

"Cross-Border: What Comes First - the Family Office or Enterprise Expansion?"



Taxes, Structuring, Investing & Planning

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Introduction

Core Question

What should come first?

Cross Border expansion is a rising trend

Both Paths affect taxes, risk and legacy



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Global Trends in Wealth Management





- Over **8,000 family offices globally** (up 30% since 2019)
- Increased **cross-border wealth movement**
- Families internationalize assets earlier
- Jurisdictions compete to attract HNWIs
- New player in the game (Indian GIFT City)



Jurisdictional Shifts

- **UAE:** ~6700+ millionaire inflows in 2024 (*henleyglobal.com*)
- **Singapore:** 1,600+ FOs by 2024
- **UK:** Net HNWIs outflows due to tax changes
- **Implication:** jurisdiction choice shapes your planning path

Family Office First - Pros

-  Early tax & estate planning
-  Wealth diversification & risk protection
-  Professionalized investment management
-  Example: Mauritius offers **10-year FO tax holiday**



Family Office First - Cons

- ✗ High initial cost and complexity
- ✗ May be premature if net worth is low
- ✗ Diverts attention from core enterprise
- ✗ “Overbuilding before scaling”



Enterprise Expansion First - Pros

- ✓ Focus capital on business growth
- ✓ Simpler structure, lean operations
- ✓ Create wealth first, structure later
- ✓ Common model: FO formed *post-liquidity event*



Enterprise Expansion First - Cons

- ✗ No safety net if business falters (no asset protection)
- ✗ Missed tax structuring opportunities
- ✗ Scrambling to build FO later
- ✗ Risk of wealth dissipation
- ✗ Risk of no succession planning in case of sudden death



Case Study Comparison

- *Family A*: Sold business, no FO → lost wealth on bad investments (*ffipractitioner.org*)
- *Family B*: Set up FO post-sale → managed proceeds, diversified portfolio
- Moral: Early structuring prevents chaos



Tax & Structuring Considerations

- FO in **Dubai** = 0% personal income tax
- FO in **Mauritius** = 10-year exemption
- Use holding companies (Singapore, Mauritius) for expansion
- Plan **before** liquidity or relocation to avoid tax triggers



Legal & Regulatory Summary

Mauritius: FO licensing + 46 tax treaties

UAE: DIFC/ADGM, foundations, 0% personal tax

UK: High tax, non-dom issues, offshore pairings

Singapore: S130/13U schemes = 0% investment tax

Investment Strategy

- FO portfolios: ~45% in alternatives, 11% average returns
- Create **buckets**: Core biz, diversified assets, opportunistic
- Example: Post-IPO, family moved \$200M to FO; others did small % annually

Planning Frameworks & Governance

- Use **Three-Circle Model**: Family, Business, Ownership
- Conduct **family retreats** to align goals
- Scenario planning: growth vs. crisis
- Establish policies (IPS, exit strategy, compliance)



Risk Management Tools

- Currency, regulatory, concentration risks
- Mitigate via FO liquidity, legal protections, insurance
- Prepare for key person loss & succession
- FO = anchor during turbulence

Friendly tip

- Set up your business;
- Set up an asset protection trust where possible;
- Create a succession plan and incorporate it in the business;
- Use this as a basis for your FO



Conclusion & Takeaways

- No one-size-fits-all answer
- **Wealth preservation? → FO early.**
- **Aggressive growth? → Enterprise first.**
- Ideal path: *Start both in tandem*
- “Plan early, stay flexible, grow wisely.”



Questions?



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Thank you for your attention!



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