Asia’s Great Wealth Transfer

Implications for the Wealth Management Community

In partnership with
Table of Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreword</td>
<td>3</td>
</tr>
<tr>
<td>Chapters:</td>
<td></td>
</tr>
<tr>
<td>1. Asia’s Great Wealth Transfer – the Challenges Ahead</td>
<td>5</td>
</tr>
<tr>
<td>2. Key Findings in Brief</td>
<td>7</td>
</tr>
<tr>
<td>3. The Great Wealth Transfer and Asia’s Private Clients</td>
<td>10</td>
</tr>
<tr>
<td>4. The Great Wealth Transfer and Asia’s Wealth Management Community</td>
<td>20</td>
</tr>
<tr>
<td>Post-Script</td>
<td>31</td>
</tr>
<tr>
<td>Jersey Finance’s Global Team</td>
<td>33</td>
</tr>
</tbody>
</table>

Published by Hubbis, December 2020 in Hong Kong

All rights reserved. No portion of this book may be reproduced, duplicated or copied by any means without the prior written consent of the publisher. No legal responsibility can be accepted by the author or publisher for the content which appears in this publication.
Engaged with the Wealth Management Community to Support Asia’s Great Wealth Transfer

Nobody knows the exact numbers, the best estimates are actually little more than educated guesses, but what we do know for certain is that in the decade ahead, there will be a vast transfer of wealth – equivalent to trillions of dollars - from Asia’s elderly high-net-worth (HNW) and ultra-high-net-worth (UHNW) individuals to the second generation and beyond to the younger generations, collectively the NextGens.

Asia’s wealth management industry has already been positioning itself for some years to help these individuals and their families more robustly organise their succession and legacy planning. The reality is that some of Asia’s families are well organised and well prepared, but many are not. And another reality is that some of Asia’s wealth management community is remarkably well prepared for this transition, others less so.

I will not delve deeply here in this foreword into the challenges for these individuals, their families and for Asia’s wealth management community. Those challenges are many and are well documented in the report that follows.

But I will comment that Jersey Finance has decided to take this opportunity to support this report, our latest White Paper in cooperation with Hubbis, to reflect our commitment to both the Asian wealth management market and also to our existing clients in the region, and as we actively work on building relationships with the NextGens who will inherit or create much of Asia’s vast private wealth in the future.

This project follows logically and neatly on from our last collaboration with Hubbis, which resulted in a White Paper last year on the rise of the family office in Asia. Underlying that surge in interest in the family office is both the institutionalisation and professionalisation of the management of the private wealth of Asia’s HNW and UHNW families. And this is also what we are seeing in the broad landscape of estate and legacy planning, as the well-documented ageing of the founder generations of many of Asia’s business groups and dynasties, and even of the second generations of Asia’s wealthy and uber-rich, is propelling the formalisation of legacy planning and inter-generational wealth transfer.

We know that the younger generations of Asian wealthy families are very often Western-educated, often digital natives, and often open-minded on adopting a more professional structured approach to family’s wealth, frequently desiring to focus on either their new businesses, their lifestyles, or even social impact pursuits. As a result, we know that Asia’s wealth management community, and indeed the global wealth management ecosystem, must adapt their products, solutions and services to cater to the needs and expectations of these younger generations.

Meanwhile, underlying much of the evolution of the global wealth management industry is the immense proliferation of global regulation, as well as the associated tax revenue maximisation and information sharing, and cooperation between national governments and their authorities, and of course the tighter supervision of the financial advisory community and their clients.

Additionally, we know that the founders, the NextGens, the Millennial generation and even beyond to Gen Z, are all more focused today on ensuring that their family wealth is properly managed and that there is due and proper planning for the estate and succession of the family businesses and family financial and property assets. And we also know that in Asia, the family businesses are far more central to Asia’s HNW and UHNW family wealth and planning than in the more mature markets of the US and Europe, where a far larger percentage of corporate wealth is institutionally owned.

And all these factors add up precisely to the rationale as to why Jersey Finance has paused to take these reflections from the Asian wealth management community on the evolution of succession and legacy planning in this vast, dynamic and immensely wealthy region.
We will have failed ourselves and our stakeholders if we do not understand the evolution of our core private wealth markets and if we do not react and adapt in a proactive, nimble and imaginative fashion. And for Jersey Finance, the Asia Pacific region has long been at the very heart of our international expansion and connectivity.

Jersey Finance has again worked with Hubbis to complete this White Paper in a style and manner that we hope succinctly reflects the state of the Asian wealth market's evolution and also offers some truly valuable and fascinating views and insights on the motivations, the challenges and the solutions for successful legacy planning across the generations, and of the implications for the wealth management community as it seeks to maintain client continuity in the years and decades ahead.

Jersey's forward thinking international finance centre (IFC) has a long history, great expertise and an outstanding reputation, and we believe that we are ideally placed to work with the wealth management community of Asia as it embraces new opportunities and overcomes these challenges.

I should note here that our mission in this White Paper is not to prescribe solutions and structures, but to highlight the key issues, the challenges and the mindsets that will help both the end-clients and wealth management community position themselves for the future and achieve the optimal outcomes. We sincerely hope this will offer you, the readers, some thought-provoking and engaging insights.

I would like to take this opportunity to thank our partner Hubbis, as well as all of those dedicated professionals, institutions and private clients that we work with across the region, so many of whom willingly offered their time and insights to this very timely White Paper.

JOE MOYNIHAN
CHIEF EXECUTIVE OFFICER
JERSEY FINANCE
Chapter 1

Asia’s Great Wealth Transfer – the Challenges Ahead

The numbers vary, but there are estimates of as much as USD5 trillion that will likely be transitioned from the current holders and controllers of Asia’s vast private wealth to the second generation, and also further along the family generation chains to Asia’s Millennials (Gen Y), and even to Gen Z, collectively the Nextgens.
Hubbis and our exclusive partner for this White Paper, Jersey Finance, promoter of Jersey’s IFC, have long been fascinated by and engaged with the challenges of this ongoing wealth transition. This White Paper is not designed to offer prescriptive opinions on the precise formulation or details of Asia’s wealth and legacy planning, but instead to offer insights into the key issues that need to be addressed, and to offer some perspectives on the logistical, legal, psychological and other hurdles to overcome for Asia’s private clients, as well as for the Asian and indeed international wealth management community.

The 2019 Wealth Report by London-based real estate consultancy Knight Frank outlined how wealth growth will play out globally over the next five years. Asia is already the world’s top region for billionaires, and is projected to be home to one-third of the world’s billionaire population by 2023.

But Asia’s UHNW billionaires aside, the World Wealth Report 2020 released by Capgemini in July 2020 stated that the world’s HNW population grew by almost 9% globally in 2019 despite a global economic slowdown, international trade wars and geopolitical tensions, with Asia’s HNW population expanding by about 8%. That report also acknowledged that the COVID-19 pandemic will have slowed or even reversed HNW growth this year, but the multiple-decades of rapid growth of the populations, the economies and private wealth in Asia is surely the platform for a powerful resumption of growth once the pandemic abates.

