

Asian Wealth Solutions Forum 2017 video highlights

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At the Hubbis Asian Wealth Solutions Forum in Hong Kong on November 2nd, we interviewed leading industry experts. Want to know what you missed - [click here](#) to view the highlights.

You can also read the transcripts in this document - and click on the name of the person to view their individual comments.

Peter Brigham
Rosemont

Families have got transparency to deal with, tax issues to deal with, they've got estate planning issues to deal with. Their problem today is to find the right advisors to provide them the right advice. And this event brings together a lot of those advisors and helps them find the people that they should be talking to.

Shanker Iyer
Iyer Practice Advisers

Wealthy family they face many challenges. I think the biggest challenge they face is succession. What happens to their wealth, whose hands they go into and so on. To me the biggest challenge within wealthy families is succession because they became wealthy by being very smart, very decisive with their businesses but when it comes to their personal lives, they are really very indecisive.

I think the topics being discussed today are very relevant to what wealthy families and generally the private wealth industry are discussing - so I think keep going.

Richard Sayers
Equiom Group

Today we've heard a lot about the succession planning piece and the misdemeanours that the younger family members can get into. But one of the things that we focus on a lot is what you could get as a potential outcome and whether or not it's attractive and good - if you invested in the financial markets this year you could have got some terrific returns, growth portfolios up about 15 or 20 percent. If you take that over the last five years it could have been annualised at three or four percent which isn't really very

sexy when you're looking at very substantial wealth.

So actually making it attractive and actually being able to articulate what would be a good outcome is a challenge and will you sell that? If you're going to charge a fee of 1 percent to generate a return of 3 percent, is that going to be compelling enough?

And then we have just a wealth of opportunities, we have crypto currency being represented here today. That's the question that's being asked a lot. Technology, the opportunities. We've been speaking at the event today and dealing with some of the challenges that relate to the ownership of UK assets and UK property. That's just one of very many component parts. We've covered a diverse range of topics. A lot of the discussion focused around how we communi-

cate with the clients. Are we actually being able to articulate the service that we're delivering and being able to charge a good and fair fee for it? And how do we explain that? The challenge of fees is always one that we deal with here in Asia, and I think there's been some very good explanations about how people can justify charging for their advice. There was one very good analogy when saying if that person was going to go and sell one of their own products as the person who made would make the money in the first instance, they wouldn't give that away for free. And so that really put things into context.

Woon Hum Tan
Shook Lin & Bok

So we talk about the family office structures as well as setting up private family trusts and how we could help the clients understand why the struc-





tures are necessary for them to protect the wealth and transition the wealth to the next generation in a legitimate and sustainable benefit.

Interesting questions or issues or concerns surrounded common reporting centre finding the right jurisdiction or right structures. I think what was interesting was some of the professionals and panels speakers mentioned let's not look at what works in the past or how to park your assets offshore or hide your assets but how to help your clients on-board or on-shore in legitimate structures.

Ian Black
AAM Advisory

I think the key challenges are to find people who can support them adequately and provide holistic solutions. All too often it's an investment solution or insurance solution. And it doesn't focus on the overall needs of the client. So sometimes that means that institutions have to work in partnership. Maybe that's one of the biggest challenges - to find that willingness.

Gary Tiernan
Crossinvest

The most talked about is generational transfer but in reality, I think whilst that is one of the most important it's also just finding people that can really spend time with them, get involved with what they need, manage their investments in a way which is looking after their interests more than looking after the interests of maybe the institution that is trying to advise them.

Scott Moore, IMCM
Henley & Partners

I went over the rise of the global citizen, and the trends that we see in the investment migration space here in Southeast Asia and around the world.

One of the biggest challenges that wealthy families in South East Asia are facing is a lot of them don't have access to the world - they don't have global mobility. So they would look at investing in another citizenship that will give them better access to let's say the European Union, the Schengen.

Another problem that a lot of our clients have is they don't necessarily live in a very secure place. We have a lot of events going on in Southeast Asia such as the military dictatorship in Thailand, we have martial law in the Philippines, we have ad-hoc Indonesian Governor being thrown in jail for blasphemy. They see these events as bringing around a certain amount of uncertainty, so they looking to come to us to have more options for their security.

Aaron Mullins
Asiaciti Trust

Today I tried to focus on trying to educate some of the professionals on how they deal with trust companies. Trying to deal with some of the misconceptions in terms of what clients should be asking trust businesses before they engage them in various manners.

I think one of the interesting subjects today was one of the panels talking about some of the services private banks are providing. I think they're all starting to realise wealth

solutions, wealth planning, whatever you want to call it, really is a value add.

Clients in an ever complex world need these structures, and if you want to engage with these clients you've got to be willing to help them. I think one of the interesting subjects was actually should banks start charging for that service?

