



Legacy and family office  
transition and establishing  
the family office

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21 October 2024

# Legacy and family office transition and establishing the family office



**Karen Brodsky**

Tax Partner  
Deloitte United States

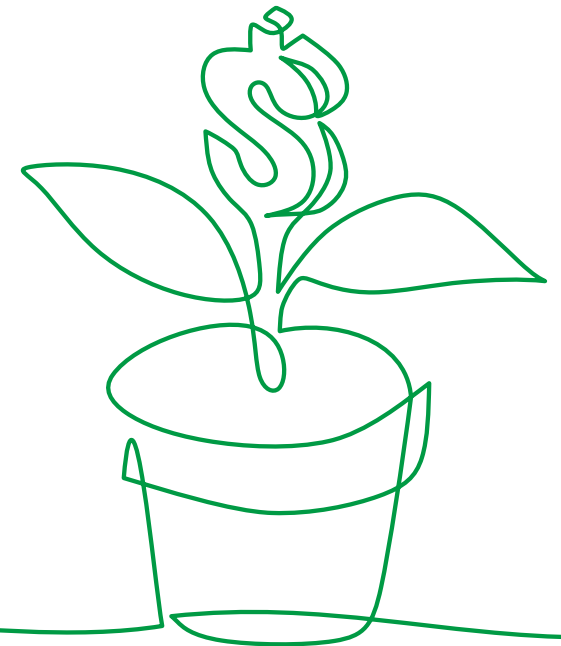




The continued growth of global wealth and related growth in the number of family offices in Singapore and elsewhere means families must address the formation, transformation and transition of their wealth, business interests, and family office structures in a global tax environment

We will discuss:

- Family office formation
- Best practice approaches to family office operations
- Transformation due to changes in the business, family, etc.
- Estate planning
- Succession planning for investments, businesses, and family office personnel
- Transition from generation to generation



# Agenda

**01** Creation of the Family Office

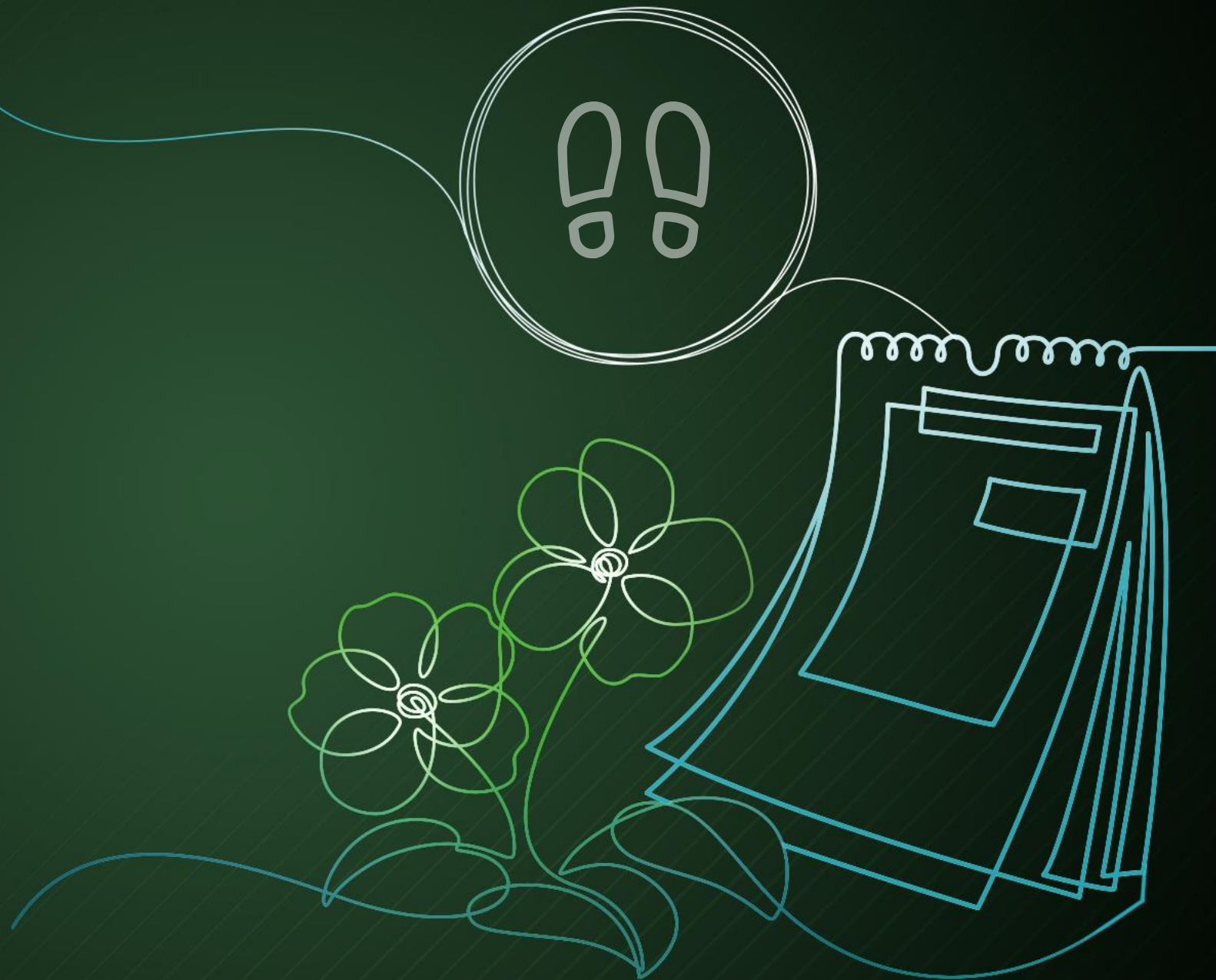
**02** Transformation of the Family Office

**03** Estate/succession planning

**04** Transition of the Family Office



# Where do you start?





## Advisory

Risk management, insurance, compliance & regulatory assistance, tax, and legal



## Financial planning

Investment management services, philanthropic management, life management, and budgeting

## Family office

*noun*

Family offices are designed to prepare family members to collectively manage, sustain, and grow their wealth across multiple generations.

