PRIVATE CLIENT REPORT

The 2030 Trustee

Intermediary insights from the UAE, UK and Mauritius

Contents

A re-introduction to the 2030 Trustee

In 2023, Ocorian published our guide to the 2030 Trustee; working with our experts to define and explain the themes that we saw shaping the private client industry of the future.

Ocorian's 2030 Trustee guide is based on three moments in time, the financial crash of 2008, the post-COVID-19 landscape, and the envisioned future of 2030. We looked at how the trust industry, its professionals, and our clients have changed during this time, and anticipated the trends that will define our future.

We focussed on four main trends: philanthropy, the next generation, ESG and digital assets. These four themes, we continue to believe, will define our profession in the coming years and shape much of what our professionals are being asked for help and guidance with.

The 2030 Trustee guide was based not just on our professionals' insights, but also data gained from speaking to intermediaries and UHNWIs and wealthy families. This enabled us to report with confidence on the anticipated impact of the intergenerational wealth transfer; it told us that 91% of respondents to our family office survey believed that ESG is part of fiduciary duty; we knew that 90% of respondents to that survey were including digital assets in their investment portfolios.

Now, in 2024, we have brought together sharp minds from across the private client industry to consider these four themes and the impact they're likely to have on wealthy individuals and families around the world.

A holistic view of private client trends

Private wealth is big business, and it's getting bigger.

Even taking just one area of private wealth, family offices, the figures are staggering. According to the latest report in Deloitte's Family Office Insights Series, there are an estimated 8,030 single family offices in the world today, up from roughly 6,130 in 2019. The same report estimates that the wealth of these family offices will grow 189% between 2019 and 2030 – from US$3.3tn to US$9.5tn[1].

This industry needs an ever-increasing ecosystem to sustain it. That's why we wanted to get as holistic a view as possible of private client themes.

Throughout 2024, we sat down with some of our most-trusted intermediaries to get their perspectives during intimate roundtables sessions hosted in London, Mauritius and Dubai. Lawyers, accountants, platform builders, investment managers, advisors and bankers all joined us to share their expertise – we're thankful for their input and are sure that you'll find our 2030 Trustee Report to be a valuable resource in an industry characterised by its abundance of resources, and its quest for value.

US$9.5tn

Estimated wealth of family offices in 2030[1]

1. https://www.deloitte.com/global/en/about/press-room/global-edition-explores-the-rapid-expansion-family-offices-and-ffers-vision-of-the-future-landscape.html

Meet our expert contributors

Thank you to all our intermediaries for their expertise, hard work and insights that made this informative report possible. If you would like to join in the 2030 Trustee conversation, please reach out to the team using the QR code below.

UK roundtable

1. **Alexander Erskine**
   Taylor Wessing
2. **Clement Hutton-Mills**
   Goldman Sacks
3. **Sarah Farrow**
   EY
4. **Amy Blackwell**
   Strategic Impact advisor and Next Gen specialist
5. **Benjamin Jordan**
   Endeavour Capital
6. **Tracey Neuman**
   Ocorian
7. **Kristina Row**
   Ocorian
8. **Ken Wrigley**
   Ocorian
9. **Karl Bekusch**
   Ocorian

Mauritius roundtable

1. **Yannick Fok**
   Eversheds Sutherland
2. **Akshar Maherally**
   WTS Tax Consulting
3. **John Chung**
   KPMG
4. **Ved Ramnarain**
   Ecovis
5. **Jeffrey Koo**
   PWC
6. **Caoilfhionn van der Walt**
   Regan Van Rooy
7. **Devika Bhuwanee**
   Warwyck Private Bank Ltd
8. **Antish Maroam**
   Celerity Chambers
9. **Sandhya Ramasawmy**
   MCB
10. **Kenny Curpen**
    Ocorian
11. **John Félicité**
    Ocorian

UAE roundtable

1. **George Abrao**
   Abrao Group
2. **Benjamin Grolimund**
   Rain Trading Limited
3. **Adela Mues**
   Reed Smith
4. **Yasmine Omari**
   EY
5. **Kimberley Wilks**
   PwC
6. **Leevyn Isabel**
   Ocorian
7. **Ian Rumens**
   Ocorian
8. **Nina Auchoybur**
   Ocorian
9. **Lynda O Mahoney**
   Ocorian

Philanthropy: a plan for giving back

It's been accepted wisdom for a long time that a globally diversified investment portfolio is a sensible strategy to insure wealth against localised shocks. Yet when it comes to philanthropy, even the wealthy have historically stuck to the English proverb 'charity begins at home'.

