

# Middle East Wealth Management Forum 2020

## Video Highlights



**At the Middle East Wealth Management Forum 2020 in UAE on January 21th, we asked leading industry experts - what are the opportunities and challenges for the year ahead?**

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# Who did we interview?

## [Ayesha Abbas](#)

VCGM, Head of Priority and Premium Segments  
Standard Chartered Bank

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## [Prashant Tandon](#)

CEO, Managing Director  
Lighthouse Canton

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## [Fadi Barakat](#)

Chief Investment Officer

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## [Madhavan Sivashankar](#)

Founder, CEO & Member of The Board of Directors  
Gulf International Finance

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## [Tomasz Bortnik](#)

Head of Wealth Management  
Product - UAE & Bahrain  
Citi

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## [Asad Khairi](#)

Regional Head Investment & Insurance, Middle East, North Africa & Turkey  
HSBC Bank

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## [Laurence Black](#)

Regional Director, Client Solutions,  
EMEA

Asiaciti Trust

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## [Ismael Hajjar](#)

Director, MENA Private Client Services, Family Enterprise, Family Office Advisory  
EY

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## [Nirav Dinesh Kumar Shah](#)

Founder and Managing Director  
FAME Advisory

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## [Vinod Krishnan](#)

Managing Director  
Arch Corporation

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## [Sunita Singh Dalal](#)

Of Counsel  
Stephenson Harwood

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## [Oliver Muggli](#)

Chief Executive Officer, 1291 Private Office  
1291 Group

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## [Deepak Malhotra](#)

Chief Executive Officer  
Mayfair Private

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## [Anand Rai](#)

Presales Lead  
Intellect Design Arena

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## [Martyn Crespel](#)

Director  
PraxisIFM

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**Ayesha Abbas**  
**VCGM, Head of Priority and Premium Segments**  
**Standard Chartered Bank**  
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In my view, the opportunities and the challenges are equal. A lot of what has happened in the past is that we've seen the regulator coming in. We've seen the property market being hampered. We've seen a lot of mergers and acquisitions. It's put the client in a lot of curiosity, and therefore nerves started to kick in, especially with the geopolitics as well.

Having said that, that also beckons opportunity. So with the Expo 2020 coming through, with the property prices now becoming more stable, with the regulator becoming ever-more aware, and the banks responding to that and complying to that, serves us with a good opportunity to march ahead.

**Prashant Tandon**  
**CEO, Managing Director**  
**Lighthouse Canton**  
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The wealth management industry is very ripe for transformation right now. We see opportunities at Lighthouse Canton in the fact that

there'll be consolidation in the industry. A lot of smaller family offices might not be able to sustain or might look to scale up, which is where we are very cognisant of inorganic growth, actively looking at expanding westwards into Switzerland and maybe the UK.

Obviously, there are challenges ahead, the biggest challenge being regulatory framework. The regulators are increasingly scrutinising this industry very, very carefully and closely, simply because of conduct issues. We've had, unfortunately, some instances in the past in the region as well as in Asia, where regulators have become extremely concerned about the state of the industry.

**Fadi Barakat**  
**Chief Investment Officer**  
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Opportunities are really to capture the wealth of the region to try to service the smaller accounts, I would say; those that are underserved by the larger banks. And by that, I mean the USD1 to USD5 million account where they still have a decent portfolio, need investment advice, but because they're too small in the JPs of this world or Credit Suisse, are being slightly left out. So for the smaller



setups, like the multi-family office, independent asset managers, there's a good bunch of wealth to get these clients onboarded and give them a service.

**[Madhavan Sivashankar](#)**  
**Founder, CEO & Member of The Board of Directors**  
**Gulf International Finance**  
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So the key opportunity, in my opinion, is growing wealth across the globe. And the other key opportunity for us is that we are very bullish about what is happening in the KSA (Kingdom of Saudi Arabia), the opening up of the KSA. There are sweeping cultural, financial and regulatory changes that are happening. We see that as quite a opportunity for us, and we will be focusing on that.

**[Tomasz Bortnik](#)**  
**Head of Wealth Management Product - UAE & Bahrain**  
**Citi**  
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The wealth management industry for us as a bank, obviously, has two components. One is the banking side and one is what we would call the investment side.

The banking side, of course, is a little bit challenged generally by the low interest rates versus

the expectation on the higher interest rates which existed over 2018 and 2019. What you will see is neither can we offer the type of time deposit rates, if you will, to the clients, and that's the general industry as a whole. And then, linked to that, the bond yields, which is a little bit switching to the investment side of the business, are at the, kind of, all-time low. That, put together, construes a bit of a challenge for us, because the customers are not getting very high yields on their deposits, and they're not getting very high yields on their investments.

Basically, the challenge here that I'm trying to picture is that to get into a higher yielding instrument or investment, the customer needs to put in a little bit more risk. And that, I think, presents a challenge for the general industry as a whole; the expectation for a yield versus what the industry at large can offer with the available instruments out there, given that the bond yields are where they are.

**[Asad Khairi](#)**  
**Regional Head Investment & Insurance, Middle East, North Africa & Turkey**  
**HSBC Bank**  
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One of the big opportunities that we are seeing is enhancing

platforms and new customer touch points. How we interact with customers and how customer wants to interact with us. In the age of digital, customers are becoming extremely different in the way they approach their relationship managers. Some of them like getting engaged with you digitally. Some of them would want a face to face relationship manager to manage the banking as well as investment needs. So, focusing on enhancing your platforms will definitely be a key focus area for multiple wealth managers in the year ahead.

