ZEDRA Sets Sights on Asia as Market Dynamics & Client Needs Both Evolve

Bart Deconinck is Deputy Global Chairman of ZEDRA, an independent global specialist in trust, corporate and fund services. Hubbis caught up with the fascinating Deconinck as he dashed between cities, to learn more of ZEDRA’s offerings and of his multi-faceted working life, during which he enjoyed being a DJ with his own radio show and in 2018 became a panellist on the Belgian edition of ‘The Dragon’s Den’. Deconinck explains ZEDRA’s expansion plans for Asia, why the firm’s suite of services is ideally suited for the world he sees ahead and why he is passionate about causes from helping young musicians to promoting human rights.
The foundations for Zedra's culture of independence and innovative thinking were laid in 2016 when the core of the current business was acquired from Barclays by an independent investor group with a significant combined history of trust, corporate and fund industry experience. Under family ownership, ZEDRA defined its strategy, ensuring it always brought fresh thinking to client challenges, no matter how complex.

Recognising the potential this unique approach offered, late last year Corsair Capital, one of the longest-standing private equity firms focused on the financial services industry, purchased a majority share of the business (pending full regulatory approval). With Corsair's significant financial backing, the business is now well positioned to embark upon the next phase of its planned growth.

The characteristics of ZEDRA which appealed most to Corsair included its differentiated value proposition, blue-chip client base, and long-term prospects, all of which will continue to be delivered through Corsair's backing of ZEDRA's existing ambitious management team.

Based in key jurisdictions across Asia, Oceania, the Americas and Europe, the firm’s team of nearly 500 industry experts aims to create and deliver bespoke solutions to its client base, which includes high-net-worth individuals (HNWIs) and their families, international corporations, institutional investors and entrepreneurs seeking diversified active-wealth solutions. The principal business lines include corporate clients and business owners, family wealth, employer solutions, and fund solutions.

**Bespoke solutions**

“Our commitment to delivering bespoke solutions to our clients is at the forefront of what we do,” says Deconinck. “And our mission is to seamlessly anticipate the evolving needs of our clients’ businesses and wealth by expanding and strengthening services we can offer, so our clients are free to focus on their ambitions and do more of what they like.”

He explains that the backbone of the ZEDRA business lies in the strong commitment and long track record of a highly experienced team, building trusted relationships and encouraging an entrepreneurial spirit at the firm. “Our motto is ‘Do More. Achieve More’ and this commitment underpins everything we do,” he reports.

“Whilst at the same time, we strive to expand our clients’ horizons and also maintain the highest standards of corporate governance.”

Deconinck explains that the firm has a long history in Asia but that in his role at the centre of the firm's strategy he recognises that the level of sophistication in the region is now shifting very rapidly and therefore that demand for ZEDRA's offerings will also increase apace.

"There was talk about this sort of shift some 10 years ago," he comments, “but it is now happening and we see growing demand for higher value services, such as bespoke trustee services where we basically take care of the families, their businesses, their investments, all from structuring point of view, all in a very sophisticated manner, far more so than in the past out here."

**ZEDRA and AIA join forces in trust**

On March 25, ZEDRA announced a new alliance with AIA Hong Kong to launch a trust referral service for AIA Hong Kong’s selected HNWI customers. AIA has the highest number of insurance policies in Hong Kong, serving over...
three million customers and is the first insurer in Hong Kong to offer the referral services of ‘Standby Trust’ and ‘Tax & Legal Advisory’ for its HNWI clients. The new trust referral service is designed to support the legacy planning requirements of these clients.

The ‘Standby Trust Referral Service’ will be offered to selected premium customers of AIA Hong Kong and ZEDRA will assist eligible customers by setting up and administering a Hong Kong Law governed Standby Trust for the family or provide other trust planning solutions as needed. The move is especially relevant as it addresses particularly prevalent succession planning needs amongst HNWIs clients Hong Kong and further afield in the region.

Deconinck puts this move in context by explaining that Asia’s HNWIs and their families and businesses are now also more willing to pay appropriately for these services, evolving their protection and management levels from straightforward structures, such as a shelf company, or BVI company, into real estate planning, avoidance of probate, asset protection, and so forth.

“A lot of people from the PRC are also structuring their affairs now in a more elaborate way,” he observes, “and therefore using all types of techniques available. All this amounts to the biggest change we have seen here, away from like the run-of-the-mill into truly bespoke services for HNWI and ultra-HNWIS families, which are this firm’s sweet spot.”

Three core challenges for Asia’s HNWIs
Deconinck offers further insights into the motivations and the needs of these families. “They really have three key challenges, as we see it, and where we offer clear solutions,” he reports. “Succession planning is one, with the families typically large and spread out. And if you talk about the family business, the challenge is who is going to run it, who is going to have the power and obviously structuring this in a more organised way to balance needs and preferences is one of the big drivers right now, especially aiming to professionalise these family businesses so they can endure.”