Many wealthy families' strategies for giving back have been centred locally, or at most nationally, on issues that have a resonance with the family involved. In the US, this has most often centred on education – donations to universities attended by family members, for example; healthcare; or church.

> *" It's part of the American social fabric to have small government and private philanthropic giving. In the past, Americans had mostly given towards their religious institutions and universities but have recently expanded to a more international and global climate related focus. The problems we face now are in many cases, borderless. "*
>
> ***Amy Blackwell, Strategic Impact advisor and Next Gen specialist***
> ***UK***

However now we see much more global impetus coming from the US, something that is perhaps emblematic of how its millionaires and billionaires relate to their country's global standing and geopolitical importance.

In the UK the reverse has happened. Many families who used to give internationally to causes that had 'soft power' implications in the days of the British Empire, have moved away from that and are instead donating to educational institutions in the UK. A generational shift has no doubt impacted this, as priorities and experiences change.

The Council for Advancement and Support of Education's (CASE) latest Insights on Philanthropy report shows that money donated to 92 participating higher education institutions in the UK and Ireland hit an all-time high of £1.37 billion from 2022–23. 73% of committed funds came from "organisations, such as trusts and foundations, companies and lottery[2]."

2. https://www.case.org/resources/giving-uk-and-irish-universities-2022-23-reaches-all-time-high-ps137-billion-funds

Around the world, philanthropic endeavour is almost always aligned to tax efficiency, with clients in regions from Africa to the Middle East to Europe looking to maximise their giving through smart structuring.

Vehicles like purpose trusts or foundations are increasingly common as a way of utilising funds for good.

However it's done, philanthropy is now viewed as part of investing.

The next generation especially aren't waiting to retire to start doling out gifts; they are far more likely to bake philanthropic intention into their portfolios and wishes. This is increasingly figured through what is now commonly known as 'impact investing'.

" Younger generations have values and convictions of their own and their investments – in tech, sustainability and impact projects – reflect those. They feel they can address their values through investing. "

