

DBS' Lee Woon Shiu on Finessing UHNW Wealth Solutions During a time of Crisis

Hubbis last met up with Lee Woon Shiu, Managing Director and Regional Head of Wealth Planning, Family Office & Insurance Solutions at DBS Private Bank, earlier this year, shortly before the world realised that it was indeed facing such a pernicious pandemic. We found out then how passionate he is about curating the most relevant wealth management solutions to meet the ever-expanding needs and expectations of the bank's UHNW clients in Singapore and across the region. Our most recent meeting came in late May, this time over a video call when yet again we saw the depth of thinking, empathy and business savviness that have together propelled Woon Shiu to his prominent role at DBS. We found a banker and an individual who is utterly committed to working collaboratively with all stakeholders – team members, clients, business partners, regulators, authorities, and others – to keep moving forward as positively as possible through this crisis, to help allay understandable fears, to relay the best advice, to devise pragmatic solutions and to expedite, as best as possible, structures that are forward-facing for the uncertain world that lies ahead.

“These are interesting times for everyone,” Woon Shiu begins, “and for the UHNW families we work with, we are seeing them become especially conservative with wealth preservation as their key concern, as well as adjusting to position themselves for the long haul.”

Accordingly, he reports having many more conversations on the importance of planning for wealth protection, amidst such times when everything is far less certain than they were just months ago.

Building the buffers

“The focus today,” he reports, “is far more on the buffers needed for both corporate and family finances, which are often highly interrelated in Asia. Another key evolution we are seeing is for the oldest individuals to let the second and third generations take more control.”

Lee presides over a team of 45 in Singapore and Hong Kong which covers the family office offering, wealth planning, insurance solutions and the in-house trust business for DBS’ private bank operations, focusing largely on UHNW clients and families. When Hubbis last met him in person, he elaborated on the proposition in some detail (<https://www.hubbis.com/article/dbs-lee-woon-shiu-on-the-art-of-curating-the-best-solutions-for-asia-s-hnwi-clients>), so we could focus our latest conversation on the most pressing issues of the moment.

He explains that whilst there are understandable impediments to usual business activities amidst the global business and social life hiatus, DBS’ business continuity plan is working well and as far as possible, it is business as usual.

Woon Shiu on key priorities during a lockdown

Hubbis interviewed Woon Shiu in the third week of May when, as remains the case today, there was increasing hope that the pandemic might be brought under control, but no true visibility on either a vaccine or optimised treatment protocols, and no clarity too on when more normalised business and travel activities might resume.

“I have told our two teams in Hong Kong and Singapore that this situation might well persist for at least the next two quarters, so let’s focus on doing our best to serve the families within our home country. Taking Singapore as an example, there are families who have relocated here over the years whom we may not have fully engaged, or haven’t had the chance to build relationships with in the past. We should view the current situation as an opportunity to get more closely acquainted with local families living side by side with us.”

The second priority, he explains, is to communicate with everybody in the equation – the bankers, specialists, and stakeholders – regarding the likelihood of this crisis enduring well into late 2020 or beyond, and discuss how best to navigate it.

“Everybody must be committed to finding workaround solutions that will last us through the end of the year, or however long this situation may persist,” he advises, “The commitment to driving the business forward despite being in these unprecedented times is critical.”

Smart regulators

“You might know that the MAS also tweaked their rules for engaging with families,” he reports. “In the past, a 13X or 13R application would require attending interviews in person, but they adjusted this to allow for virtual meetings. This speaks to how Singapore is nimble enough to evolve quickly, so as to keep business moving and continue serving the needs of these families in its drive towards becoming a hub for family offices. We have seen that first-hand throughout this crisis.”

He adds that the families DBS has been working with have similarly remarked on the transparency of the

regulators. “This further encourages and reinforces their decisions to come to Singapore,” he reports. “During this crisis, it is very clear that we have agility throughout the regulatory system, the legal system, as well as the ecosystem of advisors, and some clients have remarked that this is precisely why they chose Singapore for their family office.”

Woon Shiu notes that all the relevant incentives and structures remain as they were in 2019 and that there is already increasing adoption of the Variable Capital Company (VCC) structure to house private label funds, following its formal arrival last year.