Amidst this vast tsunami of wealth transition that lies ahead, how well prepared are NextGen family business members for wealth transfer? Are today’s wealth managers building meaningful conversations with families about wealth and family business succession issues? How do advisers carefully guide and steer the controllers of wealth in Asia today to a proper wealth planning protocol and towards a multi-generational vision? What role should family and family business governance play in helping achieve a smooth transition of wealth and the avoidance of disputes within and between the generations? Is enough being done to mitigate or avoid family disputes?

What can wealth managers do to reach out and connect to the NextGens, and then what do those younger private clients of today and of the future expect from the wealth management industry in terms of style, advice, investments, structures, jurisdictions, in fact from the entire range of wealth management services and solutions available and that they might want or expect in the years ahead? In short, what are the opportunities ahead in working with the NextGen clients of Asia, and how can the Asian and indeed global wealth management industry provide them with laser-targeted advice, products and solutions?

In our journey towards this White Paper, Hubbis and Jersey Finance conducted two extensive ‘virtual’ thought leadership discussions in Singapore and Hong Kong amongst leading wealth management professionals and experts in Asia in order to identify these questions and to ponder these vital issues. We then layered on top of these findings an extensive survey amongst the wealth management experts operating in Asia, thereby mining down into further detail and insights. The survey collates replies from experts across the length and breadth of the Asian wealth management community, drawing on their immense experience. And of course, we also leveraged the very extensive body of discussions and reports that Hubbis has completed on these and many other inter-related wealth management topics in recent times.

We therefore welcome you, the reader, to this report and sincerely hope this White Paper offers some valuable insights into the great Asian wealth transfer that lies ahead and which will most certainly have a dramatic impact on the shape of the wealth management industry in Asia, and indeed internationally, for decades to come.
Chapter 2

Key Findings in Brief
Asia's wealthy families are making progress on legacy and succession planning, but much more must be done
Not a single reply to our survey indicated that wealthy and uber-rich clients and families in Asia are truly well prepared with regard to their legacy planning.

Asia's wealthy and super-rich families need to urgently advance their legacy and succession planning in place
77% of replies indicated that under half of Asian private clients have properly organised succession planning in place.

Asia's wealthy families are starting to take a more professional approach to legacy and succession planning
There are some encouraging signs - 70% of replies stated that private clients in Asia are more willing than in the past to engage with the concept and practice of professionalising their legacy and succession planning.

Even those Asian clients that have embraced legacy planning should review and improve their solutions
Only 4% of the experts we surveyed stated that such plans and structures already in place in Asia were really good, while 52% said the plans ranged from just about acceptable to very poor.

Wealth preservation and family harmony - the two key priorities for successful legacy planning
86% of replies said that wealth preservation and the maintenance of family harmony are the two key objectives for wealthy families.

Asia’s founder generation must be coaxed and encouraged to grasp these issues and adopt a multi-generational perspective
Those who control Asia’s wealth should take a wider-angle perspective. 73% of replies indicated the first, second and possibly even third generation should be involved in this process, whilst currently, two-thirds of respondents see most of the initiative and thrust coming only from the second generation.

In Asia, the family business is central to family wealth and succession plans must be duly expedited
A worryingly large 87% of replies indicated that less than 50% of Asia’s families achieve the right outcomes for family business succession.

A more concerted focus on business and family governance and disciplines will help greatly
A resounding 87% said that progress to date on family and business governance in Asia is modest at best, or poor at worst.

Regulations change, families evolve, and even the best-laid plans must be continually reviewed and refined
57% of respondents propose that clients should review their legacy and succession planning arrangements every single year, and another 39% said they need to be reviewed every three years.

There are so many areas where Asia’s HNW and UHNW clients can fail in these endeavours
Legacy and succession planning needs to be approached and expedited professionally, as there are many potential pitfalls ahead, brought on by poor advice, lax preparation of asset inventories, and the adoption of the wrong structures, all too often leading to family disputes, tax problems, or the ‘disappearance’ of family assets, whether intentionally, or perhaps unwittingly.

Life insurance can and probably should be a vital constituent of successful wealth planning
96% of responses indicated that life insurance is either vital to well-structured legacy planning, or important to such outcomes.
Asia’s private banks and the independent asset management firms and multi-family offices (collectively henceforth the IAMs) can and should up their game for legacy planning and connecting to Asia’s NextGen clients

Only 4% of replies indicated Asia’s wealth industry is really prepared for the immense upheaval of the next decade and beyond as so much of Asia’s wealth transitions to the second and younger generations. Nevertheless, encouragingly, 52% of respondents believe the wealth industry is gradually getting better organised.

Education on these matters is vital, and the wealth management community must take a lead role

61% of replies indicated the Asian wealth management community is improving its efforts to educate the private client base on the merits of succession and legacy planning.

Asia’s wealth management community is making progress towards greater multi-generational connectivity

68% of replies suggested that the wealth management community is doing a reasonable job of building effective family-wide, multi-generational relationships, but it is also clear that much more can be achieved.

But there are urgent reasons why incumbent banks and IAMs need to further boost their engagement with Asia’s NextGen clients

57% of replies indicated that the NextGens are more likely than not to stay with the private banks or IAMs favoured by the founder generation, but any client-driven business faced with a major struggle to retain 43% of its clientele must really be on alert.

The good news is that Asia’s NextGens are likely to be more receptive to advice and professional management of their wealth

While the founder generations in Asia have tended to be more hands-on and prefer self-directed investing, the second and third generations are more receptive to passing control of their passive investments to professionals.

And Asia’s NextGens will adopt an increasingly ethical and sustainable approach to investments

61% of replies indicated that between 25% and 75% of the NextGen financial investment portfolios will be centred around such ethical, impactful or ESG (environmental, social, and governance) investments.

Banks and IAMs that do not deliver digital solutions and state-of-the-art connectivity will struggle

87% of replies stated that the digital technologies and connectivity on offer from the banks and wealth management firms will be important or possibly crucial to the NextGen clients.
Chapter 3

The Great Wealth Transfer and Asia’s Private Clients
ASIA’S WEALTHY FAMILIES ARE MAKING PROGRESS, BUT MUCH MORE MUST BE ACHIEVED

Not a single reply to our survey indicated that wealthy and uber-rich clients and families in Asia are truly well prepared with regard to their legacy planning. However, there is broad-based optimism, as 61% of respondents indicated that these families are gradually becoming better organised. Meanwhile, only 22% indicated that such families are badly prepared.

Family wealth can be segmented into the family business, the family property, and the family financial assets. The dynamics around succession and structures mean that each of these asset categories has different challenges around succession. In all of these categories, careful planning for business continuity, estate transition and the transfer of financial assets must be pursued.

