



Family matters: why the world's wealthiest are setting up family offices in Guernsey

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Wealth is increasing exponentially among some of the world's richest families to the extent that, for many of these families, it makes commercial sense to set up their own bespoke family office to look after their key operations - and they are increasingly looking to Guernsey as the place to do it.

At its most simple a family office manages the affairs of a particular wealthy family (or in the case of a multi-family office, multiple wealthy families). Services typically provided include management of tax and legal matters, property management, accounting and payroll activities. In addition some family offices provide softer concierge services connected with, for example, travel, managing household staff etc. Family offices increasingly provide family management services, including family governance, financial and investment education for the next generations, philanthropy coordination and succession planning.

The sheer variety of services that a family office can provide means that understanding exactly what the client is looking for is crucial, as Gavin Ferguson, head of Ogier's Private Wealth in Guernsey, explains: "Often the first step is to determine what the client's real needs are when they say they want a family office as requirements can vary materially from family to family. In recent times many of our mandates are connected to asset management, such that a fund structure might well be incorporated into the family office platform."

So why is Guernsey specifically becoming a jurisdiction of choice for families across the world looking to set up such an operation? There are a range of factors, but a key one is global economic shifts, with private wealth increasing exponentially in East Asia and families in the Middle East looking to structure their assets in difficult times. "We have assisted a number of wealthy families from different parts of the world, including the Middle East and East Asia, establish family offices in Guernsey. Founders from these jurisdictions are increasingly looking to benefit from all a family office has to offer and, in particular, protect wealth in the face of political instability. Guernsey is politically stable, has close links with the UK and Europe as well as strong legal foundations and a

robust and respected regulatory framework. "

Alongside its political stability, Guernsey also has the expertise and personnel to manage family offices well: "Guernsey is particularly attractive because of the high quality of professional services available in the investment, accounting and legal sectors. A family office is only as good as those running it and the right mix is crucial - both in terms of providing for the key professional services needed by a family office (e.g. accounting, legal and investment services) and the softer skills required for diffusing difficult family issues and ensuring individual family members buy in to the family's vision for the future."

It is also likely that new economic substance provisions will influence where ultra-high net worth individuals are locating their family office - Guernsey is on the front foot here, affirmed by the EU as a cooperative jurisdiction in terms of good tax practice and transparency. Throw in the desire among high net worth families to establish meaningful charitable legacies and structures, which the law in Guernsey easily accommodates, and it's clear why the Island is firmly on the map for family offices.

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