

Trends to shape the development of family offices in Asia

- **Family businesses run by a multi-cultural next generation** – the influence of second and third generation children, who often have grown up in one culture, studied abroad in another and lived in a third, will result in families more open to new ideas such as venture capital, philanthropy and social entrepreneurship
- **The rise of family offices for mainland Chinese families** – these are likely to have unique attributes such as a focus on tax and risk management, especially relating to their personal safety as well as political risk
- **Private equity appetite** – there is likely to be, more than ever before, a greater number of private equity products and private investments backed by a single or multiple families
- **Family offices from new perspectives** – there will be a wave of entrepreneurs who will be successful through the service, technology and hospitality industries

confidentiality as the family office staff become increasingly aware of the family's total wealth."

It is notable that Singapore has benefited specifically from an increase in the number of wealthy individuals from abroad looking to relocate to set-up



various robust structures to manage their wealth.

This is aligned with Singapore's growth as a centre for private wealth and an attractive tax regime, explains Iyer of Iyer Practice Advisers.

"Foreign professionals, typically with a banking background, have increasingly set-up MFO-type structures to provide wealth management solutions to relevant clients in South-east Asia," he says. "There has been a corresponding increase in law firms and trust companies to support this activity."

This is also a part of the wealth management business that is becoming increasingly important to private banks.

It is a core offering for UBS Wealth Management, for example. "We have invested significantly in meeting the needs of our clients as they look at preserving wealth and building a legacy for themselves and their future generations," says Yan Lau, head of family services for UBS Wealth Management in Asia Pacific.

UBS launched its "Global Family Office" service globally in 2010 to focus

primarily on its 250 largest institutional-like or professional family office prospects and clients, who represent around 2% of its total UHNW client base around the world.

"Our family services unit provides expertise on philanthropy, family legacy building, wealth planning and other non-financial services," adds Lau.

Meanwhile, Credit Suisse held a forum in Hong Kong in mid-2014 for 150 attendees from both established and emerging SFOs from Asia Pacific and Europe – a unique event for the region of that scale.

Yet it was a response to the demand from a growing number of emerging Asian SFOs for peer-to-peer sharing of best practices, addressing common challenges and provides a unique network and exchange platform. The bank set up a family office services and philanthropy advisory team in Asia Pacific in 2011 as part of its Solution Partners unit within the private banking and wealth management business – to work closely with the bank's investment banking division to originate, structure and market customised solutions for UHNW clients. ■

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