Anecdotal evidence from the wealth management experts in the virtual discussions we held and from our recent interviews and other panel discussions indicates clearly that while some of Asia’s wealthy and uber-rich families are ready and well prepared to achieve wealth transition and to build their family dynasties, many are not. Asia is therefore certainly advancing in terms of the overall approach to estate and succession planning, and we have learned throughout the research for this report that the older generations are recognising they should structure to accommodate the differences as well as the similarities amongst the family generations.

FAR TOO FEW OF ASIA’S WEALTHY HAVE PROFESSIONALLY ORGANISED LEGACY AND SUCCESSION PLANNING IN PLACE

Roughly what percentage of your Asian private clients today have organised succession planning in place?

Although there is clear evidence of progress, there is still much work to be done by Asia’s private clients and by the wealth management community in Asia – indeed, 77% of respondents indicated that less than 50% of their Asian private clients have properly organised succession planning in place.
Yet there is again considerable cause for optimism, as 70% of respondents stated that private clients in Asia are more willing than in the past to engage with the concept and practice of professionalising their legacy and succession planning. Meanwhile, only 17% said their clients remain reluctant to consider this. The fact that there is a general shift towards professionalising family structures is also borne out by the rise of single-family offices in Asia, underscoring the drive amongst Asia’s wealthy families to increasingly institutionalise their family businesses and wealth.

**ASIA’S WEALTHY FAMILIES ARE BECOMING MORE WILLING TO TAKE LEGACY AND SUCCESSION PLANNING SERIOUSLY**

How would you characterise the willingness of Asia’s wealthy to organise their legacy planning more professionally and thoroughly in the near future?

70%

**EVEN THOSE ASIAN CLIENTS THAT HAVE EMBRACED LEGACY PLANNING SHOULD REVIEW AND IMPROVE THEIR SOLUTIONS**

Of your Asian clients that have organised succession planning, how would you characterise their plans, structure and the overall effectiveness?

- Outstandingly good: 4%
- Quite good, but could be improved: 44%
- Just about OK: 30%
- Not great, but better than nothing: 15%
- Very poor: 7%

The private bankers and independent asset managers we surveyed here indicated that amongst those of their clients with organised legacy planning in place, only 4% of such plans and structures were outstandingly good, while 44% said that those plans were reasonable but with room for improvement. Moreover, a somewhat worrisome 52% said the plans ranged from just about acceptable to very poor. Very clearly, there is significant creative and remedial work ahead in the arena of legacy and succession planning in Asia.
WEALTH PRESERVATION AND FAMILY HARMONY ARE KEY PRIORITIES FOR SUCCESSFUL LEGACY PLANNING

Rank the most important objectives for successful succession planning and estate/wealth transition.

86%

86% of replies said that wealth preservation and the maintenance of family harmony (including peace of mind) are the two key objectives for wealthy families in organising more structured legacy and succession planning. Notably, tax mitigation ranked low on the priorities, whereas in the past in less globally regulated times, tax mitigation would very probably have ranked considerably higher.

IN ASIA, FAMILY BUSINESS WEALTH IS DEEPLY EMBEDDED IN PRIVATE CLIENTS’ TOTAL WEALTH

In your experience, what percentage of the larger family businesses in Asia successfully transition control to the NextGen family?

The replies here were definitive – too few of the wealthier Asian families are successful at transitioning their family businesses to the next generations of their families. In fact, a worryingly large 61% of respondents said that less than a quarter of their family clients are successful in such transition, and 87% in total said that less than half of such families achieve the right outcomes. With family business wealth so intimately intertwined with broader Asian family wealth – far more so than in the more mature European and US economies – this is a key problem that must be addressed in the decade ahead.

Wealth management experts in Asia specialising in the field of estate planning and transitioning – such a vital area with trillions of dollars of wealth due to change hands in the coming decade – must carefully navigate these waters, as the early integration of family members into the business fosters feelings of ownership and pride, and the prudent assembly of plans and structures will help the family’s wealth endure.
Asia’s Wealthy Families Must Urgently Recognise the Needs and Challenges of Legacy Planning

Rank the most common hurdles to families expediting successful legacy planning?

- First generations not willing to relinquish information and control: 36%
- First generations not willing to consider different generations’ needs: 9%
- Family not willing to pay for expert advice: 24%
- Lack of time and focus to organise affairs properly: 11%
- Poor intra-family communication: 20%

There are many impediments to effective legacy planning, and in Asia, the most daunting prospect is encouraging the founder generation, which tends to be more ‘old school Asia’ in terms of style and character, to share information, and then to gradually relinquish control. Closely connected to this issue are both poor communication amongst family members and across generations, as well as the seeming unwillingness for many such founders to pay for professional advice to achieve such goals, or to commit the time necessary to prepare properly.

The patriarchs and matriarchs of Asia’s wealthy and uber-wealthy families are historically and even today considered rather controlling, often preferring to make decisions unilaterally. This can be difficult to handle, leading to the younger generations not feeling involved in the family businesses until they might suddenly be thrust into the limelight.

Estate planning and wealth transmission are difficult for any family. As the first or earlier generations of Asia’s truly wealthy families and family dynasties increasingly seek guidance for wealth transference, it is important to understand how to deal with these clients. Some families bury their heads in the sand, ignoring the need for clearly defined decisions and roles, while others are keen to embrace the process and to put in place the right governance, structures and direction for the next generations.

Yet there is no substitute for getting on with things, and the founder generation in Asia needs to cast off its cultural reluctance to speak in the open about succession arrangements. It is well known that the older generations in Asia tend to prefer to hold on to wealth and the control of that wealth and the family businesses, but the key to achieving the best outcomes for the wider family is to take a transparent and professional approach, then plan and structure properly.

Additionally, structures must be regularly reviewed and strengthened. Many of the structures in Asia for both holding and transferring businesses and assets are not fit-for-purpose and need to be urgently reviewed, updated, and upgraded.

Every family, even families with the best planning at the outset, will have to face adjustments along the journey. For many families that address legacy and succession planning, this is the first time that the family business founder or leader is giving up control or thinking about how to make the business and family wealth more sustainable, and to do so, he or she also needs to consider their own mortality.

To achieve all the key goals of estate planning and succession, with a view to inclusiveness across multiple generations, families need to realise they will need to pay real fees for real advice and solutions. Cheap solutions will likely result in poor outcomes. The families also need to appreciate that these days entering into a trust structure means genuinely distancing from the control of the assets. Wealthy families in Asia struggle with this concept, but in the world of greater regulation and oversight, they must adapt to this new reality. Greater institutionalisation of family wealth can be achieved, but it is not a one-way street, all parties to the process will need to be flexible to achieve the greater goals of successful legacy and succession planning.
Looking at these two closely connected survey results, it is evident that while the founder generation might hold the bulk of the family wealth and the keys to the ultimate decision making, it is the second generation that appears more determined to promote more detailed and effective legacy and succession planning. This is hardly surprising, as the second generation and their children are the ones who will stand to inherit the wealth and potentially take the reins of the family businesses.

