

SHAPING ASIA'S FAMILY-OFFICE FUTURE

William Chan, founder and chief executive officer of Stamford Privee, looks at the current global landscape for family offices – as well as expected trends and opportunities in Asia.

What are the global trends you're seeing in terms of family offices?

As the family office concept has been around for a while in the US, I expect to see North American family offices heading to Asia, as families start to look for the next frontier.

For example, we have a constant stream of family offices approaching us, discussing with us what they call "synergistic partnerships".

In addition, we see reverse flows, once individuals have made enough money in Asia, they tend to look at other geographies.

This shows the potential for a lot of exciting exchanges, which we also get a sense of in relation to The Society of Family Offices Asia.

What are the aims of the Society?

It is a platform of like-minded people who have formed a club, largely for co-investment.

The Society was very much intended to be for Asian family offices, rather than US or European offices which have moved to Asia and are generally more mature and interested in dividend income, stability and wealth preservation.

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On the other hand, Asian families have a different focus and requirements; they’re typically closer to the wealth, and they’re more speculative and entrepreneurial in nature.

What is the potential for family offices in Asia?

Statistics show that there are only around 100 Asian family offices at the moment, so this means there is a lot of potential for growth.

The crisis of 2007 to 2009 acted as a catalyst, with more and more families wanting to be in control of their wealth and ensure open architecture where they can deal with whoever they want.

There is a strong requirement for education in this segment, particularly in areas such as how to achieve wealth preservation. The relationships that are built through the society, for example, provide opportunities to transmit messages to different family members.

What is your offering in Asia as Stamford Privee?

We call ourselves a family office simply because we literally deal with family dynamics. We currently look after several families, providing not just pure investment management, but also conflict resolution and offshoring tax structures – which can be global, depending on the needs of the family.

We recently expanded into more of a wealth management platform. This actually involved narrowing our offering, therefore, which aligns ourselves more with IAMs and accepting clients in the US\$20 million range.

It was a strategic move, since it’s not practical to expect to onboard a new US\$100 million client every month.



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Stamford Privee

Typically, we concentrate on consolidation of reports, tax and other issues for these clients, and we move onto money management at a later stage.

What are some of the issues you need to help families in Asia deal with?

A typical family tree poses a lot of cross border issues – that’s heightened in Asia, where many wealthy families send their children to study in the US or the UK, for example, and the children might end up settling overseas, getting married and pursuing careers there. This creates various issues around succession and transferring wealth.

A lot of the time this means restructuring in order to be more tax efficient, rather than trying to avoid tax.

We might see, for example, a business trading in Japan that’s being hit by very high corporate taxes and is therefore looking to relocate to Singapore. There might also be very complex requirements too, such as the setting up of pre-nuptials. ■