## Strategy

Business and financial advisory, estate and wealth transfer, training, and education

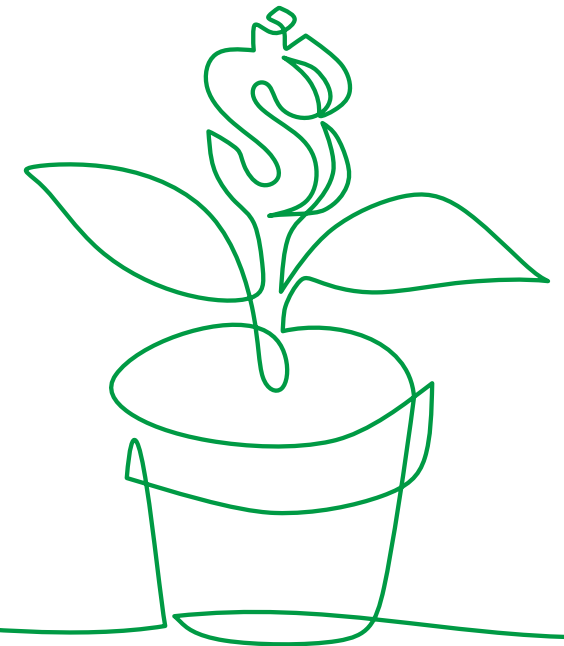
## Governance

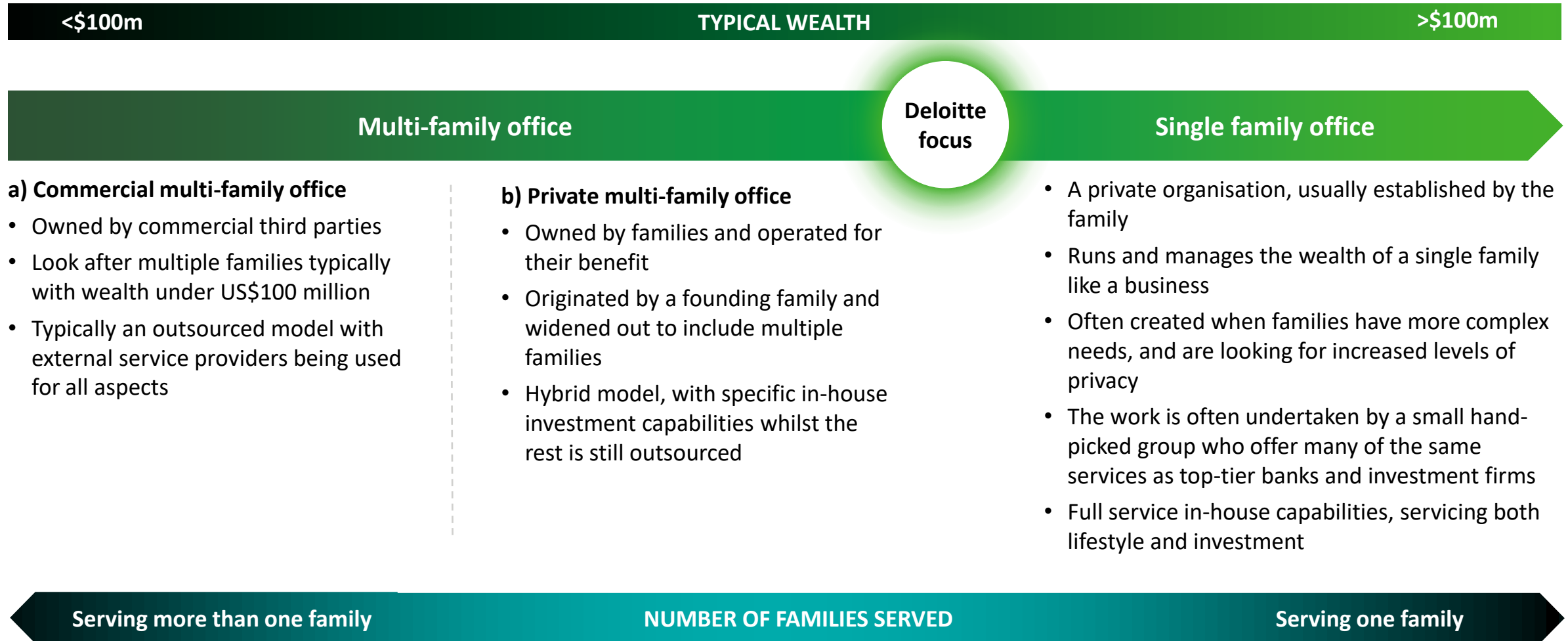
Reporting and record-keeping, continuity and succession planning, administrative services