The reality is that to expedite successful legacy plans, the founder patriarch and matriarch generation must engage as openly as possible with the second and even younger generations, as is clear from the findings in the survey responses below that nearly three-quarters of respondents believe the most effective outcomes are achieved by the first, second and possibly even third generations working together.

Structures created for Asian clients seeking estate and succession and business continuity planning tend not to often enough include the younger generations. Succession planning should not be about the founder generation retaining control; it should be about ensuring continuity of the family businesses and wealth into the future generations and helping them build the family dynasty while also pursuing their own objectives.

Wealthy Asian families are increasingly looking into their values and the purpose of their wealth and seeking to leave a legacy that benefits broader communities and society. This is partly driven by the more worldly outlooks of the usually Western-educated NextGens.

The founder or older generations consider it important that their children are ambitious by making it clear that they are not going to be extraordinarily wealthy no matter what they do. They try to encourage and structure their affairs to help the younger generations, but not to spoil them.

Each family member has their own hopes and ambitions as well as their own skillset. Wealth managers must listen to their individual voices, as alienation breeds disconnection and the structure may become unstable. Moreover, wealth management firms are thereby enhancing the potential to retain and attract younger generations of clients.

Private clients, particularly in north Asia, can be fickle and are often overwhelmed when it comes to advice. Keeping advice simple and guiding them to make the best decisions is important, as is understanding that the younger generation can flinch at some of the more traditional ideas of wealth transfer, and therefore advisers should gently guide families towards greater inclusion, and towards more modern values.

The older generation in Asia and the NextGens should clearly embrace more open dialogue and communication in order for them to appreciate the differences in expectations and outlook. They should recognise that these variations in style, approach, expectations, and hopes need to be well understood in order to help preserve family harmony and even to preserve the family wealth as it transitions through the generations. Moreover, it is important to recognise that the founding patriarch is not always the lynchpin to help expedite conversations and later solutions for these families. It might often be the matriarch or even other members of the family.

Additionally, it is vital to remember that ‘Rome was not built in a day’. The many experts we talk to regularly on these matters have stressed time and again that in working with wealthy families towards estate and succession solutions, the planning and execution often takes a long time, perhaps years. To imagine that this can be achieved rapidly is not realistic. But the key is for the family to head down the right path from the outset. Moreover, throughout the entire process, it is always the human issues that will create hurdles or even crises. Empathy and cultural sensitivity are, therefore, essential.

On the positive side, Asia’s elders are slowly engaging in traditionally difficult conversations, particularly around divorce, gender and sexual orientation in the context of succession planning. The door is opening towards a more modern and inclusive outlook.
The replies here were definitive – too few of the wealthier Asian families are successful at transitioning their family businesses to the next generations of their families. In fact, a worryingly large 61% of respondents said that less than quarter of their family clients are successful in such transition, and 87% in total said that less than half of such families achieve the right outcomes. With family business wealth so intimately intertwined with broader Asian family wealth – far more so than in the more mature European and US economies – this is a key problem that must be addressed in the decade ahead.

Wealth management experts in Asia specialising in the field of estate planning and transitioning – such a vital area with trillions of dollars of wealth due to change hands in the coming decade – must carefully navigate these waters, as the early integration of family members into the business fosters feelings of ownership and pride, and the prudent assembly of plans and structures will help the family's wealth endure.

---

IN ASIA, FAMILY BUSINESS WEALTH IS DEEPLY EMBEDDED IN PRIVATE CLIENTS’ TOTAL WEALTH

In your experience, what percentage of the larger family businesses in Asia successfully transition control to the NextGen family members?

- Less than 25%: 26%
- 25%-50%: 61%
- 50%-75%: 13%

The replies here were definitive – too few of the wealthier Asian families are successful at transitioning their family businesses to the next generations of their families. In fact, a worryingly large 61% of respondents said that less than quarter of their family clients are successful in such transition, and 87% in total said that less than half of such families achieve the right outcomes. With family business wealth so intimately intertwined with broader Asian family wealth – far more so than in the more mature European and US economies – this is a key problem that must be addressed in the decade ahead.

Wealth management experts in Asia specialising in the field of estate planning and transitioning – such a vital area with trillions of dollars of wealth due to change hands in the coming decade – must carefully navigate these waters, as the early integration of family members into the business fosters feelings of ownership and pride, and the prudent assembly of plans and structures will help the family’s wealth endure.

---

THERE ARE MANY PITFALLS AHEAD FOR THOSE HNW AND UHNW CLIENTS WHO GET THIS WRONG

What is most likely to go wrong with estate/ succession planning for Asian clients?

- Inheritance tax implications: 5%
- Family disputes: 33%
- Wrong/unnecessary structures used: 29%
- Taking the wrong advice about what clients need: 22%
- Misplacement of assets due to lack of inventory for successors/executor: 11%

It is very clear that legacy and succession planning needs to be approached and expedited professionally, as there are many potential pitfalls ahead; poor advice, lax preparation of asset inventories, and the adoption of the wrong structures can all too frequently lead to family disputes, tax problems, or the ‘disappearance’ of family assets, whether intentionally, or perhaps unwittingly. Act early and act emphatically, as disputes of all types can often occur within families, between spouses and partners, between siblings, between generations, and these are often highly charged situations.
IN ASIA, A GREATER FOCUS ON BUSINESS AND FAMILY GOVERNANCE AND DISCIPLINES WILL HELP GREATLY

How well have wealthy Asian families embraced and acted on the concept of family and business governance?

- Quite well, progress being made: 13%
- Modestly: 30%
- Not well at all: 57%

The respondents stated that only 13% of the clients they work with or know of have thus far got to grips with the whole issue of family and business governance and the inter-relation between them, while a resounding 87% said that progress to date in these areas is modest or poor.

Governance is high on the list of priorities for so many of the world’s wealthy families and investors, but it would seem to be less vital to wealthy Asian families in their approach to their family businesses. Anecdotal evidence abounds that for those purely private enterprises, and possibly even for the listed entities that remain firmly in the control of Asian families, far more could and should be achieved with regard to family and business governance.

Throughout many Hubbis interviews with leading wealth management experts in the region in recent years, bankers, lawyers and other advisers have gone to great lengths to articulate how family governance is so essential for the family business and family cohesion and stability, across the generations. And to explain why good governance in the family office will also help ensure well-managed wealth preservation and estate succession.

Family governance is essential for any family that wants its assets and its solidity to endure. Family governance is essentially a policy or etiquette that helps determine, communicate and execute how decisions are made related to the family business, their assets and also to help and to guide the family members for their future.

Good governance can help circumvent many of the obvious challenges a family faces, including poor communication, divergent views leading to internal feuds and a lack of unity, as well as the inability to manage the family wealth transition between generations.

Families with the right practices and approaches can engage proactively, and before conflict arises, to articulate and codify family principles. They can help keep multiple generations and different family members unified, maintain financial and fiscal discipline, provide broad levels of support, and help preserve wealth and build upon it for the future.

