

# *Do I need a Family Office?*

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# *Structure, strategy or both?*

- Is there a collective vision for family wealth including:
  - Knowing your **G**oals
  - Understanding your current **R**eality
  - Evaluating **O**ptions
  - Establishing a plan and the **W**ill to act
- Is there a collective wallet to manage?

# *Are these risks relevant?*

1. Personal and Family Representation and Succession
2. Family Continuity, Governance and Legacy
3. Wealth Preservation, Enhancement and Transfer
4. Business Ownership and Control
5. Financial Security and Compliance

# *Key Problems for Trust Governance and Accountability*

- Family Accountability and member vulnerability
- Property – equity within and across generations.
- Offshore or Interstate Connections?
- Wealth retention – ownership v. control – the great divide.

# *Longevity*

- Capital demands increase as health declines
- Management succession of wealth holding structures needs to reflect the needs of all generations served.
- Be aware of the impact of longevity on capital endurance and superannuation strategies.

# *How does your family work with its:*

- values, relationships, culture and social networks
  - Your relationship capital
- property (in a legal sense)
  - Your financial capital
- family, social and personal accountabilities
  - The primary source of attack on your estate
  - The needs you need to satisfy after your immediate support

# *Family Administration Objectives*

- Affairs management
- Wealth preservation
- Wealth transfer
- Family continuity
- Legacy
- Financial security
- Business ownership, control and transfer

# *Creditors and Predators...*

## **Bloodline**

- Ancestors
- Siblings
- Children
- Grandchildren
- Remoter issue

## **Other Claimants**

- Spouse
- Domestic or civil partner
- Creditors
- Contractual claimants
- Promisees
- Property co-owners



# What is family property ?

## Legally owned

- Founder is sole owner
- Person is legal owner only
  - E.g. as trustee
- As joint owner
  - Joint tenant
  - Tenant in common
- As co-owner
  - E.g. partner or venture

## Beneficially owned

- Family or members
- Family as equitable owner
  - Owner of rights

# *Identifying Liabilities and Risks*

## **Financial**

- Debts
- Guarantees & Sureties
- Contingencies

## **Risks**

- Financial
- Legal
- Economic
- Social incl. reputation
- Key man dependencies
  
- Market

# *Do family offices give solutions for:*

- Affairs management - yes
  - By client
  - For client
- Representation - limited
- Wealth Preservation – sometimes
- Wealth transfer – yes
  - Management Succession
  - Ownership Succession
- Social and Community Contribution - limited

# *Existing structures may do the job!*

[www.diamondconway.com.au](http://www.diamondconway.com.au)

[www.estplan.com.au](http://www.estplan.com.au)

[www.step.org](http://www.step.org)