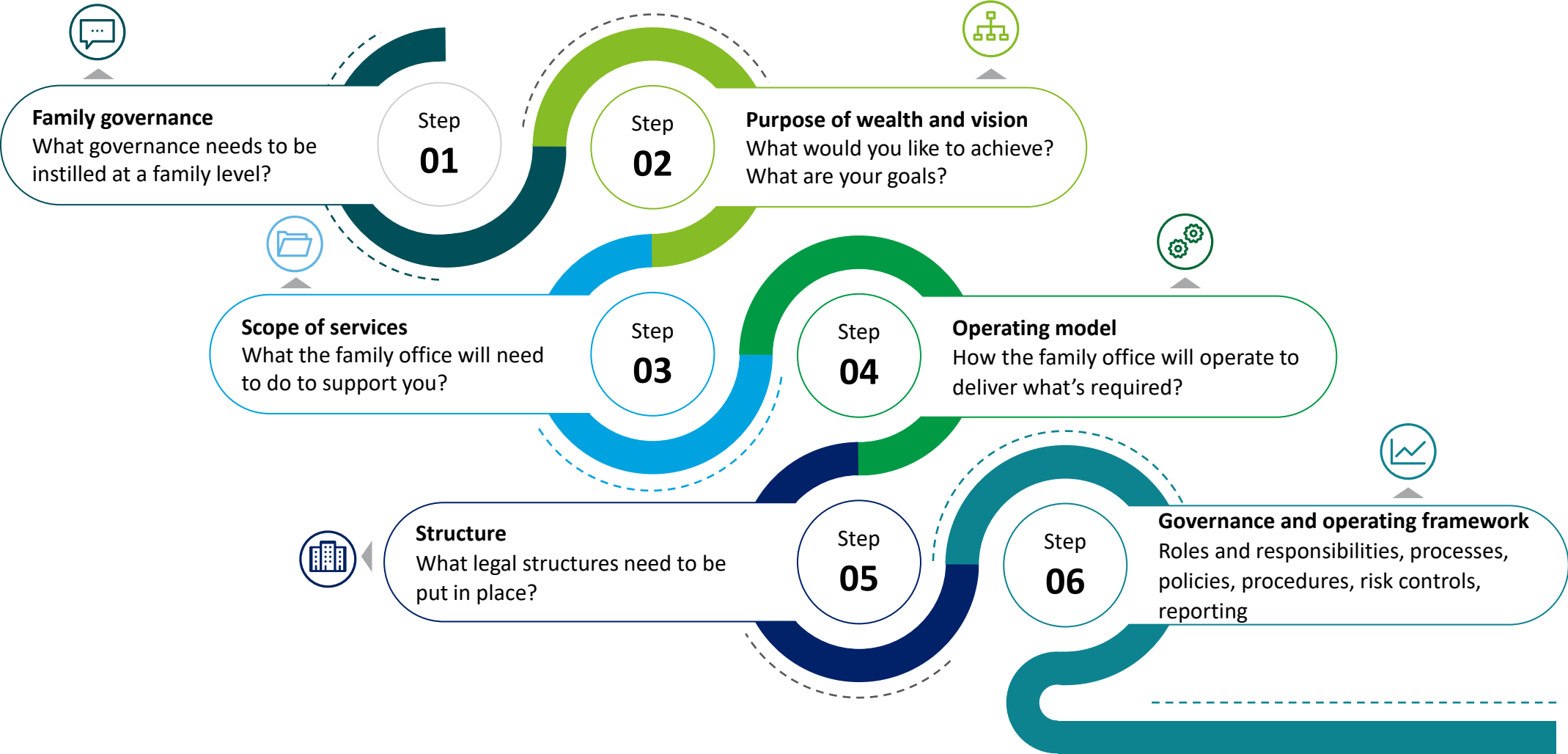
## How much wealth is required for a family office? (Select one)

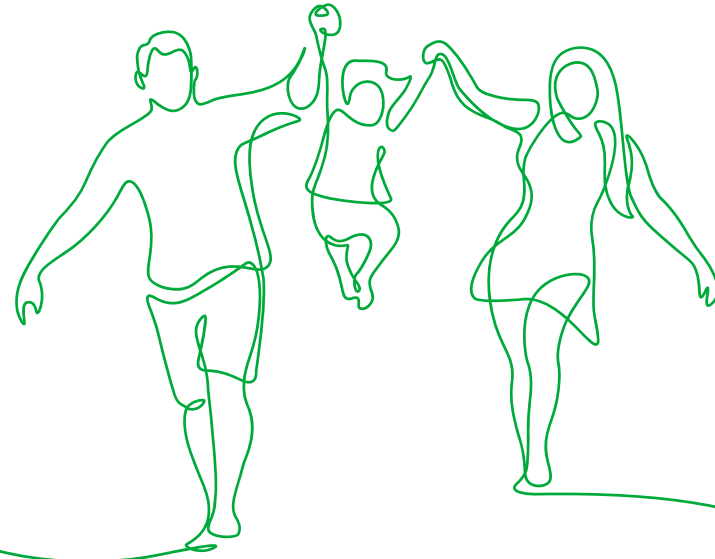
- a. At least US \$1million
- b. At least US \$30million
- c. At least US \$100million
- d. At least US \$1billion





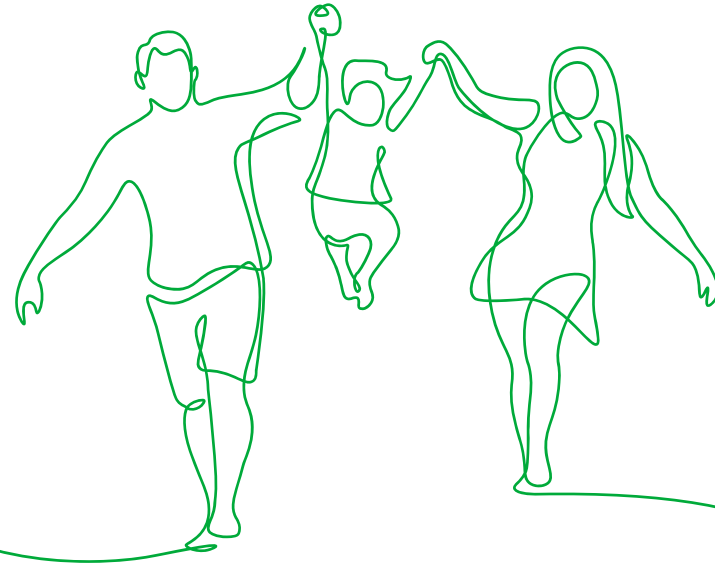






**Does the principal and/or family:**

- Want more hands-on control of investments?
- Want to diversify wealth outside of the family business?
- Consider privacy and confidentiality to be a main focus?
- Want a framework that enables them to easily transition management of their wealth and family matters from generation to generation?
- Find that they are encountering increasingly complex and diverse family needs, including movement of families and assets around the world?
- Have a strong interest in philanthropy?



