

# Leading Wealth Lawyer Kevin Lee on the Value of a Global Practice in an Increasingly Complex World

Kevin Lee is the head of the Stephenson Harwood wealth and corporate practice in Greater China and has been consistently ranked in the top tier of practitioners by Chambers for Private Client lawyers in Hong Kong. As one of the leading private wealth, tax and trust practitioners in Asia Pacific, Lee has a bird's eye view on key evolving trends and the ensuing legal hurdles that inevitably arise. Hubbis met with him by video link to hear his perspectives on key developments taking place amongst his clients in the region's private wealth markets. His overriding vision is of the need to offer wealth and leading corporate clients a global perspective, global solutions and the support of a fully connected global team.

**Lee opens the** discussion by explaining that he is fascinated by the whole expanding universe of impact investing, ESG and green investments, and reports that the firm is soon to hire a lawyer who is expert in these areas as part of the private wealth team.

“Clearly these are highly topical areas,” he reports, “and clearly, if we want the future generations to inherit a better planet than today, we need to gear up in these areas. A key issue has always been how to convince corporates to buy into that, but I now see this happening, and not only from places such as Canada, which are well advanced in these concepts but increasingly also from the Asia Pacific region, where there is more and more activity and engagement.”

### Connecting the ESG dots

He explains that as leader of the firm’s corporate and wealth practices, he sees a lot of connectivity between these two worlds via these green and ESG concepts. “There is so much relevance for the private wealth arena in Asia, for example especially for the single-family offices, and the younger generations of very wealthy families, who will have very considerable influence in the future. We talk to many fund managers on the corporate side about governance, but there is a lot of work to be done reaching out to these family offices and more of the younger generations of our very wealthy clients to gear up the dialogue, interest and education. This is all highly relevant to the private wealth space in which we work.”

But this approach is not entirely altruistic - as Lee is also a partner of the firm, he has a sharp eye on the commercial opportunities as well. “We are a business, and we do believe that there will be scope for ESG and other impact-minded lawyers to advise on a paid basis as family offices and as companies invest more in these areas, and the need to conduct proper due diligence and address key legal and regulatory aspects, especially in the world of private investments.”

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### Moving mainstream

He explains that the Hong Kong regulators already require ESG reporting by listed companies and are conducting consultations on possibly imposing responsibility on fund managers to manage and disclose climate-related risk and that these areas will only rise in prominence and demand more and more professional legal advice. Lee’s team also services the philanthropy sector which increasingly engages in more innovative and complex giving arrangements. “We see merit in playing the long game with some of these foundations and charities, perhaps not charging top dollar

early on, but we will see this translate to good payable work for a good cause.”

Lee also observes that the fallout of the pandemic will keep the focus intently on jurisdictional issues, given the many ongoing uncertainties in the world. “We all have hope for the vaccines,” he says, “but we can also see that the world will not likely become that stable all that soon. Many of our wealthy clients are requiring advice

on all sorts of matters regarding location, relocation, immigration, taxation compliance in general and so forth. Those with extensive family business interests need to ensure their corporate structures are properly organised and compliant across different jurisdictions in which they may operate or where family members reside.”

### Global advice and connectivity required

He explains that these demands create a greater need for the firm to be more connected between offices in different markets. “Another mission of mine is to be more connected internally amongst



**KEVIN LEE**  
Stephenson Harwood

partners and leading lawyers in different markets around the world,” he reports, “whether it is Singapore, Shanghai, Dubai, London, Europe and so forth. We need to be able to bring to bear our collective expertise to solve issues for our clients in what is an increasingly complex and regulated world.”

A key area, he reports, relates to the tax implications of having structures with beneficiaries in different jurisdictions. “This must be approached prudently,” he explains, “because there are hidden traps and not every trust or structure is going to be treated the same way, so there are always pitfalls that only experts can properly advise on. For example, the potential for changes in the PRC revenue laws will result in more multi-jurisdictional risks. I believe therefore that our experience with structuring for China, combined with our foreign tax and compliance expertise is a powerful combination for clients, especially for those more enlightened clients from Mainland China who realise they do need proper professional guidance in these types of areas.”

### Complexity and relevant solutions

Lee offers an example of a typical assignment, in this case, a patriarch of over 90, who still seemed of very sound mind, but who was ailing, and which gave rise to capacity considerations. The family assets were spread across the Philippines, China, Hong Kong, and the US, among other places, and so too family members were dotted around the globe. “With multiple jurisdictions, how do we make sure that what is considered a person with capacity in Jurisdiction A is viewed equally the same in Jurisdiction B? So that was just one issue to consider, and then there were numerous issues around taxes, transfer taxes, the robustness of the trusts involved, and a whole host of other issues to navigate.”

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Another situation involved a well-known Hong Kong family, where the patriarch wanted to hand assets and businesses to the next generations but wanted to stay involved as long as he chooses.

### Transparency and avoiding disputes

“Accordingly, we had to address how we could draft for a trust and a group corporate structure to ensure a seamless transition at

the time the patriarch steps away,” he explains. “And in this case, the patriarch wanted an uneven voting mechanism among his children when they would step in, which of course opens the potential for conflict and disputes. From the legal drafting aspect, this was quite a challenge from a technical and also transparency perspective. We had to drill through into the corporate documents in order to secure the necessary mechanisms, and that required serious technical drafting. But it was also about managing transparency and expectations of the different parties.”