LEE WOON SHIU
DBS

VCC – new string in Singapore’s bow

“The VCC is not for the single-family office, it is for institutional investors and presently for multi family offices,” he notes, “and we have a few fund managers who shared that some families these days might consider working through Singapore fund structures such as the VCC rather than, for example, Cayman Islands structures.”

He adds that as VCC structures become more prominent and popular amongst the fund management industry, he would expect more multi-family offices to be set up using the VCC regime. “We are seeing a trend where some of these families come together to say, ‘instead of us doing a single-family office, let’s consider this VCC regime and think about a multi-family office approach’, which would not prohibit them from separately establishing a single-family office in the future.”

Nimble by design

He adds that so long as regulations are well-adhered to, the other stakeholders that DBS works with – such as the insurance

carriers, legal advisors and others – are generally flexible in their business protocols, and also in cases prepared to help put forth suggestions to the regulators.

“For example,” he explains, “whilst we cannot have clients from other countries travelling to Singapore during these times, we can potentially have some kind of arrangement using confirmatory web-based documentation software and other virtual workaround solutions. These are some ideas still under exploration. But the most important thing here is that we are all agile and flexible enough to find ways to keep business moving.”

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He expands on this, saying that the ability to adapt to change is key for all businesses – adhering strictly to past ways of doing things despite the changing circumstances may not be the best way forward. “We must all evolve to face real issues that are pertinent today and lying ahead,” he states. “With concerted effort and commitment, we can overcome the hurdles out there.”

To this end, he also shares how ongoing investment in technologies such as data analytics has enabled DBS’ relationship managers to better support their clients through this crisis. “DBS has invested immense effort in digitalisation over the years, and having such resources allows us to consider and devise the best

solutions for our clients’ complex needs. We may not be able to meet our clients in person now, but are still able to help steer them in the right direction.”

Re-evaluating plans

Lee shares that some UHNW families are reconsidering plans they had been formulating. For example, some families may have been working on plans for structures and residence in locations such as the US or UK, but are now pausing to take a second look. “They might have been reminded throughout this pandemic,” he says, “of where home really is, and how Asia is relatively stable. For some of them,

this is a time to take considerable pause, perhaps.”

Expanding on this, he adds that the crisis has also alerted UHNW families to the value of living and working amidst governments who are clear-headed and transparent in the way they handle crises.

“Look at how many of the Asia Pacific countries have managed the Covid-19 pandemic, and how their people have adjusted comprehensively to guidelines from their governments,” he remarks. “This will go a long way in helping the entire region to emerge more positively from the crisis. It has also highlighted why this region might, in fact, be the better long-term choice

in which to base themselves and their family assets.”

He also observes that the pandemic has put the spotlight on the need for diversification of assets and wealth. “Families now see why they should base bulk of their assets, resources and family members in stable and welcoming countries, whilst diversifying through second residencies and nationalities at the same time. This makes things more seamless as it ensures that borders are not closed to them, and that they have choices and additional security. These issues are top-of-mind now when they’re looking at how best to deploy their social, financial and human capital.”

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Society and community

Lee also highlights the growing prevalence of UHNW families supporting societal cohesion and doing good, using their enormous wealth to help segments of society most threatened by the pandemic.

“I am heartened to see these families stepping forward to create positive impact through funding and supporting social enterprises, SMEs and others,” he reports, “and DBS Foundation, by bridging and organising collaborative initiatives between the families and these social enterprises, is at the forefront of some of these.”

DBS Foundation was established in 2014 with the specific objective of supporting and grooming social enterprises in the region, and has been playing an even more active role this period, trying to introduce social enterprises in DBS’ key markets. “This is a great initiative, and one that is especially important in such trying times,” he says, “and we are gaining more traction with the UHNW families, who are increasingly focusing on their wider community obligations.”

The DBS health check

His final comment is that DBS has formulated and introduced what it calls the Covid-19 Health

Check for wealth planning. “We systematically go through with clients and their bankers some of the needs, fears and concerns they may have during this time,” he elucidates, “and then, depending on their responses to the questions that we raise, we draw in the right advisors and parties to introduce solutions that would help address these concerns. It’s a valuable process for these families as it often helps to just step back, recognise these concerns, and take action accordingly. It is really important that they do not let their fears and worries get the better of them.” ■