**[Laurence Black](#)**  
**Regional Director, Client Solutions, EMEA**  
**Asiaciti Trust**  
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The opportunities, I think, for this year continue to be assisting families with their cross border and estate planning, essentially asset protection needs, in an ever-increasing and complex regulatory environment.

**[Ismael Hajjar](#)**  
**Director, MENA Private Client Services, Family Enterprise, Family Office Advisory**  
**EY**  
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The main challenge, and this is something I mentioned on the panel, is really connected to the transition of generation within the family. Because most families are still generation one or generation two within the region. These generation one or generation two individuals are reaching an advanced age, so they're reaching 60, 65, 70, 75, sometimes 80 years old. And so,



wealth is going to change hands, and it's about basically how can the family manage that transfer in the most efficient way, and in a way that ensures that the wealth is protected. And therefore there is obviously the legal and tax and regulatory structuring element of it, but there's also the intangible, which is probably the most important, about passing on values and sending a framework that will bind all the family members, and particularly the next gen so that, like I said, the risk that they have, bad behaviours, will be minimised.

**[Nirav Dinesh Kumar Shah](#)**  
**Founder and Managing Director**  
**FAME Advisory**  
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Today we are in the industry where we are advising clients on structures. And therefore with growing compliance everywhere, they're the biggest opportunity for us to look at educating client on how they should be complying with all the compliances which are there, and also to help them choose the right locations and jurisdiction for the activity that they're doing.



**[Vinod Krishnan](#)**  
**Managing Director**  
**Arch Corporation**  
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The opportunities are, a lot of families now realise that they need to plan ahead in terms of succession. With the challenges of managing, operating companies, and with the potential taxation rate coming through, they need to be well prepared for organised management of family businesses and plan towards succession. The challenges are, given the economies in the region, which include, I manage Saudi, most of the GCC, given where the oil prices are, most of the families are long on assets, but short on liquidity. Their focus is primarily to resolve the liquidity issues now, so most of the other soft issues get postponed. So, that's a challenge. It's timing.

**[Sunita Singh Dalal](#)**  
**Of Counsel**  
**Stephenson Harwood**  
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I would say, I'll start with the challenges first. And the



challenges for managing clients in this region are educating people as to the options that we do really have to offer families in the region, in the GCC, that are sustainable, robust solutions, without them having to now continue to look to offshore destinations. And that in itself leads into an opportunity of sitting down with large families, sitting down with clients and putting together structures that really are viable, operational and robust wealth planning and wealth management structures for them.

**[Oliver Muggli](#)**  
**Chief Executive Officer, 1291 Private Office**  
**1291 Group**  
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In general, challenges, there are quite a number. Regulatory certainly, a significant challenge. Investment wise, I think the year ahead to is going to be slightly more challenging than maybe the very positive performance of last year, but I think this also offers a lot of opportunities, especially the regulatory changes. People become more aware of structuring their wealth properly.



Asset protection, confidentiality of privacy become more important topics, and I think this opens up a lot of opportunities for estate planning services, wealth planning structures. And we're very optimistic, especially in this region here, that this is a growing market with more interesting developments.

**[Deepak Malhotra](#)**  
**Chief Executive Officer**  
**Mayfair Private**  
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So in terms of opportunities, the world is moving towards a much more transparent regime, a transparent environment where information is disclosed, information is available on clients, beneficial ownership and registers around that are becoming more and more relevant in different jurisdictions. So the theme, I would say, to in 2020 is transparency. And that's manifesting itself both in onshore and offshore jurisdictions. In terms of an opportunity, it's an opportunity for advisors to ensure that clients are compliant, clients are doing what they need to do in the right jurisdiction. And I think the opportunity is for families



now, and their advisors, to ensure that they get the proper advice in the right jurisdiction and do things in an appropriate way.

I think the days of taking shortcuts, the days of not doing a proper job, the days of not having substance in whatever they do are numbered. Now, that's an opportunity as well as a challenge because I think the opportunity's more for advisors, and I think the challenge is more for the families. The challenge for the families is they are faced with a morass and a huge influx of regulations, CRS, economic substance, and other related matters. So I think there's a big burden on families to ensure compliance, and that is the challenge for them.

**[Anand Rai](#)**  
**Presales Lead**  
**Intellect Design Arena**  
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The challenges, of course, are how do we increase RM productivity? How do we cater to the stringent regulation and changing regulation? At the same time, how do we meet our revenue where net interest income is going down? Definitely in terms

of opportunity, we can talk about democratisation of AUM wherein the movement from red ocean to blue ocean is what a technology platform should do. The strategy in terms of red ocean is always to exploit the demand and compete with the competitors. Wherein the blue ocean it is different, wherein we look for the market opportunity and we make competitors irrelevant.

**[Martyn Crespel](#)**  
**Director**  
**PraxisIFM**  
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Opportunity wise, the region is growing. We have 2020 Expo, which will, I think, be quite interesting for the companies and individuals here. I think that on the asset management side, that's going to be more of a challenge. We've seen some incredible performance last year, but I think that is going to be challenged. In terms of my business and the end of service gratuity, the issue we have and remains to be that companies are largely underfunded in terms of their scheme and the current economic conditions for the growth will be a challenge for them. ■

