

The International Family Offices Journal

Editor: Nicola Saccardo

Editorial

Nicola Saccardo

Meet the board

Nicola Saccardo talks with
Humberto Sanchez

Family business, family office and next gen

Fabrizio Arengi Bentivoglio

The strategic role of single-family offices

Suzanne Lauritzen

The right time to involve the next generation

Antoaneta Proctor

The drivers of heterogeneity of single-family offices – an exploratory analysis

Alfredo De Massis, Josip Kotlar,
Luca Manelli and Emanuela Rondi

Fortunes, family firms and family offices – a female perspective

Sasha Lund and Doris Sommavilla

The great man fallacy and family governance

Franklin J Parker

Spain – key features of the new temporary solidarity tax on large fortunes

Ramón J Gómez Coll

Inheritance styles – a new lens to deeper wealth integration

Matthew Wesley, Valerie Galinskaya
and Robin Catlin

What to consider when relocating and establishing a family office in the Cayman Islands

Andrew Miller and Daniel Altneu

The (mis)use of private investment companies in multinational wealth planning

Myriam Soto

Building a family office? Ask yourself the right questions

Guillermo Barandalla

News section

Selection from STEP News Digests

March 2023 • www.globelawandbusiness.com

STEP
ADVISING FAMILIES ACROSS GENERATIONS



The International Family Offices Journal

Contents

Volume 7, Issue 3, March 2023

| | |
|---|--|
| Editorial _____ 3 Nicola Saccardo | Spain – key features of the new temporary solidarity tax on large fortunes _____ 38 Ramón J Gómez Coll |
| Meet the board _____ 5 Nicola Saccardo talks with Humberto Sanchez | Inheritance styles – a new lens to deeper wealth integration _____ 41 Matthew Wesley, Valerie Galinskaya and Robin Catlin |
| Family business, family office and next gen _____ 6 Fabrizio Arengi Bentivoglio | What to consider when relocating and establishing a family office in the Cayman Islands _____ 49 Andrew Miller and Daniel Altneu |
| The strategic role of single-family offices _____ 9 Suzanne Lauritzen | The (mis)use of private investment companies in multinational wealth planning _____ 54 Myriam Soto |
| The right time to involve the next generation _____ 16 Antoaneta Proctor | Building a family office? Ask yourself the right questions _____ 60 Guillermo Barandalla |
| The drivers of heterogeneity of single-family offices – an exploratory analysis _____ 20 Alfredo De Massis, Josip Kotlar, Luca Manelli and Emanuela Rondi | News section _____ 64 Selection from STEP News Digests |
| Fortunes, family firms and family offices – a female perspective _____ 27 Sasha Lund and Doris Somnavilla | |
| The great man fallacy and family governance _____ 33 Franklin J Parker | |

Welcome to the 27th issue of The International Family Offices Journal!

Nicola Saccardo

Our latest issue opens with an interview with Humberto Sanchez of Sanchez Asociados, who is a board member of *The International Family Offices Journal*. Humberto offers us valuable insights into the family office environment in Brazil, including tax reform and the impact of the Covid-19 pandemic on family thinking, with a refocusing on succession matters.

Fabrizio Arengi Bentivoglio then considers the interconnection of family businesses, family offices and engagement with the next generation. This is of course an important theme for those working in the family office and family governance space. His article recognises the increasing complexities surrounding family offices and highlights key considerations in setting up any successful family office, including where it should be established, its structure and management and the importance of governance and engagement.

Suzanne Lauritzen looks at the evolution of single-family offices to meet their stakeholder requirements. She focuses on areas of concern outlined in a study commissioned by EY Private in 2022. Four key areas explored as crucial for single-family offices are: wealth and regulation; digital transformation; risk and reputation; and strategy and governance. The piece provides a fascinating insight into the issues affecting single-family offices.

Antoaneta Proctor looks at when to best engage the next generation of a family. She highlights the importance of understanding the priorities, objectives and necessities of the next generation. The need for appropriate conversations with the next generation to build healthy attitudes towards wealth and family cohesion is discussed. She provides helpful guidance for families in a range of situations, including those with clear governance structures in place and those starting with “a blank canvas”.

Alfredo De Massis, Josip Kotlar, Luca Manelli and Emanuela Rondi also focus on single-family offices;

examining research conducted at the Observatory of Family Offices in Italy. From the research undertaken they identify “four drivers of behavioural heterogeneity of single-family offices”. While by their very nature all single-family offices are different, the writers go on to identify central types of single-family office, drawing on these different categories, and explain how this can be used to enhance our understanding of family offices more widely.

The number of women among the world’s 500 wealthiest people has grown more than 10% in the last five years and this is on the rise. This striking statistic is highlighted by Sasha Lund and Doris Somnavilla in their article reflecting on the increasingly significant role of women in the family office sphere, both as family office professionals and female clients.

“The great man fallacy” is the focus of the next article, namely the idea that a family must produce and train great leaders to operate family businesses and manage family wealth. Franklin J Parker explores this idea, drawing on a comparison to ancient Rome and Macedonia! He explores why change can be challenging and notes that a strong foundation based on governance would serve families well.

The jurisdictional focus in this issue is on Spain and the Cayman Islands. Ramón J Gómez Coll introduces the new Spanish solidarity tax, which has been introduced provisionally as a temporary tax for 2022 and 2023. This is an essential read for those serving families and offices with connections to Spain.

Passing wealth on to the next generation is a huge preoccupation for wealth creators and business owners. In their article “Inheritance styles – a new lens to deeper wealth integration”, Matthew Wesley, Valerie Galinskaya and Robin Catlin explain the work undertaken by the Merrill Center for Family Wealth™. They focus on a case study to explore the principal challenges successors face as they come to terms with

the responsibility of the wealth that they have been given and engage with it in different ways.

Andrew Miller and Daniel Altneu look at key considerations in establishing or moving a family office to the Cayman Islands. This includes the regulatory framework, tax position and structuring options.

The Cayman Islands is of course also a popular location for the incorporation of private investment companies, which is the focus of the article by Myriam Soto, head of International Wealth Planning and Fiduciary Services at BYN Mellon Wealth Management. Myriam explores key considerations in respect of private investment companies including:

the automatic exchange of information; economic substance; their use as estate planning vehicles; and more.

Establishing a family office involves a huge number of considerations both technical and psychological. Guillermo Barandalla summarises these and how best to approach setting up a family office, focusing on questions to ask when doing so to ensure that the result best suits the objectives.

Finally, the news section includes some interesting highlights from the STEP News Digest over the last quarter. What is clear is that the world of private capital and private wealth continues to be fast-paced and varied.

GROW WITH STEP



Join the leading international network of experts
in family inheritance and succession planning


**GROW WITH
INTERNATIONAL
CONNECTIONS**

**GROW WITH
QUALITY EDUCATION
AND RESOURCES**

**GROW WITH
PROFESSIONAL
RECOGNITION**



Find out more about how to join STEP at www.step.org/GLB18 or email step@step.org



Two ways to subscribe to **The International Family Offices Journal**:

For full details of our subscriber offers, go to:
<https://www.globelawandbusiness.com/journals/the-international-family-offices-journal>

Email 'The International Family Offices Journal subscriber offers' to Susan Brushwood on
sbrushwood@globelawandbusiness.com



STEP
ADVISING FAMILIES ACROSS GENERATIONS