### Does the family:

- Have a charitable vision?
  - Do they all agree on what this is?
- Want to control the timing and use of charitable funds?
- Want to introduce children and grandchildren to philanthropy?
- Want to create a charitable legacy for your family?
- Know whether intended recipient entities are equipped to handle your gifts?

# Services to be provided

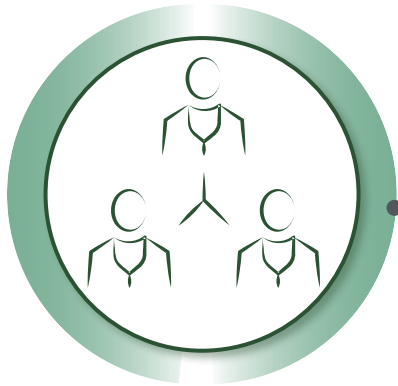


Strategic services	Technology	Tax and wealth planning	Investments	Risk management	Philanthropy	Legal	Family	Finance	Operations
Family education	Social media	Tax compliance	Investment policy	Insurance	Philanthropic mission	Monitoring & oversight of outside counsel	Concierge services	Bookkeeping & reporting	Talent
Governance	Technology platform & controls	Tax planning	Asset allocation	Reputational Risk	Family foundation & operations	Document preparation	Household help	Cash Management	Office policies & procedures
Succession planning	Cloud computing	Wealth transfer planning	Manager selection	Fraud prevention & detection	Family foundation oversight	Contractual review	Property management	Budgeting & forecasting analysis	
	Family & business information continuity	Investment structure design	Bench-marking	Physical security	Charitable bench-marking	Contract oversight	Collections management		
			Performance reporting	Cyber risk	Due diligence	Litigation oversight	Travel		
				Financial controls	Miscellaneous philanthropic activities	Regulatory compliance			

■ Most often done in house

■ Sometimes done in house

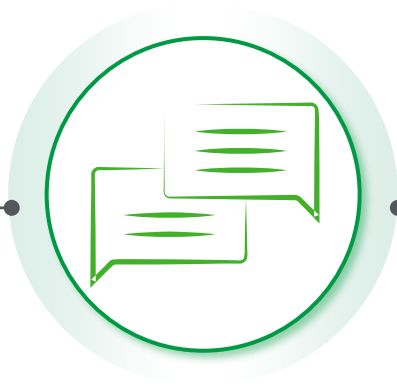
■ Most often outsourced



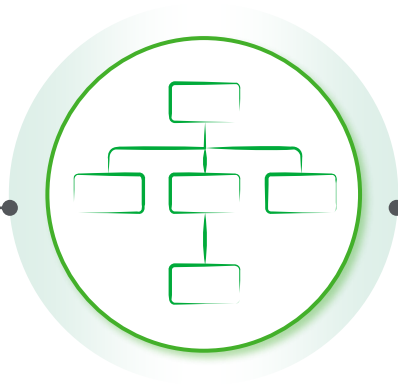
Multi-jurisdiction tax advice on relocation of family members



Global tax reporting



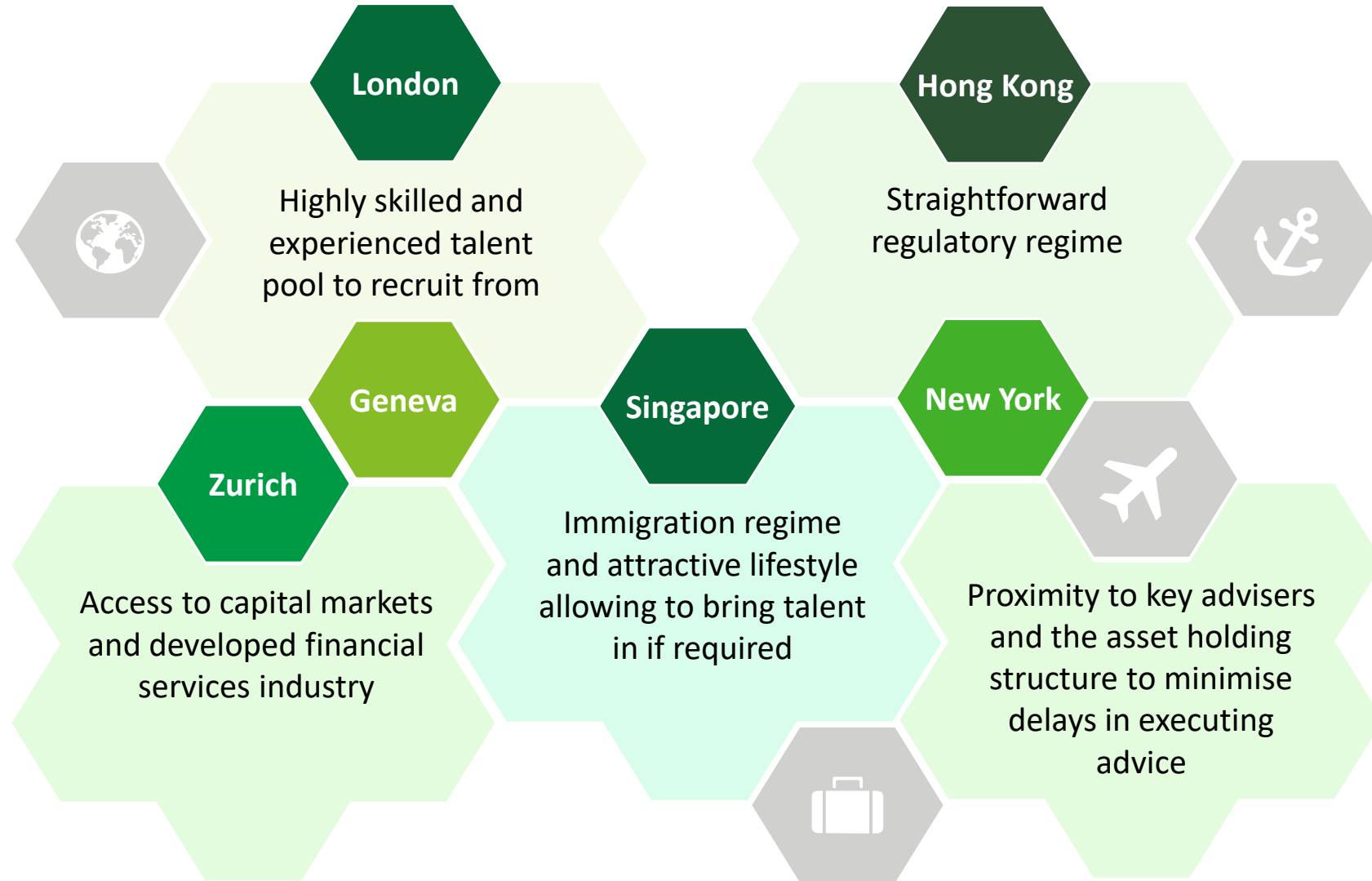
Cross-border reporting and information exchange