This can often start with a family constitution to house the key principles of mission, vision and shared values, as well as articulating the individual and collective family goals. It could and indeed should define the family assemblies, and committee, the family council and the role of the family office, if there is one. It should lay out the policies and protocols for actioning any and all of these areas, as well as helping align the actions and views of the principals/decision-makers with the broadest elements of the wider family.

There are many valid objectives behind the organisation of families, from wealth and asset preservation, the support of family members in their projects, tax optimisation, inheritance planning, privacy and confidentiality. On the investment side, risk diversification. With the right approach, these families can achieve unified objectives and a family that is unified for generations.

So many successful business owners struggle with their family business and wealth governance arrangements, as they are often very good at wealth creation, but they often have a blind spot when it comes to preserving that wealth, and are often insufficiently aware of the external and internal risks to wealth preservation and the threats to the successful transmission of the wealth to the future generations they have nurtured and loved.

Indeed, statistically, the most significant form of risk is often the internal risk, for example, the risk of divorce tearing families apart and ‘losing’ assets to individuals who are no longer part of the family.

There has accordingly in recent years been a rising acceptance of this whole concept of governance. Family governance is about trying to put in place a governance framework, so, for example, taking corporate ideas, corporate governance and putting them into the family context. It is about putting in place a structure, be it a trust, a company or putting in place ideas or a framework, a family chapter, for example, or just starting a conversation with the family as to how to transition their family wealth.
In a world of increasing numbers of new regulations, both on a global and regional/local level, it appears imperative for HNW and UHNW clients in Asia to review their succession and legacy plans regularly. Our experts certainly agree - 57% of respondents propose that clients should review these arrangements every single year, and another 39% said they need to be reviewed every three years, while only 4% said their clients’ planning is fine and need not be reviewed or revised.

As the older structures that families have in place need to be reviewed regularly and as newer structures will last much less time as the world’s regulators are constantly adding new layers of regulation, the wealth advisory and professional services community in Asia and indeed globally, therefore need to work more closely to develop and refine the plans and solutions to cater to the smooth transition of Asia’s wealth to the NextGens. Jurisdictions, structures of all types, and investments will need to be curated and coordinated, but there is no one-size-fits-all solution, each situation is unique and requires tailored solutions.

Moreover, it is not just regulatory evolution driving the need for continual refinement of solutions. All the parties involved also need to recognise that things continually change. Whenever families set up a plan and structures, that might be appropriate at that point in time for their lives as a family, but then the younger generations grow up, get married, go overseas, embark on new ventures, children and grandchildren arrive, divorces take place, in short, the family’s shape, its values and personal experiences change. Families must, therefore, adapt their structures and solutions regularly to accommodate these dynamics.

DON’T FORGET LIFE INSURANCE; IT IS A HIGHLY VALUABLE CONSTITUENT OF SUCCESSFUL WEALTH PLANNING

How important is life insurance to the proper organisation of succession and estate planning for Asia’s HNW and UHNW clients?

The pandemic has conspired to make private clients globally even more receptive to such solutions, especially in relation to discussions on wealth and estate planning, as people the world over today seem to have a more philosophical acceptance of mortality and of the need to ensure proper succession and legacy planning for themselves and their families. Little surprise therefore that 96% of responses indicated that life insurance is either vital to well-structured legacy planning, or important to such outcomes, or at worst likely to be highly useful, alongside some other solutions.
In your view, rank which of these categories of banks/firms are best currently at advising on succession planning.

<table>
<thead>
<tr>
<th>Category</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lawyers</td>
<td>52%</td>
</tr>
<tr>
<td>Independent wealth management firms</td>
<td>22%</td>
</tr>
<tr>
<td>The global ‘brand name’ private banks</td>
<td>13%</td>
</tr>
<tr>
<td>Tax advisers/consultants</td>
<td>9%</td>
</tr>
<tr>
<td>The boutique international private banks</td>
<td>4%</td>
</tr>
</tbody>
</table>
Chapter 4

The Great Wealth Transfer and Asia’s Wealth Management Community
The Asian wealth management community needs to prepare far better for the vast transfer of wealth due to take place within Asia in the next decade and beyond, as only 4% said the industry is really ready for this development, while 37% of replies indicated the industry is poorly prepared, and 7% said there was really no need to prepare. Nevertheless, the message is clearly resonating in Asia, as 52% of respondents believe the wealth industry is gradually getting better organised for this great wealth transfer.

The institutionalisation and deeper professionalisation of Asian family wealth, especially amongst HNW and UHNW families, is advancing apace. The private banks and other advisory and asset management firms need to upgrade their services and skills to ensure these clients are properly served and across the generations.

If the wealth management industry wants to best serve its clients, and also to retain the younger generations of wealthy for the future, they should help encourage families to embrace inclusiveness in their business and asset planning for the future, and thereby engage the younger generations of family members, who can often either be, or appear to be, entitled, or disinterested. Being included from early on in the family decisions will help reverse this.

Bankers today often need to match deep personal and cultural understanding with their expertise as seasoned private bankers. They need an unerring belief in the value of thorough, diligent, inclusive, forward-focused wealth planning, family governance and philanthropy for the region’s HNW and UHNW clients. They require a passion for working with such clients to achieve the best possible outcomes for them and their families – across the generations. They need to be able to deliver consistent, holistic advice and top-flight outcomes to truly be effective in the expanding world of succession and legacy planning.

The next generations are usually highly educated, often in long-established Western institutions, which can lead to a better understanding of worldly matters, of wealth management issues, and often serves to boost their entrepreneurial hunger. Somehow, wealthy families need to recognise this and include the visions of those younger generations in the family’s future planning, or those more youthful elements will be deterred, not wishing to be bogged down by overseeing the logistics for the existing family businesses.

The younger generation’s entrepreneurial spirit can be celebrated, show-cased and bankrolled by the head of the family, while some degree of control can shrewdly be retained to prevent risk to reputation and capital. In short, the banks and IAMs should encourage their primary clients to be inclusive and responsive, and thereby help the family protect and transition their wealth for the future.

No matter if it is a wealthy family in Asia, the UK, the US, or elsewhere, they all tend to share a similar dynamic - a top-down approach with a dominant head and a sometimes disconnected, dissatisfied, or possibly disorganised younger generation. It is, therefore, the differences between the generations that need to be addressed by the wealth management industry, to develop value, trust and a collaborative attitude.

Each family member has their own hopes and ambitions as well as their own skillset. Wealth managers must listen to their individual voices, as alienation breeds disconnection and the structure may become unstable. Moreover, wealth management firms are thereby enhancing the potential to retain and attract younger generations of clients.

Cultural nuances must be understood and observed. The wealth management community must realise that cultural practices in Asia mean that there is less of a tendency for the NextGens to challenge the older generations, or even to try to stimulate an open dialogue, whereas in Europe and the US it is much easier to address issues and sensitivities head-on. Accordingly, good advisers will attempt to open the doors to such dialogue and communication, as this is vital to good outcomes.
There has been a strong rise in interest in the whole topic of multi-generational connectivity, related to the big issue of wealth transfer and structured succession planning in Asia. Many bankers and advisers have been making great efforts to reaching out across the generations, for example running NextGen forums, webinars, surveys, blogs and reports.