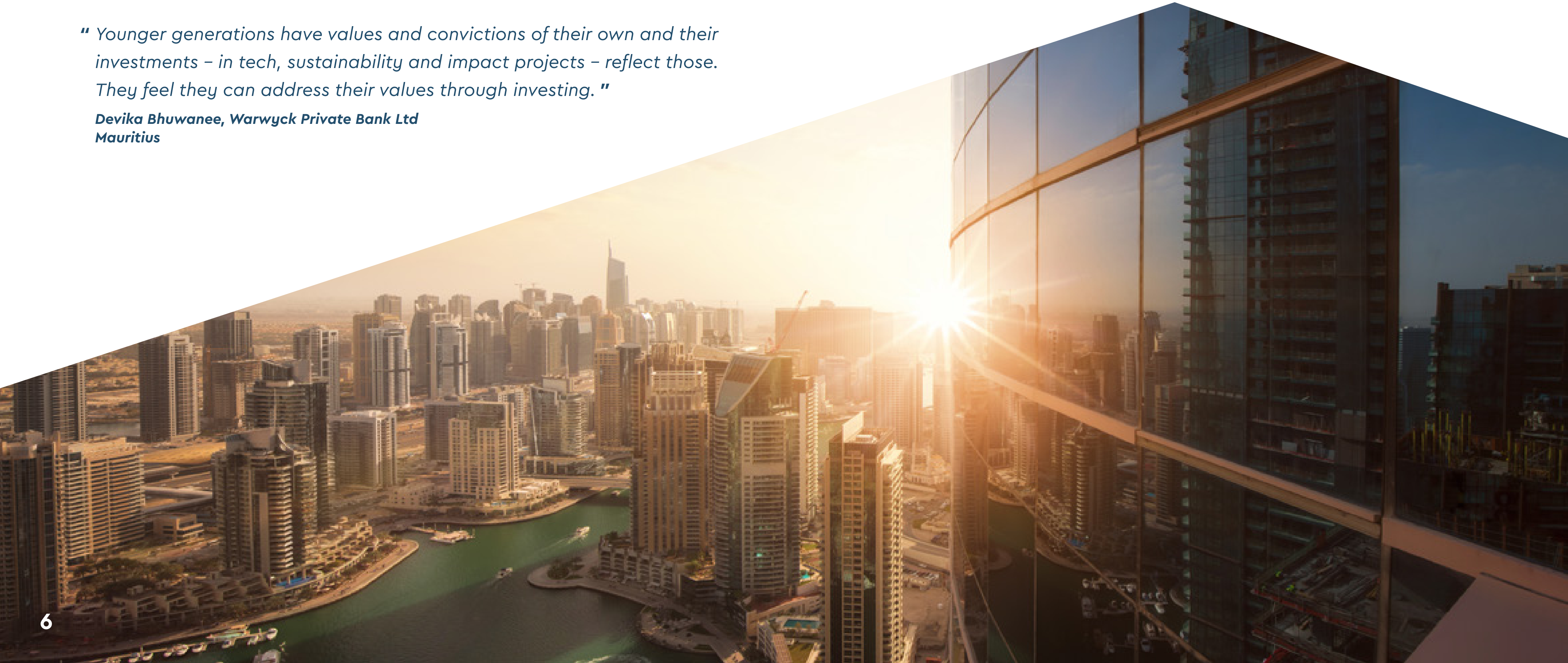
Devika Bhuwanee, Warwyck Private Bank Ltd
Mauritius

The final point on philanthropy is that, in a world with an ever-increasing wealth divide, many wealthy individuals and families now recognise that there is an expectation on them to be giving back.

Aligning something they care about with meeting a societal obligation is a win-win for many clients, and advisors are able to guide them through this process and advise on how they can best make a difference.

" Charitable trusts are the new superyachts. You simply have to have one, and preferably it's got to be bigger and better than your rival's. "

Tracey Neuman, Ocorian
UK



Next generation: a dynamic approach to wealth generation

As outlined in the 2030 Trustee guide in 2023, we are in the midst of the great wealth transfer, with US$68tn expected to be handed down the generations by 2050[3]. As wealth changes hands, priorities shift, and advisors are facing up to the reality of having to deal with different members of their family clients.

While this is a global phenomenon, perhaps nowhere is the wealth transfer more pertinent than in the Middle East, where cultural differences between older and younger members of rapidly maturing economies are pronounced.

Economic growth is on the agenda across the region, and the next generation is going to be pivotal to driving innovation, creating jobs and diversifying the economy. Saudi Arabia is a prime example; 63% of its population is under 30[4], so the future is entrepreneurial, tech-savvy and en route to modernisation of business processes and practices.

With wealth and control being handed over, and dynamism the watchword for younger generations, some thought must also be given to the older members of the next generation. Some of these people will be in their 50s and 60s, and stand to soon inherit a family business that they've been promised for the last 40 years. How they handle this is going to be just as instructive as how their children handle it in turn.

" The next generation doesn't just refer to people in their 20s and 30s. In the Middle East we might well be talking about men and women in their 60s who have lived in the shadow of their parents for their entire lives. "

Yasmine Omari, EY
UAE

Around the world, but especially in the developing economies of the Middle East, Africa and Asia Pacific, the next generation often has a more global outlook. This is down to a number of factors including their likely exposure to international study and work, access to technology, and relative ease of international travel.

