

Allying independence and teamwork in HNW wealth advisory

Confidentem Private Office is what the firm's managing director, Mark Smallwood, calls the 'fourth pillar' of the wealth management industry, working in a non-conflicting, intelligent and even 'sensitive' manner with banks/asset managers, lawyers, accountants, and other intermediaries to bolster the advisory and other services that no one of the other three pillars can provide.

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BASED IN SINGAPORE, Confidentem acts as the advisor to high net worth private clients and their families. Smallwood explained to the audience at the Asian Wealth Solutions event on November 2 that the firm operates in a transparent and unconstrained manner, collaborating with its clients to address their estate, succession and governance needs.

Piecing together solutions

The premise Smallwood formulated that led him to create Confidentem is that no one element of the wealth management advisory



[MARK SMALLWOOD](#)
Confidentem Private Office

business world can provide a holistic approach for clients.

Confidentem works efficiently with other service providers in a complementary, non-invasive manner to ensure that HNW clients have a more holistic approach to their needs.

Services the firm offers include: wills, trust, foundation and fund structures, asset protection planning, aggregated wealth reporting and analytics, family governance planning, protector and director Services, residency and citizenship planning, and custody solutions.

Confidentem's principals have long and extensive experience in family business management in an international environment; their skills are supplemented with external legal, tax and fiduciary advisors as necessary to deliver an ideal outcome to their clients.

But ideal outcomes require diligent understanding of clients and careful positioning of expertise. Wealth planners, Smallwood noted, rather often tend to start from a position of what service they can offer, rather than looking closely at client needs and then providing solutions.

"How can you start with a trust, when you have not yet addressed the issues related to will?", asked Smallwood, rhetorically, adding

that there are many issues related to trust formation and management that need to be clarified and coordinated.

Regulatory regimes tighten

On asset protection planning he notes that Common Reporting Standards (CRS) will not only expose clients from a tax point of view, but will also expose their assets. "Suddenly," he says, "a lot of people are going to know where those assets are and some of them maybe entitled to some of those assets."

And there are many instances where asset protection is essential, for example in to protect against divorce and a variety of other unknown future factors.

There are certainly family governance structures established that due to CRS will no longer work due to the need to identify where the management control of the entity lies. "You can no longer hide behind nominees," Smallwood observes. "If an inquiry is made the decision-making process needs to be able to stand up to scrutiny. In short, families need governance, they need advice on tax, legal issues, but working out who to go to is not so straightforward."

Smallwood raises several other areas to consider, such as residency services, risk management, general

insurance, tax residency, domicile, custody services, wills, personal asset inventories, and so forth.

Working in a 'collegiate' manner to add value

From his many years of top roles in wealth management with global banks and other firms Smallwood understands just how extensive a range of needs clients have and just how difficult it is for them to find solutions in one place.

Moreover, Smallwood also understands that clients do not often want to place all the knowledge of their assets and operations in one location, with one bank or advisory firm.

"So," concludes Smallwood, "whilst the wealth planners within the bank have a very valuable proposition to their clients there are certain constraints that they have and where they need to be able to work with external partners, so that they are able to deliver the overall more holistic solutions that their clients might need."

The Fourth Pillar

Which brings Smallwood to what he terms 'The Fourth Pillar' and the *raison d'être* for establishing Confidentem.

Confidentem fills the gaps left by the other three pillars of the



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Trust and Confide

wealth planning and advisory business. “We are seeing considerable traction where the people involved in the other three pillars realise that there are components of what they are doing with clients that they are not able to deliver.”

Smallwood adds that in certain instances one or more of the other three pillars need an independent third party to be able to fit into that relationship and deliver broader holistic solutions to the clients.

So, for example, a wealth planner at a bank could come to Confidentem because the client wants a particular structure in place, but the client does not want the bank to know where everything is. An independent wealth planner can look at the complete holistic structure of all the bankable assets and perhaps other assets.

They might also want wills in place, they might want to transfer assets into a trust, they may want a standby trust, which the banks do

not involve themselves with, or the banks may only have trust companies in certain jurisdictions and the best solution for the client maybe in another jurisdiction and so on.

The wealth services jigsaw

“In such cases, we can fit in neatly to provide holistic engagement and then connect the client with the right service providers in terms of third party fiduciaries and also engage them for tax and legal advice,” Smallwood explains.

Smallwood’s approach is to often operate with the smaller banks that do not have wealth planners. And engage with the independent asset managers, to be their partner in dealing with the clients but also being careful not to step over the line into any conflict of interest with the other service providers.

Keeping completely clear of any conflict of interest is vital for the independence and the trust of the partners with which Confidentem works.

dentem works.

Additionally, Smallwood reiterates that due to CRS, governance of structures is now becoming a very important element of the wealth advisory process. “No longer can people rely on nominees such as friends, brothers, sisters, aunts, uncles and so forth to be the settlor of the trust or the director of the entity and so on,” he explains.

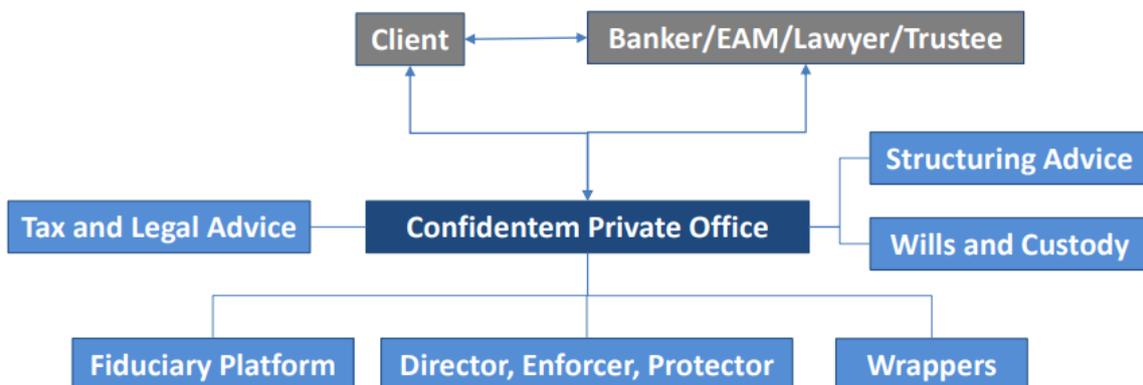
“Families and family offices need independent directors who understand the business, who perhaps understand both the investible side and the wealth structuring side, who can add value to the client to make sure that they are running these structures properly.”

Confidentem therefore positions itself as the fourth pillar to support the existing three pillars and to be in a position where it engages with clients directly to direct them to the right components and solutions. ■

THE FOURTH PILLAR



CONFIDENTEM SEEKS TO FILL THE GAP



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