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Building on the pedigree
Deconinck notes that the ZEDRA business which emerged out of the Barclays stable had enjoyed a solid history and pedigree going back to the 1960s. “Since the buyout, we have roughly doubled the business, and now have 500 people worldwide, with 90% of them only working on the trustee and private client businesses.”

He explains that the differentiation comes from combining corporate services, trust services, and fund administration. “We say that we look at the client, the family, and we decide how we can best employ our capabilities to serve that client. In short, we are not like a corporatised business, organised along business unit lines that each have their own P&L. Instead, we have only one business unit, the client. And in reality, compared with the main competition, that makes a big difference.”
BART DECONINCK
ZEDRA

Trends reinforcing the ZEDRA proposition

Deconinck also comments on some of the key trends the firm observes. “In the new world of regulation, we live in a world of transparency,” he observes. “The firm can build structures that help the clients organise for privacy, and for confidentiality, but not for the hiding of assets and income from the tax authorities. Transparency is here to stay.”

The second trend he sees is geopolitical dislocation. “Look at what’s happening in the world,” he says. “We had the Arab Spring and its aftereffects, we have Brexit going on, we have things happening in parts of Africa, we have Venezuela with all its problems, and so forth. This is all leading to geopolitical dislocation and to massive immigration flows, not just the well-noted mass immigration, but also immigration by choice by very wealthy people and wealthy families. That is a super important trend.”

He explains that as families with wealth move around the globe, they need structuring, for example, often it is the pre-immigration trust, then other structures are required, and careful attention to tax treaties depending on where the family lives, where they want to invest, and on several other factors. “This type of geopolitical dislocation is a very central trend that is also driving our business,” he adds.

And the third trend Deconinck sees is increased complexity in legal matters, tax matters, regulatory matters. “Where things used to be very simple, where you had people buying a BVI off the shelf and bringing their own director, that is all over,” he reports. “It has to be different from now on.”

Deconinck closes the discussion by commenting that ZEDRA is defining itself today not as a trust and corporate services firm or a fiduciary firm, but as a service provider for people with active wealth. “Active wealth is basically what we are talking about here,” by which we mean families with active investments in real estate, businesses, private equity, and so forth. That is where we make a difference, we are at our best when things are more complicated and when sophisticated solutions are required.”
Getting Personal

Deconinck hails from a small town in Belgium named Kortrijk. He holds a Master’s degree in Economics from the University of Antwerp and a Master’s degree in Management Accounting from the Vlerick Leuven-Gent Management School.

"And my rather interesting first job was as a DJ," he recalls, "not just in the clubs, but I also had my own radio programme. I enjoyed it at the time, but frankly I did not make much money then, and my mother was keen for me to do something sensible with my life, so I dropped the DJ business and became first an accountant at Ernst & Young and then a banker with one of the "nicer" private banks, MeesPierson, at the time."

He later became the Finance Director of the bank and subsequently the Managing Director of the Belgium office, as well as later joining the global board, including after the bank was bought by Fortis. Among his responsibilities during his years at the bank were the worldwide trust activities, for which he became CEO of Intertrust after the bank acquired that business, which became MeesPierson Intertrust.

In 2006, Deconinck left Fortis to create Vistra Group, which is today one of the leading providers of corporate, fiduciary and company formation services. He was with the firm for 10 years before selling it in 2015 to Barings Private Equity. He then helped co-founded ZEDRA in 2016, where he plays an active role in the company as Group Deputy Chairman.

"I was intrigued to take this role at ZEDRA on the acquisition out of Barclays, so here we are again with this whole new company with a totally different vision from before," he reports. "I enjoy new challenges, so it was a natural for me to take on this challenge, with my focus mainly on strategy and some of the major commercial relationships of the firm, on marketing initiatives and on group acquisitions."

In addition to his role at ZEDRA, he is a non-executive board member of TrainM. Located in Antwerp, TrainM is the first and only outpatient neuro-rehabilitation centre in Europe to offer patients personalised high-intensity therapies coupled with non-invasive brain stimulation, neuro-technology, virtual reality, neuro-gaming, artificial intelligence and robotics.

He is also a non-executive board member for The Glue Solutions, a technology platform which effectively glues front-end channels and API-ecosystems to existing banking systems, supporting the rapid creation of new products and offerings.

Beginning in February 2018, he appeared on the Belgium television programme "Leeuwenkuil", which is the Flemish version of "The Dragon's Den".

Happily married to his wife Magali, the couple have four children aged from 24 to eight years old, the first three boys. "We live between Monaco and Geneva, I am often in 3 or 4 European cities a week, but most of the weekends are spent in Switzerland and skiing is the favourite pastime most of our spare time available," he reports. "We have our own little chalet in a place called Le Praz de Lys in the French Alps. It is not so well known but is close to the well-known resort of Morzine."

Music also plays an important role in his life. "That goes back to the DJ days, so my wife and I are part of the Montreux Jazz Talent Circle Foundation, where we help new artists get on stage and help develop young talent. We have had some considerable success, and that is very much one of our passions. And charity work is also important to us, so we are heavily involved with the Human Rights Watch Committee in Geneva and also helping there with fund raising and generally doing the right things with them."