The ramifications of this global outlook are being felt in the private client industry as the next generation can 'come home' with ideas heavily influenced by other countries and cultures. Marry this to a desire to make their own mark on their family's reputation and assets, and you have a generation of ambitious individuals who want to broaden their family's horizons.

" The government in the UAE is very supportive of forward-thinking industries, to the point that the country represents a modern-day gold rush as far as the next generation is concerned. It's a land of opportunity for young people who have their own visions and want to set up successful businesses in fields like biofuels or renewables. "

Adela Mues, Reedsmith
UAE

3. https://www.abrdn.com/en-gb/intermediary/insights-and-research/wealth-transfer-how-to-prepare-for-the-responsible-heirs
4. https://www.reuters.com/world/middle-east/saudi-population-322-mln-median-age-29-years-old-general-authority-statistics-2023-05-31

This can jar significantly with the older generations, who tend to put more faith in what has already worked for them when it comes to wealth generation and preservation. They have likely retained a great degree of control and have an inner circle of trusted advisors; asking them to give that up to be more outward-facing and ambitious is a big ask.

Cultural misalignment is therefore a huge challenge when considering the next generation trend. The industry agrees that there is an acute need for conversations around succession planning and expectation management.

In many wealthy families around the world there is an assumption that a business will naturally pass down through the generations. But younger people especially are becoming more assertive in declining to take over, instead preferring to forge their own path.

Some families will find ways to meet these wishes, perhaps assigning resources to their children to allow them to pursue their own ventures, and eventually investing the profits back into the core family business. Some will bring family members onto boards early and give them specific roles within the company as a way of training them up for eventual leadership positions. Some enable co-investing among family members as a way to strengthen bonds.

" Running a business is a huge step up. It can take 20, 30, 40 years to build a business, and handing it over to a son or daughter who wants to come in and change everything straight away is dangerous. A proper mix of founders and the next generation is vital, crucially long before succession is actually going to take place. "

Akshar Maherally, WTS Tax Consulting
Mauritius

Structuring can of course reflect any of these realties, and many are turning to family offices as a way of ensuring a sensible succession plan and retaining the value of assets.

Whatever the chosen means of planning for the future, private client professionals are seeing their roles change by the year, as their expertise is required not just for sound structuring, but also for acting as a conduit between the generations – facilitating discussions, helping to explain points of view, and trying to balance preservation and growth.

" Structuring requirements these days mean that professionalism is absolutely essential. Most families want a legacy and a family office is a smart way to do this because it offers assurance to the older generations, and allows the younger generations to seek expertise that they don't have, but is definitely needed on things like global tax advice and international transparency – both of which are greater concerns for the next generation than their parents. "

George Abrao, Abrao Group
UAE

ESG: The G holds the key

The environmental and social aspects of the ubiquitous ESG acronym have been discussed at length, quite rightly, but the governance element is often neglected. Our collection of experts was in complete agreement that this can't be the case any longer.

Changing tax regimes, increasing compliance requirements and shifting multi-national agreements all make it harder than ever for international wealth to keep up with reporting and filing demands. That's enough to unsettle many wealthy individuals and families, and it's a sense of the unknown that is only enhanced by the fact that more than half of the world's population, in 60 different countries, will vote in elections in 2024.

New governments inevitably bring new legislation, and in a time of increased pressure on economies brought about by enhanced spending and borrowing during the COVID-19 pandemic, there is plenty of attention being paid to taxation.

In the UK, there has been much discussion of a change to the resident non-domiciled (RND) regime, which makes allowances for those who live in the UK but are domiciled elsewhere for tax purposes.

Any changes will have a knock-on effect for the jurisdictions that serve the UK's UHNW community, principally the Crown Dependencies of Jersey, Guernsey and the Isle of Man. However, while RND benefits contributed hugely to the establishment of the islands' trust industries, they have diversified markedly since then, and practitioners now report that typical clients don't necessarily have UK tax touchpoints.

The Crown Dependencies are interesting case studies when considering another global governance trend: the increasing need for expertise and the willingness to pay for it.

