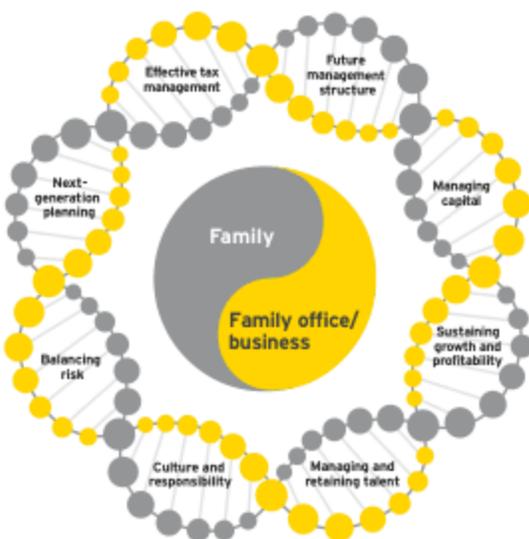




Building a better working world

Family office design and setup



Our approach to designing and delivering family office services is rooted in a review of eight key areas that, if addressed effectively, determine long-term success. The major advantage of this approach is the way we scrutinize subject areas with a holistic view to operational, regulatory, tax, strategic and family-related aspects. This enables us to uncover hidden opportunities and risks, which might have been missed if we were to examine each area individually.

Why set up a family office?

- 1) Your family and business are growing, and your business staff are distracted by supporting family needs.
- 2) You have a liquidity event, such as selling the business.

There are many reasons why setting up a family office might make sense. Below are the advantages and concerns most frequently identified:

Advantages

- ▶ Maintain family cohesion
- ▶ Maximize privacy and control over assets
- ▶ Manage family risks
- ▶ Support family entities and investments
- ▶ Service family houses and other holdings

Concerns

- ▶ Cost of family office setup and operations
- ▶ Complexity of market, legal and tax infrastructures
- ▶ Difficulties in identifying and managing staff
- ▶ Obtaining expert advice across a wide range of topics

Types of family offices:

A family office can take many forms. As family wealth increases and business needs get more complex, the family office may evolve from a simple founder's office into a complex, full-service company. And the office could revert over time.



Founders office: Often an assistant or a few staff members who pay bills, make travel plans and handle the financial needs of the founder



Embedded: A shareholder services group, handling the family's personal financial affairs as well as corporate duties



Compliance or tax office: A CPA-led office that oversees investments and takes care of record-keeping, insurance and tax returns



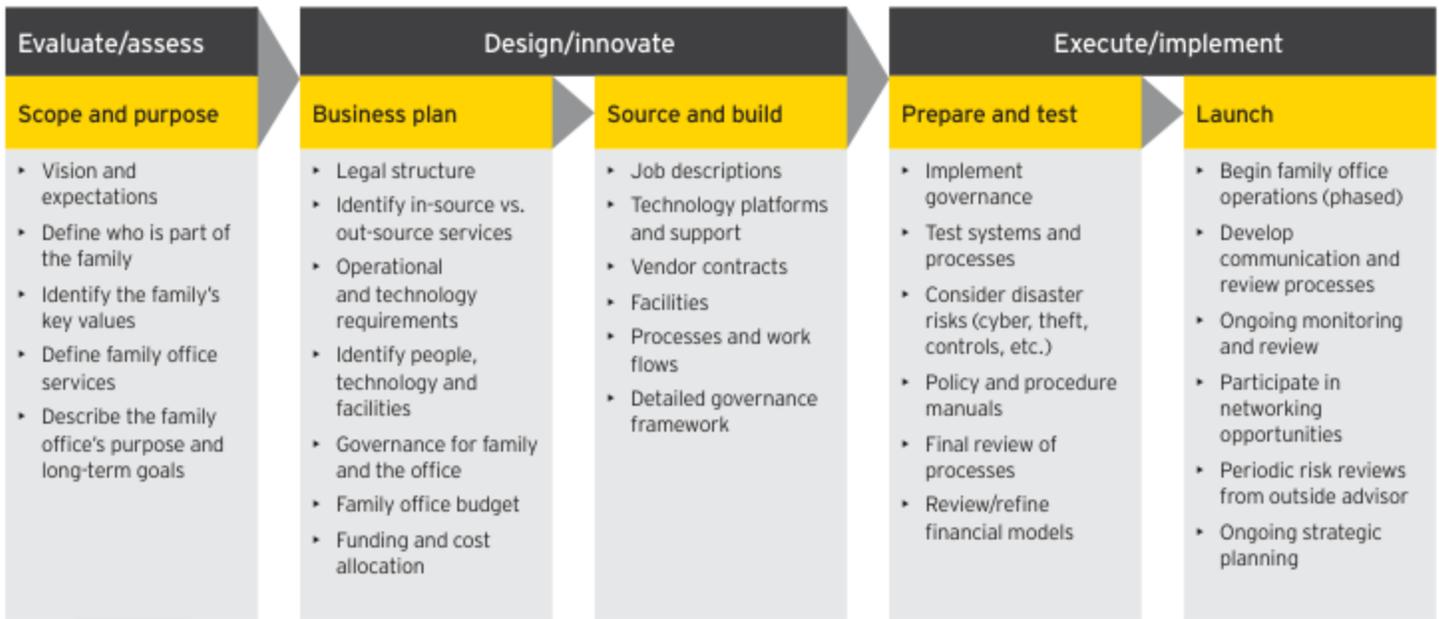
Investment management office: In addition to accounting services, manages private equity investments, hedge funds and more; may seek to manage money for outside families as well



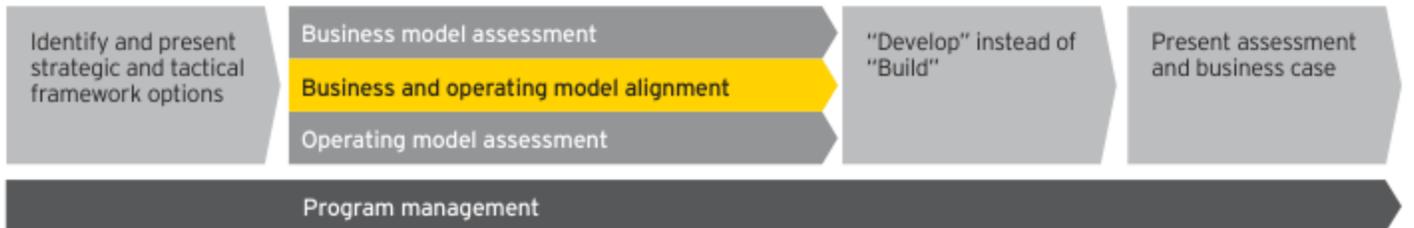
Full service office: For the most complex scenarios, this may be a private family trust company providing a variety of services: family education, tax, investment, governance and accounting, usually across multiple generations

Our approach

EY has examined global family offices to understand what makes them successful in the long-term. Our professionals take a holistic view of the family, strategic, operational, regulatory and tax aspects in order to help the family move toward their long term legacy.



Scoping study approach



Interested?

Please contact EY's Family Office Advisory Services for assistance with strategic planning for your family.

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