

GUERNSEY: THE ANSWER FOR AFFLUENT ASIANS

Melanie Ison considers the distinctive priorities of Asian high-net-worth individuals and why Guernsey is equipped to meet their needs

ASIA PACIFIC IS SECOND only to North America in terms of the number of high-net-worth individuals (HNWIs) in the region. By 2018, it is expected to hold more than one-third of global wealth, with its private wealth forecast to reach USD76.9 trillion.¹ The opportunities for private client service providers in Asia are abundant.

Over the years, Asian clients have been naturally drawn to the services of jurisdictions like the BVI and the Cayman Islands, partly due to the flexibility of their legislation compared to options closer to home. Both Singapore and Hong Kong took a long time to modernise their trust laws, which are based on a template from Victorian England. Hong Kong, for example, did not update its own trust law until late 2013. Even then, like Singapore before it, it took a conservative approach, choosing not to

RELATIONSHIPS ARE IMPORTANT

Asian business relationships are based on continuity and trust over generations. Robust family office structures are frequently sought for long-term succession planning. Asian private clients are increasingly global in their outlook, with family and business connections throughout the world. Service providers must reflect that global reach and work across multiple jurisdictions.

Guernsey has responded to this need with a clear commitment to the region, demonstrated by the establishment of a Guernsey Finance office in Shanghai, as well as several businesses headquartered in Guernsey establishing dedicated offices in Asia, such as Nerine with its Hong Kong office. This provides excellent support for Asian private clients in their own time zone. Equally, Guernsey's location gives access to

innovative and adapt to the global pace of change. Asian private clients often have complex and dynamic family situations, underpinned by a culture quite different to that in the west. They require bespoke and integrated solutions that reflect their way of doing things, rather than a product-led approach.

This solution-driven approach is very much part of Guernsey's DNA. The industry has always worked with private clients to offer bespoke solutions, and this means it is well placed to serve the needs of the region. Innovative and up-to-date legislation, which is more flexible than the regional offering, enhances Guernsey's proposition and allows the industry to continually evolve. Pioneering image rights legislation and the Guernsey foundations law are two such recent developments. The ability to have disenfranchised and enfranchised beneficiaries and a high level of control under Guernsey's foundations law is particularly attractive for Asian families, as is access to specialist administrators, ongoing legal support and favourable tax treatment. These attributes, in addition to sophisticated fund administration experience, complex insurance and banking expertise, and high-calibre lawyers, mean Guernsey's offering is compelling.

Great service is as important in Asia as anywhere but, to succeed in the region, you also need to demonstrate empathy for the culture, a keen focus on high standards, and an ability to innovate. Guernsey is very well placed to do so.

“Guernsey offers access to time zones in key markets from east to west, as well as pragmatic regulation and a long-established professional infrastructure”

incorporate many of the features Asian HNWI seek. As a result, clients continue to look to other jurisdictions for wealth-management solutions. Those clients are increasingly looking beyond the perceived advantage of lower pricing in the Caribbean and recognising the compelling proposition of jurisdictions like Guernsey.

What, then, are these increasingly sophisticated clients looking for when selecting a trust company and executing business?

time zones in key markets from east to west. Combined with a high level of pragmatic regulation and a long-established professional infrastructure, this means Guernsey is a jurisdiction in which Asian clients can have confidence when seeking a trusted advisor.

FLEXIBILITY AND ADAPTABILITY

Asian HNWIs want solutions and providers that can stand the test of time and yet remain

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Born and educated in Guernsey, Melanie started her fiduciary career in 1998 and moved to Hong Kong in 2007. Initially working for a large institutional trustee, she joined Nerine in 2009 and is Managing Director of its Hong Kong office. Melanie oversees Nerine's growth in Asia and works with a number of intermediaries and clients in the region on all aspects of succession planning. She became a full member of STEP in 2008.