Bankers report that based on conversations with the younger generations from their key HNW and UHNW clients' families, they find that a large proportion of them are very interested in issues regarding creating positive social or environmental change, are keen to learn more about impact investing, sustainability and they are often enthusiastic about taking a more active role.

The NextGens are also keen on philanthropic initiatives - some of them are already spearheading activities within their own family or starting their own projects if they find that their own aspirations are slightly different from their own family foundation.

The prominence of women as holders and controllers of Asia’s wealth is also on the rise. Experts report that more and more of the family offices, or the families they work with, are being spearheaded by the females in the families.

Within Asian families, education is often a very important element of the family, with most of the family members in the next generation being very well educated. When wealthy families are starting to look at constructing a family office, to bring the family asset management capabilities to the next level, and are considering which member of the family is an appropriate candidate to lead the family, it is broadly the case that they are considered on merit within the family, regardless of gender.

More and more women in or from Asia are very well educated, and many are equipped with relevant experiences – they might have had some exposure in the wealth management space – so they become very natural candidates to assist the family.

Consequently, with the increased participation of female family members in the family business and decision-making arena, new dynamics are emerging. This could include a more collaborative approach to succession planning, particularly in the context of internal dispute resolution within the families.

Furthermore, when it comes to issues in relation to a family’s stand on sustainability, climate change, mental health issues, special needs, communities, just to name a few, these areas often resonate very well with Asian female family members, who traditionally and often facilitate the expression of the value system of their family to the outside world and to anchor and enhance their family's social capital.

These nuances all flow through to the wealth management space in terms of advice and delivery, and the bankers and relationships managers plying their trade in the region, if they want to be truly seen as trusted advisers, they need to make sure that they are aligned with these trends amongst their actual and future clients.

The private wealth management space therefore needs to look at spending more time to see how they can support the different segments and generations of the client base to help them achieve more for their family and expedite their family wealth preservation and transition.

Building an ecosystem of expertise is vital. Most of the leading global and indeed boutique private banks are becoming quite well versed in estate and succession planning, but they must also recognise that they must work to help build a composite team of legal, tax, accounting, trustee and other experts who can handle the often highly complex and increasingly trans-jurisdictional issues. To be trusted advisers, they need to be inclusive and promote best-in-class solutions and the most professional partners in these endeavours.
While 61% of respondents indicated the Asian wealth management community is improving its efforts to educate the private client base on the merits of succession and legacy planning, only 4% said this is well in hand, and 35% indicated that far more needs to be done in this regard.

A trusted adviser can act as the focal point and catalyst for good solutions. The trusted adviser in Asia can identify many of the key legacy and succession planning issues and help families move towards the right outcomes, but to do so, they need to be open to working with and bringing in a wide range of skills and experts, and work across the generations, in other words to be inclusive.

Throughout the entire legacy and succession process, it is always the human issues that will create hurdles or even crises. Empathy and cultural sensitivity are therefore essential.

Advisers should strive to gain the trust of their primary clients and encourage Asia’s founders and leaders to address the key issues across generations. Those founder generations need to be encouraged to let go of some of their entrenched values and viewpoints, to then also understand and listen to the next generations. If so, then the families can create a more successful, constructive, and inclusive plan that considers different visions of the future.

There is also no substitute for getting on with things, and the founder generation in Asia needs to cast off its cultural reluctance and reticence to speak in the open about succession arrangements. It is well known that the older generations in Asia tend to prefer to hold on to wealth and the control of it and the family businesses, but the key to achieving the best outcomes for the wider family is to take a transparent and professional approach, then plan and structure properly.
With 68% of respondents suggesting that the wealth management community is doing a reasonable job of building effective family-wide, multi-generational relationships, there is some encouragement that their efforts and initiatives are paying off. Nevertheless, roughly one-third of respondents suggested that far more can, and should be done, in reaching out across the generational lines.

Naturally, it is vital for the wealth management community to maintain and build relationships with the founder generation of Asia’s private wealth, but private bankers and IAMs must make greater efforts to build their relationships with the NextGen. It is they who will determine the shape and success of the wealth management industry of the future.

Different generations have different perspectives. Private banks and other wealth firms are finding that there is no guarantee that relationships will endure when private wealth in Asia transitions across the generations. These banks and firms need to understand who these newer clients are, what appeals to them, what they need and expect, and then tailor their services, products, approaches and personnel to them. If they do not, the assets under management (AUM) these banks and IAM control will be lost potentially to new entrants, or other savvier and strategically-minded incumbents.
57%

While 57% of respondents indicated that the NextGens are more likely than not to stay with the private banks or IAMS favoured by the founder generation, 43% indicated these future potential clients are not likely to remain loyal to those banks and firms.

Any client-driven business that is faced with a major struggle to retain 43% of its clientele will struggle in the years ahead, which is precisely why it is so essential for them to engage with their wealthy private clients, and as far as possible, with the multiple generations of such families, in order to forge and then build on these relationships from as early as possible. For those relationships managers looking ahead to retirement in the next few years, this is clearly not so important, but for the banks, the IAMS and those relationship managers that want longevity, it is increasingly vital to engage with their clients on these legacy and succession planning issues.

The second, third and fourth generations of wealthy Asian families have been enjoying increasingly higher levels of education, often in international educational institutions, meaning that these Asian generations are no longer as traditional as the founder patriarch/matriarch generation that today holds or controls much of Asia’s vast private and corporate wealth. While the founders in the families might want or expect their children and grandchildren to continue in the family businesses and even adopt similar values and approaches, this is increasingly not the case.

Bankers report that they see many of the wealthy Asian families at a junction now whereby the patriarchs and matriarchs are of an age where they need to start thinking about the NextGens, and how they can pass down the immense wealth that they have managed to accumulate or inherit. It is therefore vital to the futures of the wealth management institutions that they engage as vigorously and empathetically and sensitively with these NextGen clients.

As a broad generalisation, the experts we canvassed throughout our research agreed that Asia’s wealth industry must recognise that younger clients will work better with younger bankers and advisers. Of course, there is no substitute for experience, but as a broad and general rule, the banks and firms will need to adapt their teams to reflect the future, not the past in Asia.
The good news for the private banks is that 70% of respondents indicated that Asia’s NextGens, who will inherit and control much of the wealth in the several decades ahead, are most likely to use the services of the private banks. The global names are in the frontrunning, with 48% of replies indicating the NextGens will work with such brand-name institutions, followed by the boutique international private banks, who actually ranked alongside the IAMS/multi-family offices.

Of course, this does not mean that these NextGens will be loyal to the global private banks preferred by the founder generations, only that they will continue to have a preference for such global brand institutions.

