

Family Wealth Protection & Succession

Trusts and Structures for the MENA Region

Laurence Black, Regional Director, Client Solutions, EMEA at Asiaciti Trust is an expert in the arena of structuring family wealth for preservation and ease of transition to family members and younger generations. Dynastic planning is vital to ensure family harmony and personal legacy aspirations and due care and attention is essential. And nowadays, the GCC region offers more potential for onshore structures, rather than clients turning only to offshore vehicles, in synch with what is now a worldwide trend towards onshore and mid-shore.

A **AGAINST THE BACKDROP** of an increasingly complex regulatory environment Black highlighted to the delegates at the Hubbis Middle East Wealth Management Forum in Dubai on January 22 the latest solutions and best practices that Asiaciti Trust, with its global footprint and deep expertise can offer Middle Eastern and North African clients.

The need for legacy planning

Legacy planning is increasingly topical as regional Middle Eastern family businesses grow and as founders focus more attention on ensuring that the family remains in harmony.

Black first explained that his mission in the talk was to cover the possibilities available in the various offshore jurisdictions and the gravitation towards more onshore regimes that he and others in the industry have observed.

Working at Asiaciti Trust, an international trust and corporate services provider with private clients, corporate clients and intermediaries across multiple jurisdictions, Black, with over 25 years experience working in the GCC region, is well-placed to help clients navigate the ever changing market conditions and rigorous regulatory requirements to tailor the most appropriate solution for each client..



LAURENCE BLACK
Asiaciti Trust

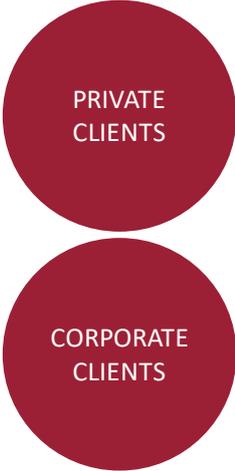
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PRIVATE
CLIENTS

Specialised wealth structuring and asset preservation services to high net worth individuals and their families. Our private client services include: Structuring, establishment and administration of trusts, foundations and funds

CORPORATE
CLIENTS

Corporate vehicles for the purposes of estate planning, succession planning, wealth protection and philanthropic endeavours

Asiaciti Trust advises private client on structuring, establishing and administering trusts, foundations, funds and corporate vehicles for the purposes of estate planning, succession planning, wealth protection and philanthropic endeavours. Solutions for private clients include cross-border structures and Sharia-compliant trust deeds or foundations. The firm is also able to leverage its network of offices in Singapore, Dubai, Hong Kong, the Cook Islands, Dubai, Nevis, New Zealand, Panama and Samoa to bring specialised wealth structuring and asset preservation services exclusively to high net worth individuals and their families.

Choose your jurisdictions wisely

Black explained that just as the choice of jurisdiction should be a major consideration in the structuring of wealth preservation and transition, the selection of a trust and fiduciary advisor for custody is also of vital importance.

Families largely unprepared

“This is a vital area,” he commented, “as we estimate

that more than 80% of families in this region are not ready for the transition of wealth, particularly around their family businesses. That is the number one reason why we need to engage clients and going forward we will do that collectively as the world is ever more complicated.”

He expanded his views by explaining that general concerns include both internal and external factors. Internal factors include succession planning and the smooth transfer of assets, minimising family conflict, especially during times of changes in circumstances, such as divorce or ill health, the movement of people or money across borders, for example, migration to higher tax jurisdictions, and charitable causes and missions. External factors might include political instability, forced heirship and foreign ownership rules resulting in asset fragmentation, taxation and the concern over the actual place of effective management.

Compliance essential

Another general point Black emphasised was the need for transparency and compliant corporate governance, structuring, and reporting on a global basis. “We

are also very involved in this and work collectively with the legal and tax professions. And the third core element is asset protection.”

Black explained that fiduciary solutions can now be sourced both onshore and offshore regionally, noting that the development of the UAE as a financial centre has brought more legal and regulatory infrastructure to facilitate the structuring of local trusts and foundations. “The legislation,” he said, “is now world-class.”

Fiduciary solutions

Appropriate, well-structured fiduciary solutions, Black continued, can address many of these concerns. The right answers can help avoid fragmentation of assets, assist in the transfer of assets the way the owner intends, guide the institutionalisation of family wealth, achieve clear business succession and governance, offer efficient continuity over family assets and avoid probate, which can take 12 to 18 months. Moreover, the right solutions will help reduce family tension, provide robust asset protection by separating ownership, benefit and control and achieve compliant tax planning, reviews and regularisation.

Returning home...

Black then highlighted noteworthy trends in the migration of structures to onshore and mid-shore jurisdictions. “I think the current needs for compliance and reporting will, going forward, be more easily met from these onshore jurisdictions. Today, they are probably better placed to serve the clients. And I think looking ahead we will see more jurisdictions being considered for working together and also different disciplines within our industry joining forces to put the best structures in place.”

He closed his talk by offering more insights into the types of structures available. “Whether onshore or offshore there continues to be highly effective solutions for our clients’ varied requirements,” he remarked. Common structures today include trusts, with reserved powers or trustees with different roles, private trust companies, private unit trust or funds, foundations and special purpose companies (SPCs).

Horses for courses...

“We often hear in this part of the world that people wish to structure more complex trusts with the aim of potentially maintaining more control,” he added. “And private funds, such as we are highly familiar within the Singapore private fund regime, have considerable application across the region, particularly for clients looking to consolidate their assets, and demand compliant reporting but are resistant to settling a trust either under religious or other grounds.”

He also highlighted the relevance of foundations,

especially for philanthropic intentions, noting that foundations have been available on an international basis for some time. “And I am pleased to say there is now a reliable foundations law available in the UAE.”

Choose with discretion

Black closed his insightful talk with a comment on the selection of a service provider, highlighting the importance of history, an impeccable track record, quality ownership, global jurisdictional reach, differentiation from competitors, breadth of knowledge and depth of expertise, as well as level of management involvement in the

services rendered. The offer of board representation on PTC and SPC boards, terms of service and fees, and other factors such as insurance are other key considerations.

In the Middle East region, there are many unique and central client concerns surrounding dynastic planning. The more holistic or complete the view a client takes, the better and more precisely experts from Asiatic Trust can help them resolve their concerns and achieve their goals or aspirations. “We are fiduciaries and confidantes of our clients’ wealth, committed to its long-term safeguarding,”

Black concluded. ■