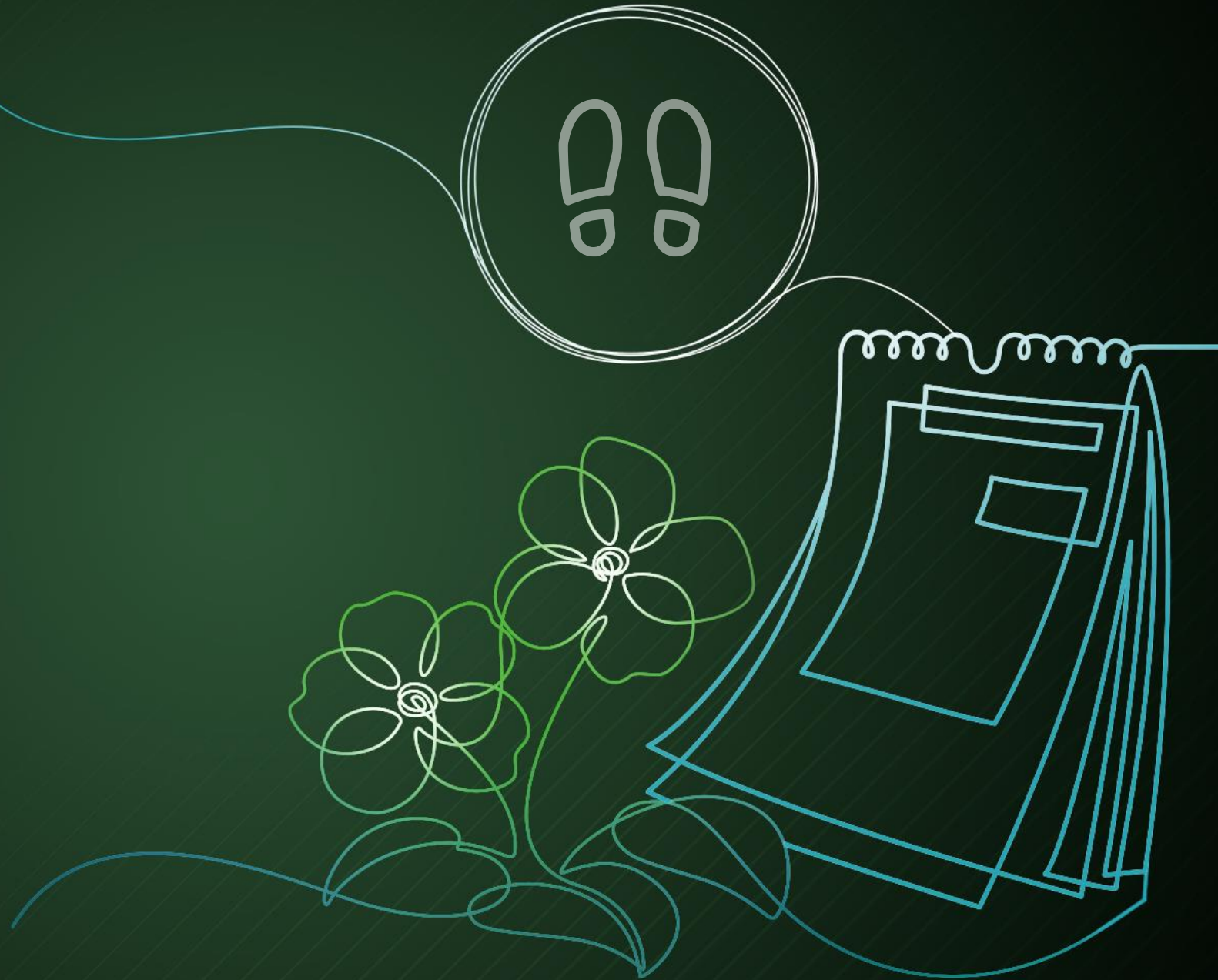
Advice on wealth structures that cater for the needs of global families