Industry knowledge is at a premium in an environment where regulatory demands are greater, global living makes tax obligations more complex, and structures may have been set up in a different, simpler, time for tax and reporting.

> *" Our advice in today's world, especially to UHNWIs, can be 'don't let the tail wag the dog'. Many clients are increasingly realising that relatively small savings are not worth giving up the knowledge and expertise available to them in a jurisdiction like Guernsey or Jersey. "*
>
> ***Ken Wrigley, Ocorian***
> ***Guernsey***

Long-established international finance centres like the Crown Dependencies, Mauritius, Switzerland, Singapore and plenty more are extremely attractive because of the depth of expertise and knowledge found within their myriad firms.

As has already been explored, more outward-facing younger generations are far more likely to take professional advice than their parents were. Part of this is because regulation has increased so much, and part of it is because of their outlook on life and the way they value their time and effort.

So a younger family member might not only realise that the family's structures need professional tax advice from around the world, they'll also have been to university or worked overseas with the people who can give that advice.

" Previous generations grew up in a scenario where there was no trust in governance or compliance functions because you didn't need them. If there were any issues, they'd just 'find a way out' by then calling on professionals. But those days are gone. "

George Abrao, Abrao Group
UAE

Global living has a huge bearing on the private client industry and necessitates strong governance that makes allowances for structures being held in different jurisdictions, and thus having to comply with different rules.

Multi-national firms are really the only pragmatic way to deal with that level of reporting and compliance, and younger generations are more open to seeking out the right advisor for them.

One country facing a huge change in the levels of governance required is the UAE, which in 2024 has introduced its first-ever corporate tax regime.

Eligible companies will, for the first time, need to start registering and filing for corporate tax requirements, which for many older companies with set behaviours will constitute significant extra demands.

Reporting and filing are just not possible without thorough and proper financial records in place, meaning that boards must be ready and resilient enough to follow the rules swiftly, to avoid penalties.

Corporate tax is just the latest change in a country which has seen rapid transformation in recent times, in laws not only related to financial services, but also to society, such as the introduction of amicable divorce.

" What's striking about the UAE is how sophisticated and complicated it's become in such a short time. You've got 40-plus free zones here, all with their own legal and regulatory regimes. Now we have a complicated VAT system and an increasingly sophisticated corporate tax system, which can even apply to individuals. So a lot of these things have changed. And they've changed so quickly. "

Kim Wilks, PwC
UAE

In a short space of time, clients may have gone from running a business that didn't need to take tax advice, to suddenly having to hire an entire tax team. This is a story that's familiar to individuals and families around the world, and presents a significant complication.

That is reflected in structuring. Some structures will be quite old and have been configured for a previous time, so a big part of good governance is the regular review of these structures to make sure they are fit for purpose in the modern environment. Practitioners spend increasing amounts of time looking into this and offering advice on the latest developments.

This is not something that's going to change before 2030.

Digital assets: the future is now

2030 might feel like a long time away, and for many of our trends we're expecting the continuation of a gradual shift over the next few years as they come to fruition. Digital assets, though, are one area that we expect to have totally transformed the working lives, knowledge base and client interactions of the trustee of 2030.

The rate of change is astonishing and is largely provoked by the maturation of a generation of digital natives who have grown up with technology and whose lives are governed by it. These are not only entrepreneurs who have made money off it, but also the next generations of wealthy families.

Our experts universally agreed that younger generations of wealth are less risk averse than their parents and grandparents, are actively seeking greater returns on their investments, and want to consciously do something different to previous generations. That, combined with their tech savvy, means that digital assets are sure to be a hot topic for the entire industry.

" Digital nomads are increasingly becoming our client base. These are people who live online and have immense global mobility as a result. Their fortune will likely have been made through tech as well, so they're the pioneers of a brave new world that will become more and more populated. "

Yasmine Omari, EY
UAE

Younger clients don't just want to hold digital assets, they also want to invest in the companies, technologies and people who are enabling the digital revolution.