Private banks and other advisers that want to ensure longevity of relationships with their HNW and UHNW clients and families therefore need to build and expand their connections to those families across the generations. To do so, it is advisable to engage with them with strong content that will encourage them to rethink their realities and to help them in their endeavours, to help them navigate uncertainty.

Doing so in the current pandemic is more difficult than ever, due to the difficulty of face-to-face meetings, but to remain successful banks and advisers need to adapt and thereby stay connected to clients. Many have reinvented their physical events into more online digital content via webinar events and are delivering more content digitally; some are also using videos to regularly deliver content to these various segments for the areas that they are interested in and thereby serve them better.
Engagement with Asia’s NextGens will result in different relationships from the historical norms in the region. While the founder generations have tended to be more hands-on and prefer self-directed investing, the second and third generations are more receptive to passing control of their passive investments to professionals, therefore engaging with the banks more readily in Discretionary Portfolio Management (DPM) mandates and in advisory-led relationships, or at least a combination of all these approaches.

What does this mean? Simply put, it means that the Asian wealth management community needs to adapt its personnel, its products and its solutions to the private client wealth market ahead. The good news is that this will suit them, as there has been a regionwide drive to boost the levels of recurrent, or advisory-led fee income, steering these institutions and organisations away from the more ad hoc product-driven revenues that had long dominated the landscape, in other words there should be a more accentuated shift towards the European type advisory and DPM model.

Our research highlighted earlier in this paper how the younger generations in Asia tend to be far more educated and worldly, and often considerably more receptive to working with external consultants and expert advisers, in order to modernise structures, strategies and to make the businesses more relevant. The big picture is that when succession takes places, all at once or gradually, change should be expected, it is simply a question of how fast and how extensive.

And the banks and IAMs should recognise that although Asia’s NextGens might have different visions of the family business, of investments, of their own futures from the founder generations, they often strive to retain some of the values and legacy of the family business and culture, while building their own way.

The NextGens are more globally experienced and more likely to question the motives of bankers, advisers, and professional services providers. Be wary of promoting products or solutions that are more advantageous to you as the provider, rather than being agnostic and client centric.

Advisers in the wealth industry should also appreciate that the smart, well-educated NextGens of Asia can very easily see through conflicts of interest emanating from bankers, advisers or service providers not offering advice that is truly in the interest of themselves or their families. The wealth management community should recognise this and work to eliminate as many such conflicts as possible.

These actual and future NextGen clients will also only reward loyalty when it has been truly earned. To satisfy the needs and demands of these NextGens inheriting or making Asia’s wealth of the future, the wealth management professionals in Asia are now expected to demonstrate multi-faceted skills, from the technical competencies (appreciating financial products, structures, jurisdictional challenges, regulatory and compliance requirements) to their inter-personal skills (building strong networks and deepening trust with their clients and associates).
The well-documented thrust towards ESG and sustainable investing will be central to the NextGens in Asia, as they inherit or build Asia’s vast and rapidly expanding private wealth. 69% of replies indicated that between a quarter and three-quarters of the NextGen financial investment portfolios will be centred around such investments.

Asia is often mirroring trends in the West as well. Experts we polled observed that there are today growing similarities between wealthy families in Asia and Europe or the US, with an increasing trend towards NextGens going their own way, allied with more of a shift towards philanthropy and other issues surrounding sustainability and social and community responsibility.

Asia’s NextGens are certainly more inclined towards issues of social justice, the environment, and sustainability, with the investment focus and the direction of the family businesses also playing out on these themes once they gain control. The wealth management community will need to adjust its style, products, and solutions to accommodate these preferences and indeed expectations.

The wealth management industry is increasingly focused on helping families tackle the issues of corporate and family governance, which helps them set standards and responsibilities, and also serves to help bridge the differences between the generations. Founders are advised to include the different generations early on in the family council or family assembly, and to listen to their insights and opinions.

Moreover, the NextGens are, anecdotally, often behind the scenes encouraging their parents or grandparents to greater societal initiatives. In the current crisis, philanthropy can play a more prominent and important role in the economy, helping underprivileged segments of society, and the private wealth space can be used to support government relief programmes in any times, and especially in these times of stress and anxiety.

Bankers we have interviewed of late have certainly highlighted the growing prevalence of HNW and UHNW families supporting societal cohesion and doing good using their enormous wealth to help segments of society most threatened by the pandemic. Many such bankers have been heartened to see these families stepping forward to create positive impact through funding and supporting social enterprises, SMEs and others, and the private banks and other advisory firms have also been working to help organise collaborative initiatives between the families and these social impact initiatives.

Indeed, bankers report that as more and more wealthy Asian families, that are already on the road to philanthropy, have been reflecting on how they could do even more, so they as bankers and advisers can assume a proactive role in helping them shape this vision into reality. In doing so, they will gain considerable traction with the NextGens, who very often recognise their privilege in inheriting family wealth, sooner or later, and therefore their broader responsibilities.
ASIA’S NEXTGEN CLIENTS WILL EXPECT DIGITAL SOLUTIONS AND STATE-OF-THE-ART CONNECTIVITY

How important is the digital technology on offer from the banks and wealth management firms to Asia’s NextGens choosing them as their preferred or favoured provider?

- Totally essential/the deciding factor: 9%
- One of the key factors: 78%
- Not really important: 13%

With 87% of respondents suggesting that the digital technologies and connectivity on offer from the banks and wealth management firms will be important, or possibly crucial, to driving the retention of, or potentially attracting Asia’s NextGen private clients, the wealth management community will be further reassured that their investment in such digitisation will either help them defend their businesses, or possibly put them in an advantageous position to compete.

We know that many of the second and third generations of Asian family wealth are either digitally savvy, or digital natives. The NextGens, even the older amongst them, tend to prefer technology solutions and value smart communication, technologically advanced solutions, and seamless interface. The wealth management community must continue to invest wisely and imaginatively to cater to these expectations. To attempt to engage them without the latest and smartest digital solutions and connectivity would be unwise.

REPUTABLE, MULTI-FACETED JURISDICTIONS ARE ESSENTIAL FOR ASIA’S DIVERSE NEEDS AND EXPECTATIONS

When choosing a jurisdiction through which to organise their legacy planning, rank the key factors you think Asia’s private clients consider most important.

- Reputation: 25%
- Global expertise: 26%
- Price: 15%
- Privacy: 9%
- Transparency/quality of regulatory/compliance: 6%
- Geographical proximity: 2%
- Depth of professionals/services/advisers: 17%

Reputation, global expertise and depth of professional expertise are the key factors that will likely determine through which jurisdictions Asia’s private clients will work in the years ahead in order to help structure their estate and legacy planning. Quality, propriety and genuine expertise will therefore count for more than ever before, implying that IFCs will continue to need to redefine and refine their products and services, at the same time as continuing their communication efforts across their main markets, thereby reinforcing their commitment and their brand.

