OPUS

PRIVATE

An introduction to

International Planning

Who we are

Opus Private is an independent regulated fiduciary and family office services company with offices in Guernsey, London and Dubai.

We focus on the provision of bespoke single and multiple family office advisory services to ultra high net worth business families internationally.

Our services include:

- Family and corporate governance
- Family advisory
- Independent trustee and advisory
- Wealth solutions
- Estate and succession planning
- Individual and business philanthropy
- Coordination, management and consolidated reporting of assets

Problems and pitfalls in owning international assets

Only a generation ago, it was relatively rare for wealthy families to have much of their wealth outside their home jurisdiction or region. Today, many wealthy families have assets all over the world. It is also commonplace for family members to reside in different countries.

This diversification brings with it many, potentially problematic, issues arising from exposure to foreign laws governing the ownership of international assets, particularly foreign succession laws and taxation.

We are expert in advising upon and implementing complex international estate planning and asset protection structures for wealthy families.

How we can help

We have proven structuring solutions, using trusts and other asset holding vehicles, to avoid many of the potential pitfalls and liabilities inherent in owning, protecting, and eventually passing on, international assets.

Sadly, we are often asked to help correct situations that have arisen after the death of a wealth owner. There is often only a limited amount of corrective work that can be done at this stage – therefore it is always advisable to carry out necessary planning during the owner’s lifetime so as to avoid the problems, costs and liabilities that might otherwise arise.

Family governance planning

Where much of a family’s wealth is concentrated in a business, it is often useful to put in place a family governance plan to help ensure the continued smooth running of the business after the owner’s demise.

It is all too common to see family businesses being adversely affected following the death of the family member owning, or running the business, and the family’s wealth thereby diminished either through neglect, family conflict, or disputes with outside business partners.

Suitable structuring of the ownership of business assets, combined with a good family governance plan can do much to ensure a business remains strong during the hand over to other family members.

Where a family business is substantial, having a good family governance plan in place can also actively improve the credit rating of the business.

Potential issues – checklist

International
- Are you aware of local inheritance and tax laws in countries where your assets are located
- Can the assets be easily sold, transferred or confiscated
- Are taxes and duties payable in countries other than where you are resident/based
- Are assets held in the most appropriate and tax efficient way
- Forced heirship – can others lay claim to any of your assets

Asset performance

Quoted securities
- Has your asset manager ever clarified and documented your risk profile
- Are you aware of the level of risk applied to your existing portfolio(s)
- Do you have a clearly defined and explained investment strategy
- Have your managers performed well in the short to medium term
- Are you happy with your managers' performance
- Do you receive reports that clarify how your portfolio performs against an agreed benchmark
- Transparency – are you aware of all costs incurred directly and indirectly
- Would it be beneficial to have your portfolio(s) independently appraised

Other assets
- Are they viewed as investments or personal assets
- Should they be producing an income or some form of return
- Are they adequately managed and protected

Information and reporting
- Do you know exactly what you own – both personally and via holding structures
- Do you have a central record showing all assets, interests, and debts
- Do you hold full information and title documents of assets
- Do you receive adequate up to date information about your assets – be it property, bank balances, investment portfolios, chattels, collectibles or fine art
- Would a consolidated report of all of your assets, produced regularly, be of benefit

Security and insurance
- Insurance – assets: are all assets covered and are they periodically reviewed to ensure insurance cover remains adequate
- Insurance – personal: life cover, kidnap & ransom, keyman/ business succession plan
- Safekeeping – are real assets adequately stored and protected, free from any potential risks. In particular collectibles and high value items
- Personal protection – do you have (or need) adequate personal security. Is this an issue at home or abroad

Estate planning
- Have you prepared a will, and/or established structures to deal with all of your assets and interests
- Are you satisfied that your inheritance arrangements fulfil your needs, are up to date and sufficiently flexible

Tax
- Are your tax affairs in order and up to date
- Are all assets held tax efficiently

Business
- Do you have a business succession plan
- Are measures in place to ensure continuity of the business
- Would your surviving family prefer to sell the business after your death
- Does the management team wish to acquire the business after your death. If so how can this be funded

Ultimately
- Do you have a plan that ultimately ensures that all key issues are addressed, that assets, interests, provisions and intentions are known, implemented and reviewed as appropriate

A global estate plan

A well thought out global estate plan, combined with suitable structuring of the ownership of the family's assets, can provide the following advantages:

- Avoids the necessity of the family having to undertake complicated, costly and laborious probate procedures in various different jurisdictions where the family holds assets
- Confidentiality, as the avoidance of public probate procedures prevents the outside world from gaining knowledge of the extent and location of the family's assets, thereby providing asset protection
- Where appropriate, will avoid unnecessary liability to local taxation in the jurisdiction where the assets are situated
- Can provide a focal point for administration and record keeping, enhancing the ongoing good stewardship of the family's assets
- Ensure the eventual succession to the family's assets is in accordance with the owner's wishes, or religious beliefs, and not governed by the succession laws of local jurisdictions
- Flexibility, so that the wealth owner can retain effective "control" over assets during his or her lifetime, but sufficiently structured to ensure assets do pass to the correct family members as and when specified by the owner
- Leaves the owner secure in the knowledge that he or she has put in place a "bridge to the future" by ensuring other family members benefit in exactly the way they consider appropriate, thus allowing the owner to exercise "control" over the family, even after their demise
- Helps protect against conflict – either between family members seeking to dispute their succession rights, or from spouses of family members or other third parties, wishing to attack the family's assets
- Where appropriate, can integrate with the family's private office and other advisers, or involve key family members, to ensure ongoing good stewardship and eventually a more seamless transition

Where suitable structuring is implemented alongside a considered global estate plan, a family's 'security' is enhanced, and the family are given peace of mind in the knowledge that proactive measures have been taken to secure and protect the family's wealth, now and in the future.

Location

All structures are managed and administered from Opus Private's office in Guernsey, Channel Islands.

Guernsey is a British Dependent Territory and one of the world's leading offshore financial centres. It has a long history of stability, a modern and sophisticated infrastructure as well as excellent business links to UK, continental Europe and internationally via various European airport hubs. By locating the administration from one central offshore location we are able to ensure consistency in the quality, speed and reliability of our service offering, while preserving the good standing, respectability and integrity of each entity.

Regulatory information

The Guernsey Financial Services Commission licenses each of the fiduciary companies within Opus Private under the Island's laws governing the regulation of fiduciaries, administration businesses and company directors.

For further information contact:

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Professional business insurances

Opus Private carries cover for professional indemnity of directors/officers five times the legal limit required by the regulators in Guernsey.

Fees and charges

Please contact us for full details of our fees and charges and to discuss your requirements.

Contact

For further information, please approach your usual contact at Opus Private, or alternatively:

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