



## Sustainable Family Wealth Strategies Series

### Understanding The Differences Between Family Offices (FO) Across Jurisdictions

Confiance Family Office @ October 2024



#### WHAT IS A FAMILY OFFICE?

A Family Office is a private wealth management company that serves high-net-worth individuals or families. It provides a range of services tailored to managing and preserving wealth across generations. There are two types of Family Office:

##### **Single Family Office (SFO)**

- ◇ Serves one wealthy family, focusing solely on their needs.

##### **Multi-Family Office (MFO)**

- ◇ Serves multi families from same progenitor, providing shared resources and expertise.

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#### *Streamlining Wealth Succession Across Generations*

## TYPICAL SERVICES COVERED UNDER THE FAMILY OFFICE

- ⇒ **Investment Management**  
Portfolio management and investment strategies.
- ⇒ **Financial Planning**  
Tax planning, retirement planning, and estate planning.
- ⇒ **Book-keeping and Compliance**  
Preparing financial statements, monitoring budgets.
- ⇒ **Assets Administration**  
Record keeping, monitoring and administration
- ⇒ **Family Governance**  
Organizing meetings, execution of distributions
- ⇒ **Training and Development**  
Provide education to family members about financial management, investment principles, and family values.



## FAMILY OFFICE IN MALAYSIA



On September 20, 2024, the Securities Commission, Malaysia announced an incentive scheme to attract family offices to establish operations in Malaysia, specifically in the Forest City Special Financial Zone. This initiative aims to establish the country as a regional hub for wealth management. The incentives include tax benefits, streamlined regulatory processes and investment support, encouraging family offices to contribute to the local economy while benefiting from Malaysia's favorable business environment.

This move emulates similar initiatives in Singapore and Hong Kong, which have attracted family offices and impacted their economies through increased investment and job creation. By positioning itself alongside these financial hubs, Malaysia seeks to take advantage of the current popularity of setting up family offices by high-net-worth families.

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### *Streamlining Wealth Succession Across Generations*

## Family Office Incentive Scheme Comparison between Malaysia, Singapore & Hong Kong

Details	Malaysia <sup>1</sup>	Singapore <sup>2</sup>		Hong Kong <sup>3</sup>
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<b>Pre-Approval</b>	Pre-Registration with SC	Required (1-2 yrs approval time)	Required (1-2 yrs approval time)	Not Required. Advance Ruling possible
<b>Min. AUM</b>	USD7.5m (RM30m for 1 <sup>st</sup> 10 year) USD12.2m (RM50m for 2 <sup>nd</sup> 10 years)	USD15m (SGD20m)	USD37.5m (SGD50m)	USD30m (HKD240m)
<b>Investment Professional</b>	<b>Two</b> , with at least <b>One</b> as Investment Manager	<b>Two</b> . Only 1 can be family member	<b>Three</b> . Only 1 can be family member	<b>Two</b> . <b>Both</b> can be family members
<b>Ownership Requirement</b>	100% Family owned	100% Family owned	100% Family owned	95% Family owned
<b>Spending requirement</b>	USD120k (RM500K for 1 <sup>st</sup> 10 years) USD160k (RM650K for 2 <sup>nd</sup> 10 years)	USD150k (SGD200k)	USD375k (SGD500k)	USD260k (HKD2m)
<b>Incorporation Requirement</b>	Malaysia Company (Operational office in Pulau 1, Forest City)	SG (managed in SG)	SG/Overseas	HK/Overseas (managed in HK)
<b>Local Investment</b>	10% or RM10m	10% or SGD10m	10% or SGD10m	No requirement
<b>Charity Option</b>	Not required	Tax Deductibility	Tax Deductibility	Charity to hold up to 25%

<sup>1</sup> <https://www.sc.com.my/resources/media/media-release/sc-outlines-family-office-incentive-scheme>

<sup>2</sup> <https://www.mas.gov.sg/-/media/mas-media-library/schemes-and-initiatives/fdd/fund-tax-incentive-schemes-for-family-offices-infographics.pdf>

<sup>3</sup> <https://www.familyofficehk.gov.hk/>

## CONCLUSION

Choosing the right jurisdiction for a family office is essential for optimizing wealth management taking into consideration the legal and tax obligations. Families should consider factors such as tax efficiency, regulatory environment, and accessibility to investment and financial services. It's important to evaluate political and economic stability as well as cultural familiarity. By considering these elements, families can select a jurisdiction that aligns with their financial goals and values in their effort to preserve their wealth across generations.



### Secure Your Family's Legacy – Confiance FO

We recognize that each family is unique and requires customized strategies. Confiance Family Office, part of the Confiance Group of Companies, offers specialized services to help you optimize your family business operations and enhance your wealth management efforts. Our experienced team excels in tailored solutions that is able to develop an effective wealth succession plan specific to your family's needs. At Confiance Services, we focus on your priorities:

- ◇ Company Secretarial
- ◇ Accounting & Treasury
- ◇ Labuan Business Set-up
- ◇ Training & Development
- ◇ Tax Compliance & Advisory
- ◇ Payroll & HR Management
- ◇ Trust & Fund Administration
- ◇ Strategies & Advisory

For more information, visit [www.myconfiancegroup.com](http://www.myconfiancegroup.com).

We are confident of our service deliveries and strive to earn your trust in us – **CONFIANCE**.

Contact your Family Wealth Sustainability Advisor today to discover customized strategies to secure your family's legacy and successful wealth planning:

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