

ZEDRA goes niche to make a splash in Hong Kong

Amid the welter of wealth management service providers in Hong Kong, a new name is looking to make its presence felt in the region.

In an industry which has seen so much alteration in policy and legislation within the past 12 months, ZEDRA has joined the ranks to become a serious player in the trust, corporate and funds business in Asia.

Since being formed by a group of independent investors following the acquisition of Barclays trust business in January 2016, the firm, with its 11 jurisdictions based around the globe and its steadily increasing number of employees, has been acting to reach new markets. It has achieved this either by establishing its own offices, or acquiring local players to add scale quickly.

ZEDRA has also set itself a mid-term goal of establishing a presence in every key financial hub in the world.

And as part of this vision, it is moving full throttle into Asia, with a new presence in Hong Kong, to add to the existing Singapore operation.

Yet as it expands across the world, a key challenge the firm faces is to prove that it can compete with the best in these markets.

There are two main types of business which the new firm has set its sights on: trust and corporate services. Fund administration services will be referred to its Jersey and Guernsey offices.

THE MAINSTAY

On the corporate side, a big focus will be on substance businesses: typically those that are sourcing or supplying products from or to China or are looking to invest into manufacturing in China and other countries in Asia, using Hong Kong as their springboard.

ZEDRA wants to assist these clients through every aspect of their business, from the initial registration of companies to providing administrative, financial and directorship services, among other things. "It is the full suite of cor-



JOHN ASHWOOD
ZEDRA

porate services for both onshore and overseas companies," says John Ashwood, managing director at the firm in Hong Kong.

ZEDRA's services in this area run the gamut from corporate structuring/restructuring, compliance, management, trade finance, documentation, bookkeeping, payroll and employment visas, to liquidation, audit assistance and tax filings.

"We have corporate secretarial, accounting and trade teams, which also cover treasury services and payroll outsourcing. It is a full range of services to local and foreign clients using Hong Kong to invest and trade in Asia," explains Ashwood.

Although a new entrant in this geography, ZEDRA says it is not focused on a strategy of competing on price alone to make headway in a crowded market.

Instead, it believes that it has built its proposition around the strength of its service and it wants to stand out by carving a niche for itself in the market.

"We are definitely price-competitive but in actual fact our clients are concerned mainly with the quality of the services they receive," adds Ashwood.

He says the firm prefers to position itself as a one-stop shop for clients whose demands are more sophisticated, complex and varied than price-driven alone.

OTHER BUSINESS

Corporate services are just half the picture. Private client and trust services are the second pillar of the firm's business.

As holding structures for assets get more complicated and diverse, ZEDRA wants to step in to assist clients and their advisers in picking appropriate structures for their

needs, and then creating, managing and administering them.

The firm's offerings include a wide range of bespoke trust and fiduciary structures from different jurisdictions. To build appropriate structures for the client's needs, the firm works closely together with its group offices in other jurisdictions as required.

"If the most appropriate structure for the client is a Jersey trust, then we will work with our colleagues in Jersey for assistance in creation and administration of the structure from Jersey," says Ashwood. "It's a case of whatever works best for the clients' objectives."

OVERCOMING ROADBLOCKS

A big part of ZEDRA's growth strategy is to educate clients and their advisers about the role which trust services can play in securing their financial future.

This is crucial in Asia, in particular, where for the region's wealthy, 'letting go' of control of their assets through a trust structure is still the toughest job of all.

"Changing this mind-set is an education and a learning process. People are gradually adjusting and becoming more comfortable with the concept, as well as realising that old and traditional methods for holding and preserving wealth are often no longer appropriate or effective in today's world," says Ashwood.

In his experience of working for over 18 years in the Asia Pacific region, he says he has seen the demand for fiduciary services edge up more recently.

Not only have the inquiries from Mainland China for setting up trust services

increased over the past five years or so, but increasingly, more of these clients are proceeding with the actual setting up of more robust structures.

"Hopefully, over time, as China opens more opportunities for Mainlanders to invest in a wider range of assets, there will be more that we can do in terms of helping with structures to hold their assets outside China," says Ashwood.

ZEDRA believes it will have a natural advantage over others in tapping that increasing demand. This is based on its history and new ownership structure, plus its mid-size, which will allow it to serve clients in a way that big firms and institutional trustees sometimes cannot.

"Aside from our depth of expertise, our open communication and transparency in assisting clients is exceptional," he explains.

"As firms get bigger accessibility and responsiveness can sometimes suffer as administration and bureaucracy naturally tends to take time away from client matters."

For similar reasons, it considers its ownership model a distinguishing feature as well.

"We are privately-owned and not private equity-owned. This means the organisational and operational dynamics are different from PE-owned firms in terms of investor interests and time frames," says Ashwood.

"We do not have the same time pressures that usual PE-owned firms face about returning investors' money according to strict deadlines triggering exit events and often shaping shorter term strategy." ■