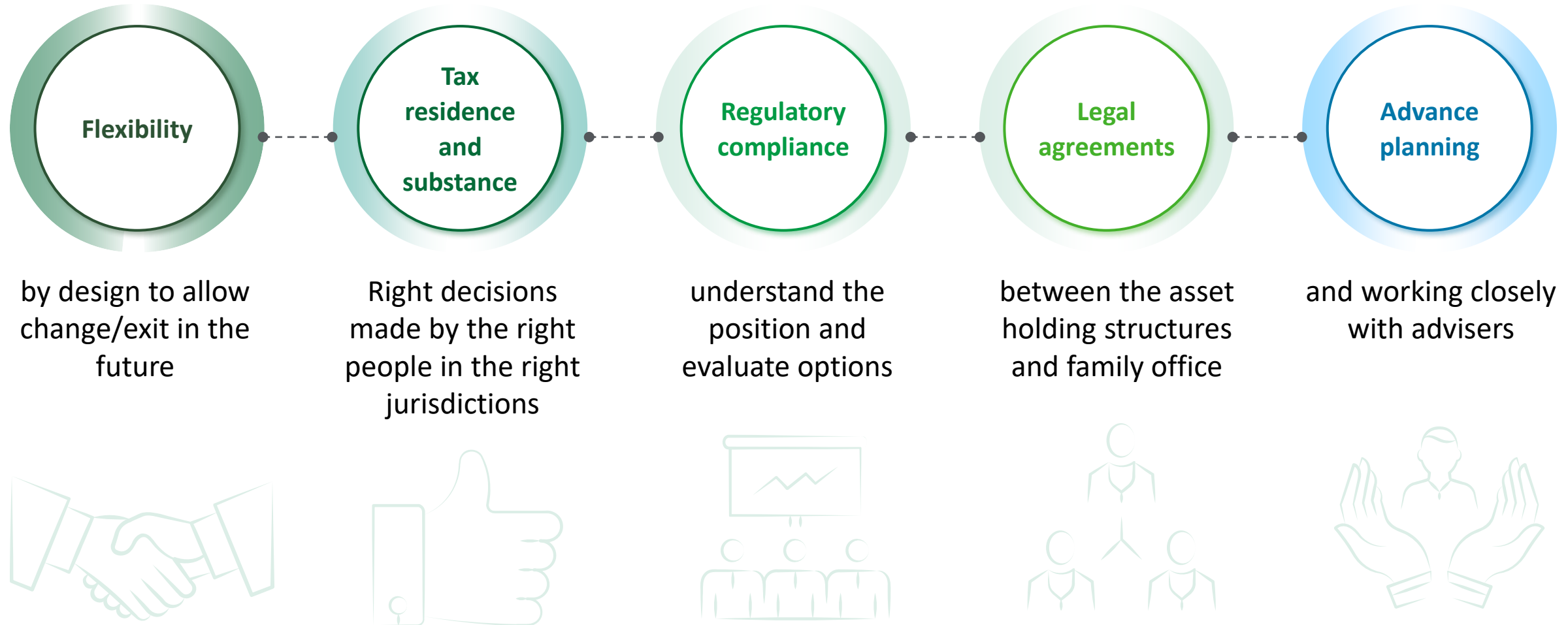


Immigration support including visas and citizenship applications



# A virtual family office?







# Transformation



## Are any of the following factors present?



18

Centralised management and control over decisions sits within the country where the family office is located

- Anticipated changes in beneficiary situations that could impact the ultimate administration of the decedent's estate
- Beneficiaries reside in jurisdictions other than where the patriarch/matriarch reside, or other than the family business primarily operates, or other than the jurisdiction where the family office or trusts operate/are administered



