

Preparation Levels Vary: Many responses indicate that the level of preparedness varies greatly among families. Factors influencing this include individual circumstances, family dynamics, and approaches to planning.

Diverse Perspectives: Views range from those who believe many families are well-prepared to those who see a significant lack of readiness. Factors like the one-child policy in China and differing attitudes across generations are mentioned as influencing factors.

Impact of External Factors: Some respondents believe that the chaotic global situation (like wars, trade conflicts, sanctions and so forth) might be influencing preparedness, either positively or negatively.

Challenges in Transitioning Control: A common theme is the difficulty in transitioning control, particularly from the first generation to the next. Challenges include reluctance to let go, lack of succession planning, and cultural dynamics.

Key Elements for Successful Transition: Several responses highlight the importance of careful planning, effective governance structures, open communication within the family, and psychological readiness.

Emerging Awareness and Improvement: Some responses suggest that awareness and preparation have improved over time, but there is still a long way to go, especially for ultra-high net worth families.

Professional Guidance and Planning: The role of professional advisors and the implementation of structures like family offices and trusts are seen as crucial for a smooth transition.

Hubbis: How closely involved should the second and third generations be in this estate and succession planning, and how can advisors and specialists help draw the founders and the younger generations together?

Vital Importance of Involvement: There is a consensus on the need for the second and third generations to be closely involved in estate and succession planning. This involvement is crucial for a smooth transition and to ensure that the plans align with the expectations and goals of all family members.

Generational Differences and Transitions: The responses reflect an understanding of the differences between generations and the complexities involved in transitioning wealth and control across generations. The role of advisors includes facilitating this transition and ensuring that the values and intentions of all parties are respected and integrated into the planning process.

Proactive Role of Founders: While founders typically have ultimate control, their engagement with younger generations is important. The involvement of younger generations varies, with some being closely integrated into the planning process, while others are less involved due to various factors, including potential conflicts of interest or the founders' reluctance to relinquish control.

Diverse Approaches and Challenges: Responses indicate a range of approaches and challenges in involving younger generations. Issues such as family dynamics, cultural factors, and the specific circumstances of each family play a role in determining the level and nature of involvement.

Education and Early Involvement: Emphasis is placed on educating younger generations from an early age about the complexities of wealth and succession planning. Early involvement, including in areas such as philanthropy, is seen as beneficial.

Guidance from Advisors and Specialists: Advisors and other legal, tax and fiduciary specialists play a critical role in bridging the gap between generations. They can facilitate communication, provide education and training, mediate conflicts, and help create governance structures. Their role is also to listen to the needs and thoughts of both generations and bring them together for more effective succession planning.

Customised Planning and Communication: Advisors are encouraged to develop customised plans that address the specific needs and goals of both generations. Open dialogue, careful listening, and mutual understanding are crucial elements in this process.

Hubbis: Which jurisdictions do Asia's private clients favour for their wealth planning and their trust structures, and why?

Popular Jurisdictions: Singapore and Hong Kong are the most commonly favoured jurisdictions. Other frequently mentioned locations include the British Virgin Islands (BVI), the Cayman Islands, the Channel Islands (Jersey and Guernsey), and occasionally, Switzerland, Luxembourg, Liechtenstein, and the Caribbean.

Singapore was praised for its political and economic stability, robust legal framework, strong financial services infrastructure, favourable tax regime, and strategic location. Hong Kong was cited for its free market, strong legal system, and financial industry. Jurisdictions like BVI, Cayman Islands, and others are chosen for their tax advantages, confidentiality, and asset protection laws, but some of them, especially BVI, are less popular, possibly with reputational issues associated.

Key Factors

- Legal and Financial Frameworks: Jurisdictions with robust legal and financial infrastructures are preferred.
- Tax Considerations: Favourable tax regimes and opportunities for efficient tax planning are significant factors.
- Political Stability: Stable political environments are crucial for wealth preservation and succession planning.
- Familiarity and Accessibility: Proximity to major markets and familiarity with the legal and financial systems also play a role.
- Cross-Border Considerations: The international mobility of families and beneficiaries, particularly where younger generations reside in different countries, influences the choice of jurisdiction.
- Geographic diversification: Clients are diversifying their trust structures due to varying residency and lifestyle considerations for family members in different countries. The choice of jurisdiction often depends on the specific needs, circumstances, and goals of each family, underlining the importance of tailored wealth planning and advice.
- Looking ahead: There was also mention of the potential for changing policies in some jurisdictions, which could affect their favourability in the future.