Nigel Rivers
Capital Solutions

It's been very interesting to see that there is much more open conversation and discussions about clients being willing to pay for advisory consultancy services on their succession planning needs, including from within financial institutions and banks. Of course as an independent adviser in relation to those matters it's very important to me to see the acceptability within the marketplace.

Another element that is very interesting to observe today is the much more detailed discussions about wealth succession. And particularly around family business and the importance of being able to get good governance and transition arrangements for ownership and management of the family business in discussion and the solutions that are available for them.

Britta Pfister
Rothschild Trust

The mix of topics in terms of looking at insurance, residence planning, the complexities of a more transparent world, in combination with fees, all of that coming together basically gives us the underlying scenery that really the world now has changed.

We're still saying we're in this mode of more transparency and it's

increasing. Effectively, we live in an entirely transparent world and financial institutions are obliged to provide information. And what can we do with this? We comply. So that's one of the main observations. Every service provider is in a mode to get their clients in compliance mode and make sure they have no trouble in their jurisdiction of residence. Or, talking about the residence planning, if really you don't want for example for personal safety reasons, you don't want to take the risk associated with your jurisdiction, then you get out. And you get out in the proper way by taking up residency in another country and severing the ties that tie you to your original jurisdiction.

Kevin Lee
Zhong Lun Law Firm

The challenges that wealthy families in China face - I think some of them are looking to move wealth





out. I think that's quite a commonly known issue and how do they do that in a way that will stand up to scrutiny and current transparency in the world.

The opportunity for the wealth industry should be that they will need serious advice on what is or is not sustainable. Or subjects available for scrutiny. I think they will be eventually be willing to pay fees for this. It's a bit of a long tortuous process but we are getting some joy out of prospects these days and even yesterday I had a surprising encounter with a PRC client who actually brought up the subject of how much money these fees would be without having to me having to drag that out of them.

Mark Smallwood
Confidentem Private Office

I think that common reporting standards is changing the world we live in dramatically and clients really need to understand their current setup including where their entities are, how their entities are classified for common reporting standards purposes, where the reportable jurisdiction is and importantly who the controlling persons are. And this is a very important factor because it also affects the management control of entities and does that management control make sense, or is it simply a nominee. So clients need to review their existing structures, understand the implications of those structures and take remediating actions appropriately. And as they're setting up new structures they need to be very cognisant of the long term impact of the structures, and the transparency and removal of opacity that has now occurred.

So I think that the overriding message from this morning is that no one party can provide a client with a solution. Whether one is a banker, a



wealth planner in a bank, whether one is a law firm, a fiduciary, a trustee or indeed an insurance company. The requirements of clients are to receive an holistic review of what they're trying to achieve and to put together a holistic package of solutions that meet all their requirements. So the real message that has come out this morning is how a client should be working with a team approach to deliver the solutions that they need.

Gerard Gardner
EFG Wealth Solutions

The key elements that are important to any wealth advisor who wishes to develop a longstanding and fruitful relationship with his clients is to grow into that trusted adviser role. It requires a recognition that some of the subject that they will be discussing are sensitive, and require a long term investment of time in developing a sensitive relationship for the future.

Thomas Vonrueti
Singapore Life

On the high net worth side, I think we will see a much broader application of life insurance based planning solutions. Away from liquidity provision or estate planning, more towards holistic planning including tax planning.

Craig Ellis
Charles Monat

The digital world is going to have a much larger and greater impact on high net worth wealth management, and insurance in particular. So that's certainly one area of development. And the other issue is very much one of the ways we've been trying to lead for quite some time (and it's one of my personal agendas) is to look at things very much more from a solution point of view, and not just a product push or a product issue. The reason that high net worth and ultra-



high net worth individuals would be very interested, and should be very interested, in having a life insurance discussion is that it is a critical part of any wealth planning and holistic approach.

To the extent that it is one of the best vehicles of effective wealth transfer through generations and also as you know with the world of CRS and automatic exchange of information, in some aspects around that there is some, I don't want to use the

word opaqueness, but less reporting requirements, let's put it that way.

Marcus Dearle
Berwin Leighton Paisner

The most interesting part of the work we're doing at the moment is dealing with attacks on trusts . And particularly attacks on corporations. Where you'll find that there is real estate that is held in a corporate package which effectively can be attacked in the divorce courts. Where the courts are treating corporations

as resulting trusts. For example in the case involving the owner of Laura Ashley, where 18 million pounds worth of real estate in the UK in a corporate vehicle was treated as a resulting trust by the courts. The courts in England, and effectively the Hong Kong courts are going to be following what the courts are saying in England, are increasingly being imaginative. So it's really important for parties lawyers and advisers to think outside the box. It could be very costly. ■

