

Family offices

To administer larger structures or where there are a number of family trusts it may be appropriate to consider setting up a family office.

A simple model which can be suitable for the most complex structures: a family office can be the ideal vehicle for coordinating asset management and estate planning for wealthy families. Many such families are now internationally-based and so, to be fully effective, the family office needs to be able to offer or accommodate a variety of structures in a number of jurisdictions. Whether the office administers an Anglo-Saxon trust, a civil law foundation or a Shar'i'a law settlement, it should be able to provide general advice and also to procure and coordinate specialist advice in all relevant jurisdictions, on matters of law, tax, asset management or asset allocation.

Family office directors provide a truly individual and confidential service and have to be both responsive and proactive. They need to be aware of the needs of family members, to be able to organise the financial lives of beneficiaries and to provide family specific strategies for investment management and asset allocation.

A well-managed family office sets the family at the heart of its wealth. It allows the family an element of control over the policy of wealth management, without risking the integrity of the structure by leaving control of the assets with the settlor and it provides an ideal forum for the family to influence these matters, while permitting their own specialist advisers to have direct involvement. We find it crucial always to understand the wishes of settlors and founders and to benefit from their influence and guidance.

Put simply, a family office is a dedicated group of professional people, organised into areas of responsibility and expertise, for the purpose of running a large and varied structure. We offer a range of services designed to co-ordinate these specialist services and our clients appreciate the individual attention and personal relationship that develops between them and the team responsible for their trusts and companies. They also benefit from economies of cost and scale that can be achieved by grouping business activities such as commercial services, property or equity investment, and financial management.

We, at Rathbones draw on the extensive legal experience of our in-house lawyers, as well as the breadth and depth of international trust and investment services offered by our offices in Jersey, London, Switzerland, and the BVI. These extensive resources help ensure that our family offices remain responsive to the ever-changing regulatory environment while being competitive and meeting the international demands of modern wealthy families.

If you would like further details of our services or if you would like to have an informal preliminary conversation to see whether we can be of assistance, please contact:

Jersey office

Julian Hayden

tel: +44 (0)1534 740140

Nigel Bentley

tel: +44 (0)1534 740220

Mark Middlecombe

tel: +44 (0)1534 740175

London office

Don McGilvray

tel: +44 (0)20 7399 0827

Kevin Custis

tel: +44 (0)20 7399 0807

Geneva office

Ariane Slinger

tel: +41 (0)22 909 8939

Further information about us can be found on our website:

www.rathbonetrustinternational.com

Our administration staff have wide ranging experience in running family offices, both onshore in London and offshore in Jersey and Geneva. Our role is to establish and provide the trust and company administration, trustees and directors and to assist a settlor and his or her family and advisers in their decision making process. In appropriate cases, we are able to advise directly on matters such as tax and estate planning but, in the majority of cases, we work in conjunction with the client's advisers and apply our own expertise in ensuring that the establishment and administration of the structure is carried out properly and gives effect to the client's planning and wishes. We also have the ability to offer fully international solutions and structures through our offshore offices.

As part of providing a larger family office, or when it is appropriate to do so, we can incorporate a private trust company for the sole purpose of acting as a trustee of one or more of the trusts under administration. This enables our client's own advisers to be represented on the board of directors. In fact, we find that regular and ongoing communication with our clients, their family and their advisers is central to a successful family office. Directors of family offices hold regular meetings throughout the world with their clients and advisers to ensure that the various commercial and financial activities of their structures remain on track to meet their objectives and needs.

Whilst always mindful of our fiduciary duties when acting as trustees or directors, we are well aware that part of our duty of care is to make sure that the client's family understand how their structures work. The use of a family forum can encourage a family ethos and enable us to involve all relevant family members in discussions (and decision making) whilst providing an effective platform from which views can be expressed, without the risk of misunderstanding and conflict within the wider family. Families that understand their trustees' policies and trust their professional advisers can take responsibility for the preservation of their family wealth, not just for themselves, but for many generations to come. Ultimately, having a family office is about putting the family at the centre of the structure and keeping the wealth intact for those future generations.

Our ability to assist in these areas

We can advise directly but, more usually, we work with our clients' own professional advisers in structuring their affairs to give effect to their tax or succession planning.

We work particularly well with other advisers because our client teams contain a significant number of UK lawyers, many of whom have considerable experience in private practice and are themselves advising international clients, their families and their family offices on tax, estate and succession planning – both in respect of their personally held assets and through trust and company structures. Our administrative teams also reflect years of experience in the operation of offshore structures for the maximum benefit of their clients.

This briefing is intended as a general introduction to relevant tax rules and principles as at February 2006 giving a broad indication of planning opportunities. It should not be taken as detailed advice. You should not act or refrain from acting on the basis of this general outline without taking professional advice on the specific facts of your case.

Rathbone Trust International is the Registered Business Name of Rathbone Trust Company Jersey Limited which is regulated by the Jersey Financial Services Commission in the conduct of Trust Company Business.