

Family Office services in Guernsey

Guernsey's finance industry has such a depth and breadth that it is well placed to provide – at high quality – the widest scope of Family Office services.

One of the key words that can be used to describe the activities of any Family Office is 'complex'. Their range of activities can be as wide as arranging pet care to orchestrating the most complex of transactions involving the divestment of the core family operating business.

The Family Office will call on a wide range of advisers and family members to work together in an integrated team to provide the most flexible and responsive solutions to the family's needs. The Family Office itself may either be part of the trading company of the family or have organically grown out of their previous business interests.

Some will form only the controlling nucleus of the family's requirements, where others will operationally perform some of the activities to a lesser or greater degree – utilising advisers and experts in those areas it is less able to administer.

Infrastructure & Expertise

Guernsey has a strong group of providers who are able to match their services to the requirements of a demanding Family Office.

International banks with operations in the Island are able to provide many of the spokes to this wheel, offering strong fiduciary services for the administration of Private Trust Companies (PTCs), Family Trusts and corporate vehicles.

Since pioneering the Protected Cell Company (PCC) more than 10 years ago, Guernsey has seen this structure develop in more recent years into a key corporate vehicle used by many single and multi Family Offices.

Originally Family Offices were assisted in offering their investment activities to family members and other associated friends through the cell structure of a regulated fund PCC, with the fund administration being provided by a choice of Guernsey administrators. This enabled the building of individual asset allocations across a variety of asset classes, tailored to separate groups within the family.

This has now been further extended with the updating of the legislation to allow private 'non fund' PCCs. They can be used as investment holding vehicles for the family with no restrictions on asset class, flexible distribution policies for cells for each family member and the ability to segregate assets particularly for risk management. These are just a few of the many advantages offered. Guernsey has shown itself as a jurisdiction that continues to evolve its corporate structures to the needs of the international client, listening to its licensed providers and developing solution based initiatives in partnership with the industry.

With the Family Office investing through global markets – many of these in emerging countries – and the increase in the adoption of Private Equity and other alternative asset classes, where many utilise Limited Partnership or Mutual funds vehicles to gain exposure to these market sectors, international custody is a major component of the services required.

The family often has members with diverse residential and tax domiciles. Guernsey's international financial community has wide access to global custodians and the ability to operate within the US Qualified Intermediary regime for the holding of US securities.

'Toys'

For the family 'toys', aviation and marine insurance specialists operate from within the Island, with Guernsey having a strong international ship registry. Information technology also has a strong platform from which to operate, with Guernsey supported by state of the art communication links.

Provision of on-line banking and client reporting from the key providers enables administrators within the Family Office, wherever it is located, to have access to information on demand. A key attribute of the service ethos of the Guernsey workforce is the ability to work together across the range of services available, with co-operation through professional links with London, New York and other major financial centres

Continued overleaf