5. https://www.bloomberg.com/news/articles/2024-02-15/crypto-market-value-climbs-back-above-2-trillion-amid-btc-bitcoin-rally
6. https://www.henleyglobal.com/publications/crypto-wealth-report-2024

560 million

Number of crypto accounts worldwide[6]

They want to do this because they know that digital assets aren't a trend or fad; they're here to stay. The industry is now 15 years old, it's a US$2tn business[5] and there are 560 million crypto accounts worldwide[6]; those are not the numbers of an industry that's going to fade out of fashion.

" The figures show that digital is here to stay; the question is whether the private client industry can adapt quickly enough to become the trusted advisors who these clients turn to. "

Ben Grolimund, Rain
UAE

Cryptocurrencies are the poster children for digital assets, most clients are familiar with them and want to hold them, even if it is just for the reason of needing to be in on the trend, and indeed Stablecoin is the most-traded digital asset in the world. But of far more interest to the next generation are the possible uses and opportunities for blockchain technology.

Blockchain is being used to build a new, online, financial services infrastructure that is not too far away from being the de facto global system for payments, transfers and handling.

" Blockchain technology is so versatile, it can be adapted for use in so many different industries to generate economies of scale and to automate processes and activities. It's changing everything we know. "

Devika Bhuwanee, Warwyck Private Bank Ltd
Mauritius

The blockchain is already facilitating the flow of wealth and assets around the world, which has created a significant issue for private client professionals as regulators play catch-up with the technology.

We are starting to see that happen, though:

The Monetary Authority of Singapore (MAS) expanded the scope of its regulated payment services framework in April 2024, amending the law to govern digital payment tokens. In South Korea, an act regulating the cryptocurrency market came into force in July 2024. The EU's Markets in Crypto-Assets Regulation (MiCAR) is being implemented in two stages in 2024.

So governmental and regulatory action is underway to manage and control digital assets; it is only a matter of time before this is a global regulated industry.

" Those jurisdictions who are moving quickest to regulate digital assets are the ones who are going to set the standards. And at some point, like in the banking world, you're going have a web of financial institutions that you can interact with, in a safe AML space. "

Ben Grolimund, Rain
UAE

How quickly can the private client industry adapt to meet this growing need?

Practitioners are currently stuck between not being able to deal with an unregulated asset, and ever-growing client demand for that very asset. It's vital that advisors and firms move as quickly as possible to reconcile their regulatory requirements with a pragmatic policy on digital assets.

The class is growing so quickly that those who don't define a position soon may be out of the loop entirely by 2030.

Preparing for 2030: what do trustees need to do now?

To prepare for the future, we need to act now. Following our discussions with our industry experts, here are the top things that trustees should be doing now to continue to prosper:

Succession plan

have conversations now with your family clients. Discuss what the expectations are of everyone involved in the structure and consider how to reconcile them. Encourage open communication and share the ways in which multiple sets of wishes and values can be respected for the benefit of all.

Evaluate and communicate risk

Low-risk and high-risk investment preferences often exist within the same family. Consider how to balance these and manage the structures that will give everyone what they want. Aside from that, it's your duty to consider risks to your clients' wealth and structures; forecast and share your insights with them.

Instil robust governance

A more sophisticated regulatory environment requires pragmatism and thorough advice. Some clients will be uninterested in the subject, until something goes wrong. Putting in place the right people with the right credentials and trust of your clients will make a huge difference to putting robust governance in place.

Plan for digital

Digital assets are here to stay. Work with your colleagues to define your firm's position and understand how you are going to carry out functions like due diligence and KYC on clients coming from the digital space.

Adapt your offering

If you're clients' profiles are changing, then make sure you adapt to meet them. If younger members of the family are taking control then think whether some of your younger colleagues could be a better cultural fit for them. Matching the right people from your firm with clients is a vital skill and can help ensure the succession of relationships.

Contact
our team

Corporate Services | Capital Markets | Fund Services |
Private Client | Regulatory, Compliance & Legal

ocorian.com