Lee remains confident that Hong Kong will retain its prominence, despite the very public problems it has faced in recent years. “As a firm, we still believe that the rule of law works well in Hong Kong

as far as commercial transactions and commercial disputes are concerned, we have no doubt that this remains a strong and resilient jurisdiction,” he reports.

### Hong Kong and the Greater Bay

“In the medium term,” he adds, “Hong Kong will re-emerge as one of the key jurisdictions for China and for dealing with China, and therefore remain highly relevant.

In the longer view, investors need to make strategic decisions as to whether to book assets here, especially if they are looking longer-term, for example, if they are betting on the sustained growth of China but also have concerns about whether the laws could change in 2047.”

He says there are plenty of options for high net worth families and they do not need to put all their eggs in one basket. “A combination of Singapore and Hong Kong could be good,” he says, “but as a law firm, we have offices in both markets and remain entirely neutral. I would, however, say that we are optimistic about Hong Kong’s position, particularly in respect of the Greater Bay Area investment project as well as generally a gateway into and out of China, and also as Hong Kong is positioning itself as a hub for family offices. China has been accomplishing remarkable things domestically, but Hong Kong

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### Key Priorities

A primary mission for Lee is to help make the practice of private wealth in Stephenson Harwood even more globally connected than it already is.

“It is a primary personal and also corporate mission of mine,” he reports, “and plays to my character and inclination as someone who likes to take a global perspective. We want to operate as seamlessly as possible between London, Dubai, Hong Kong and Singapore, and not just pay lip service to clients. We want to actually share information and practice in a way that we are one firm and rather than a set of disparate colleagues from different offices who sometimes talk to each other. The concept is to operate as one private wealth group.”

Secondly, he reiterates his keen focus on ESG, impact and green investments. “This is not a core part

of our practice in Greater China right now, but we want it to be, and we want to be ahead of the curve.”

And his third mission is to help ensure that Stephenson Harwood in Hong Kong offers the world a balance of both a powerful commercial drive and a genuinely collegiate atmosphere. “This is not easy when we are working remotely, but it is an aspiration, and achievable,” he reports.

### Agility and adaptability

Lee closes the discussion with an observation that he and the firm have realised through the pandemic that people can be very productive even when working from home. “Personally, I am absolutely fine with a flexible working concept, but also personally I like to meet clients and colleagues. I would prefer things to go back to more of the former way of living and working, but having said that, from a work perspective we have all adapted well.” ■

## Getting Personal

Kevin Lee has enjoyed a stellar career to date. Qualified in Hong Kong and Canada, he advises clients in respect of both jurisdictions, acting as counsel for major corporations headquartered in Hong Kong, China, the USA, Canada, Japan and other jurisdictions. He advises on the registration, corporate tax, intellectual property, employment and immigration aspects of doing business in Hong Kong as well as on cross-border transitions. He also represents numerous high net worth clients from around the world on diverse matters including succession planning, family trusts, tax advisory and compliance, wills and estate, asset preservation, family business succession and governance, private equity investments and philanthropy. And aside from representing trust settlors and beneficiaries, he also advises trust companies on Hong Kong registration, licensing and regulatory compliance issues.

He was born in Singapore and later studied English Literature in Vancouver, Canada and then a law degree, also in Canada at the Dalhousie Law School in Halifax, Nova Scotia, for his second degree. He has lived in Hong Kong since 1989, and aside from English, also communicates well in Mandarin and Cantonese.

Lee says he is energised by the constant evolution of the legal practice in Hong Kong. “I continue to find the practice of law in this region exciting, constantly invigorating and also challenging,” he explains. “In more normal times, I loved regular travel – not very ‘green’ I admit – and being part of a global practice.”

Having first arrived in Hong Kong back in 1989 to work for law firm Woo Kwan Lee & Lo, he moved to a branch office of a Canadian firm there called Boughton, where he and others in the senior management then took control of in 1996 via a management buyout. “We converted it to a boutique Hong Kong practice called BPYA, standing for Boughton Peterson Yang Anderson, so I was one of the two founding partners of that local boutique, which we then grew into a mid-sized firm that we effectively merged with Zhong Lun in 2015.” He then moved to Stephenson Harwood in 2018.

Married with two children of 22 and 18, Lee says he misses travelling but has enjoyed quieter times in Hong Kong since the pandemic, listening to or playing music and reading a lot. “My son and I also share a passion for the film industry, and I guess you could say we watch the types of films that would classify us as film buffs.”

He laments the fact that he has not been to the cinema for a long time since the pandemic hit, nor has he been able to enjoy movies while on long haul flights. However, he picks out some movies that he had enjoyed in recent memory, ‘Get Out’ by Jordan Peele and ‘Black Klansman’ by Spike Lee.

“And,” he reports, “I would also generally enjoy almost anything so far directed by French Canadian Denis Villeneuve, such as Incendies, Prisoners, Sicario, Arrival, or even Blade Runner 2049, or directed or written by the up-and-coming Taylor Sheridan. I also admired The Rider which is an indie film by Chloe Zhao who is a native Beijing director who has now moved to the US.

Lee also quietly admits to being a Leeds United supporter dating back to his Singapore childhood.”