These offshore centres not only need to reach out to the end clients, but of course they need to engage deeply and convincingly with the private banks and IAMs to help ensure that they are indeed top of mind when the clients of those banks and firms select IFCs for the structures and vehicles that are so integral to their estate and legacy planning.
There is evidently much more work to be done amongst the world’s leading IFCs to broaden their engagement with the NextGen private wealth clients of Asia, although the replies also indicated clearly that these IFCs are taking steps in the right directions, with 60% of replies indicating that matters have been improving, and 11% stating that the efforts and initiatives have been excellent of late.

The efforts these IFCs are making to engage with the decision makers in Asia, and their banks and advisers, in relation to their legacy planning will help such offshore centres commence and build a dialogue with those organisations and their younger clients, thereby helping them to be in the right position to engage with the NextGens who will inherit or build most of Asia’s wealth in the decades ahead. Again, this is all about making sure these IFCs are top of mind when the NextGen clients of the banks, wealth management and advisory firms select IFCs for the investment-related structures and vehicles.
Post-Script

We all know that the wealth management industry in Asia is challenged on many fronts – ever-increasing regulation and compliance, the pressure of rising costs, the compression of fees and the concomitant drive to achieve more sustainable and predictable revenues, the imperative to digitise solutions front-end to back-end, and the rise of new competitors, as well as the spectre of BigTech entering this highly competitive market.

The COVID-19 pandemic will certainly have hindered the economic progress and the private wealth creation of Asia. However, we all need to look beyond the pandemic to the resumption of economic growth and the continued expansion of private wealth in Asia; many economists and experts believe that Asia will again assume the role as the engine of this global expansion.

And in the meantime, life goes on and Asia’s private clients and the wealth management community must urgently address the challenges and the dynamics of legacy and succession planning in order to help transition these trillions of dollars between the generations of Asia’s HNW and UHNW families in the decade ahead, and beyond.

Progress is certainly being made, but much progress has yet to be achieved. It is up to the private banks, independent wealth management firms and, indeed, wealth jurisdictions around the globe to embrace this dramatic shift in Asia’s wealth, and of those who control it and of their expectations and needs. Those who are fully engaged with these challenges, and with the immense and compelling opportunities that will unfurl, will be best placed to participate in and benefit from what is very likely to be the ongoing growth and dynamism across the length and breadth of Asia. ✽
Jersey Finance’s Global Team
Joe Moynihan
Chief Executive Office

Joe commenced his professional life in the banking sector, rising to the position of CEO of Jersey and the Isle of Man for a major bank, which included responsibilities for trusts and investments. In recent years, he expanded his focus as Director of Financial Services within the Government of Jersey, where he worked closely with industry and regulator to ensure the island's position as a leading international finance centre.

Before joining Jersey Finance in February 2019, Joe was working to establish high-reputation regulatory frameworks and business models for IFCs in the Middle East and Africa.

Allan Wood
Global Head of Business Development

As Global Head of Business Development, Allan is responsible for overseeing the promotion of Jersey as a leading international finance centre across key strategic overseas markets including Africa, the Gulf region, Asia, the US and the UK.

Allan joined Jersey Finance in 2015 as Business Development Director, before being promoted to Regional Head - West, where he was responsible for overseeing the Africa, US and UK markets.

Prior to Jersey Finance, Allan spent five years with Barclays in Jersey, where he was Vice President and leader of the Jersey International business within Barclays Wealth & Investment Management division. Before this, he spent 20 years with Royal Bank of Scotland.
An Kelles  
Director, GCC

An joined Jersey Finance in May 2016 as the Business Development Director for Asia and is now based in Dubai.

An studied law in Belgium at the University of Leuven including one Erasmus exchange year at Queen Mary and Westfield College in London. She subsequently did an LLM in international business law at Trinity College Dublin.

An qualified as a lawyer in Belgium before moving to Dublin to work in the international business team of the law firm Matheson. In 2009, she went to work for ATC Corporate Services in Luxembourg as a corporate lawyer and later as a business unit manager. After a shareholding change in 2013, ATC Corporate Services merged with the Intertrust Group. An joined the Intertrust Hong Kong office in 2014 as a business unit director for the European and the Private Equity team.

Faizal Bhana  
Director Middle East, Africa and India

Faizal is a UK qualified lawyer and for many years has worked and advised, and is a trusted advisor to institutions, corporates and families across the Middle East and Africa. Faizal specialises in banking and finance and has advised both corporates and families including on their international investment and holding structures.

Faizal is responsible for developing the strategy for Jersey Finance’s engagement in Africa, the Middle East and India. He is focussed on his key markets, regularly travelling to all these countries, liaising and working with key stakeholders, including public and private institutions, corporates and families, building long term mutually beneficial relationships.

Faizal graduated with a first class in his undergraduate Law (LLB) Honours degree and a distinction in his postgraduate (MSc) degree in Islamic Banking and Finance, both from top tier UK based universities.

Robert Moore  
Director, UK

Robert joined Jersey Finance as Business Development Director following three years with Ocorian Limited in Jersey. Born in Dublin, Robert has over 13 years’ financial service experience in Jersey.

Prior to Jersey Finance, Robert was employed as a Client Director in the Alternative Investment Division of Ocorian Limited. Previous to this he spent eight years with Garfield-Bennett Trust Company and two years with the TMF Group. Robert has extensive experience within the private wealth, real estate and private equity sectors and has held executive director roles on a number of complex portfolios with varied administrative and regulatory requirements. Professionally he is a member of the Society of Trust and Estate Practitioners (STEP) obtaining the Diploma of International Trust Management, entitling the TEP designation.
Philip A. Pirecki
Business Development - The Americas

Philip joined Jersey Finance to oversee business development in the Americas. Born in Jersey but based in New York, Philip has more than 20 years of professional experience in investment banking, investment management, consulting, auditing and accounting.

Philip is a financial industry and asset management executive, strategist and innovator, with more than 20 years of professional experience that includes investment banking, investment management, consulting, auditing and accounting.

Prior to joining Jersey Finance, Philip was a Partner and Director of Silver Sail Advisors LLP, a London based independent investment advisory firm focused on the global automotive and industrial sectors, with a particular emphasis on China. Before that, he was a Partner and COO at Silverstone Capital LLP, a hedge fund group based in London; an equity research analyst at UBS Investment Bank in New York; and a manager in forensic accounting and auditing at PricewaterhouseCoopers in New York and Seattle.

Philip is a graduate of the University of Southern California and spent six years in the United States Marine Corps.

Elliot Refson
Head of Funds

Elliot is focussed on defining strategy and execution of marketing Jersey as both a domicile and destination for Hedge and Private Equity Management Companies and Funds based in the UK, US, Switzerland and Europe.

Elliot is focussed on defining strategy and execution of marketing Jersey as both a domicile and destination for Hedge and Private Equity Management Companies and Funds.

Elliot moved to Jersey in 2006 to establish a Macro strategy Hedge Fund under the Ermitage umbrella for whom he also seeded other Macro / CTA strategy Hedge Funds. Elliot founded the Jersey Hedge Fund Managers Group aimed at linking the growing community of local Managers and is a committee member of the Jersey Funds Association.