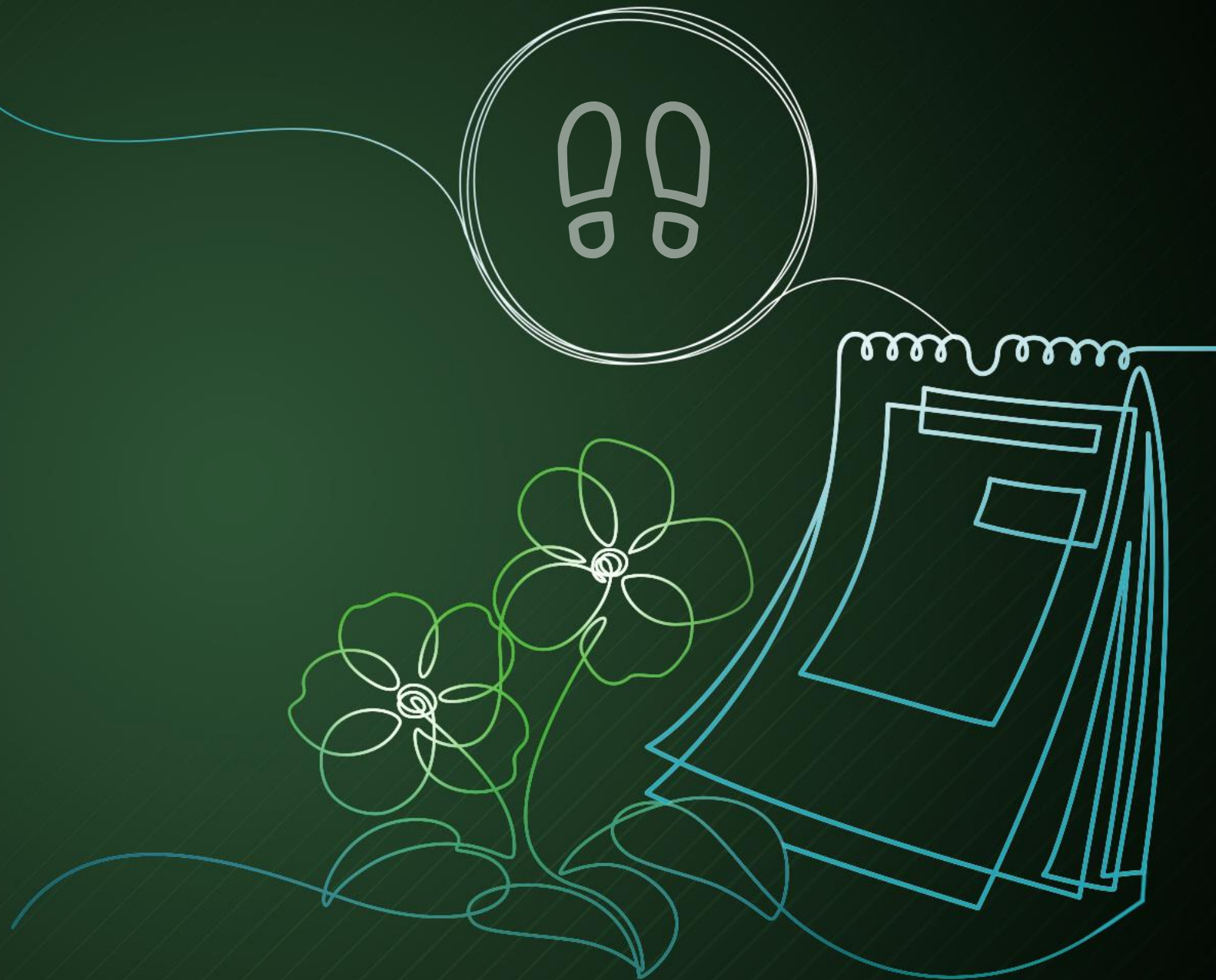
# Revisiting services to be provided



Strategic services	Technology	Tax and wealth planning	Investments	Risk management	Philanthropy	Legal	Family	Finance	Operations
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				Financial controls	Miscellaneous philanthropic activities	Regulatory compliance			

Most often done in house
  Sometimes done in house
  Most often outsourced

# Transition





 Family offices are in a unique position to prepare their organisation and the families they serve to plan for the inevitable.

- **What is the plan for the family office?**  
Determining and **communicating** the intention as to whether to continue the family office (and if yes, its trans-generational role) is essential **in advance** of a principal's death.
- **What are the cash flow needs?**  
Determine whether/how the current assets and income streams will meet the needs of the family (including funding the family office) in the months and years following the principal's death. Do the family office and the family have a complete understanding of their worldwide balance sheet?
- **What are the family dynamics?**  
Understanding the family dynamics is essential to proactive planning
- **What is the plan for the family business?**
  - Is there an exit strategy?
  - Is the current business ownership organised to support business succession?
  - Is there (or should there be) a buy/sell agreement?





Succession planning



Next generation education

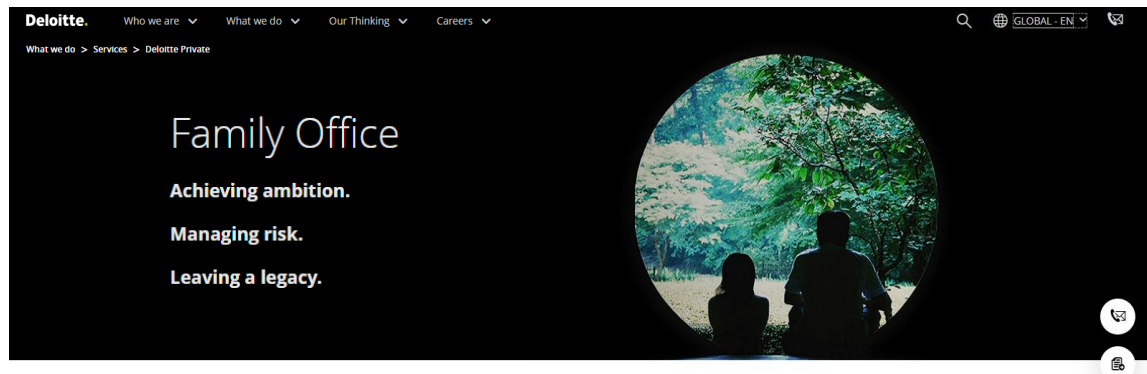


Estate planning and wealth structures  
for long-term wealth preservation





## Deloitte Global Family Office



### Helping to solve a wide range of family office and private wealth matters

Deloitte's multidisciplinary family office and high net worth teams have extensive experience in working with families to achieve their objectives, implement their wealth strategies around the world, and establish long-term structures fit for the future.

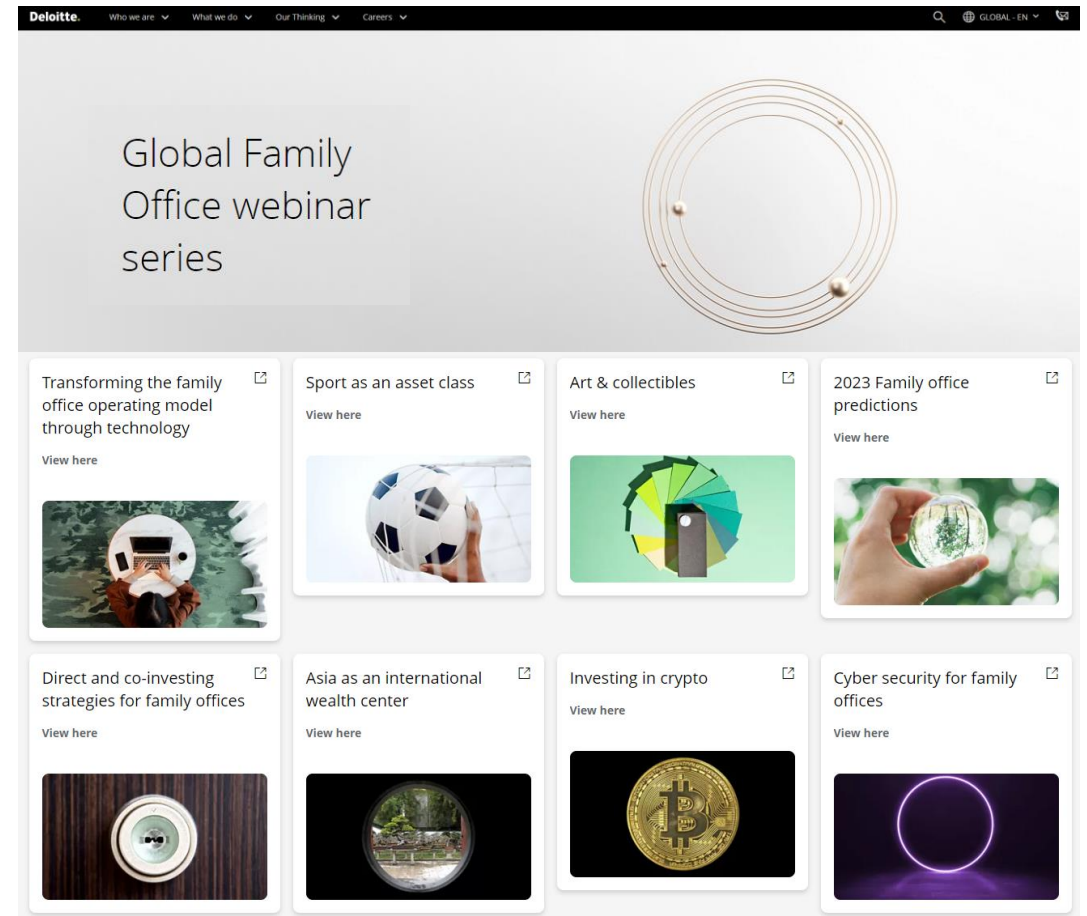
### Tailored services for family offices

Our aim is to help articulate, address, and achieve clarity regarding your priorities, wants, and needs in order to help define and execute an effective strategy that preserves a family's wealth and legacy into the future.

We provide our support to families and family offices through a number of tailored services.



## Global Family Office webinar series



# Panel discussion: Family office location



**Michael Velten**

Tax Partner  
Deloitte Singapore



**Chee Pei Pei**

Tax Partner  
Deloitte Malaysia



**Karen Brodsky**

Tax Partner  
Deloitte United States



**Nicola Roberts**

Tax Partner  
Deloitte UK



**Paul de Blasi**

Head of Deloitte Legal  
and Private  
Deloitte Switzerland



**Klenn Yeo**

Tax Partner  
Deloitte Singapore



**Frank Ke Xu**

Deloitte Private Lead  
Deloitte China







WEALTH

## Britain's ultra-wealthy are threatening to exit en masse ahead of proposed tax changes

PUBLISHED FRI, SEP 20 2024-1:06 AM EDT | UPDATED THU, SEP 26 2024-10:20 AM EDT

Karen Gilchrist  
@\_KARENGILCHRIST

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### Non-doms in London ask: 'Should I stay or should I go?'

UK government plans to end the beneficial tax treatment of riches overseas is causing millionaires to look elsewhere

Tuesday, 4 June 2024 15:34

### Single Family Office: Swiss Association Aims for Gold Standard

Single family offices in Switzerland worth \$900 billion, study shows

Switzerland

## Hong Kong Has 2,700 Single Family Offices in Wealth Hub Boost

- The city managed HK\$30.5 trillion in assets as of end of 2022
- Some 885 single family offices managed at least \$100 million

By [Trista Xinyi Luo](#) and [Denise Wee](#)  
18 March 2024 at 13:54 GMT+8

Hong Kong

## Hong Kong family-office wooing campaign gathers steam, summit attendance shows

Summit draws 150 attendees as city continues effort to build talent ecosystem and cement status as Asia's family-office hub

## Malaysia Offers Zero Tax for Family Offices in \$100 Billion Forest City Development

- Forest City will be first in Malaysia to provide the program
- The incentive will be operational by first quarter of 2025

## Family offices to boost Forest City, grow wealth management

By [Intan Farhana Zainul](#) / [The Edge Malaysia](#)

07 Oct 2024

Malaysia

ARTICLE

## Singapore: Extension and refinement of fund management tax incentives – Key implications for Single Family Funds

4 OCTOBER 2024 | APPLICABLE LAW: SINGAPORE

Singapore

Single family offices in Singapore balloon to 1,650 amid thriving wealth management sector



In April 2022 and July 2023, Singapore tightened its Section 13O/13U tax incentive conditions for funds managed by single family offices, shifting the focus from the quantity of family offices to their quality.

- **What is the current experience with tax incentive application process for family offices?**

In 2024, the application process for Section 13O/13U was streamlined into a two-step online application to improve processing times, and it has just been announced that the process will be further consolidated into a single-step application by January 2025.

The key focus of the MAS in 2024 has been comprehensive AML and KYC screening of tax incentive applicants.

- **What are some takeaways for family offices from FDD Circular 10/2024, recently issued by the MAS?**

- **No increases in economic criteria** imposed on Section 13O/13U funds managed by a single family offices
- Changes to how Assets Under Management are computed
- Removal of 13O requirement that the fund vehicle cannot previously have made investments
- Removal of limitation on activity only to approved investment strategy
- Changes to Section 13D incentive whereby the fund manager in Singapore must have at least one investment professional
- Extension of Section 13O to Singapore Limited Partners (under Section 13OA)



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