大成 DENTONS

On structures and structuring

101 questions family offices should ask their lawyer - Parts 1 & 2

FAMILY OFFICE AND HIGH NET WORTH

Part of the challenge of building and running a family office comes from strategy…or sometimes the lack thereof…when putting the pieces into place and then dealing with the day-to-day operations. The reality is that family offices often come together through an evolutionary process that on close inspection looks more like the assembly of Frankenstein's monster than a highly technical manufacturing process.

However this is understandable. Family offices are entities that are created or leveraged by families to address their specific needs and achieve their specified goals. The notion of an "ideal" family office is just that—something that exists in theory, but is subject to the particular (and sometimes oscillating) needs and motivations of its principals. Expecting perfection of design and operation is a recipe for frustration for both family members and family office advisors alike.

However, noise in the process of building or operating a family office does not mean that all is lost. The existence of family offices is neither a recent nor Western-originated phenomenon. Examples of how wealthy families organized their affairs and assets exist throughout history, potentially starting with the ancient Babylonians. Babylonians' cuneiform tablets recorded astronomical data, market prices of agricultural products, water levels of the Euphrates and other important pieces of information. One might even describe them as an early form of "consolidated investment reporting." It is therefore likely that even the Babylonians also struggled with the perennial problem of producing timely, accurate and actionable analysis of family assets and affairs.

"A fundamental piece of running an effective family office is understanding priorities of the principals. Take time to analyze what not to focus on to help family members and executives save their most precious asset --- time"

- *Rick Ross,* Phoenix

Rule of Three

The process of building a modern-day family office has its own unique frustrations. Families should consider a "Rule of Three" adage when starting a single family office from scratch: (i) be prepared to spend three million dollars; (ii) recognize that it will take three years to feel like you actually have a functioning family office; and (iii) be ready to quit three times during the entire setup process.

Understanding what archetype or model of family office is the "best" fit for a family is also complicated by the passage of time. Families, even ones in Babylonian times, are not set in stone. They evolve and adapt to new circumstances and changes in requirements and motivations. Predicting exactly what services a family office will need to provide five, twenty or a hundred years from now is therefore virtually impossible.

The good news is that there are copious lessons to be learned from history, from advisors who specialize in working with family offices, and directly from other family offices.

This white paper will focus on family office structures and structuring. Its aim is to provide insight into the decision-making process surrounding the structuring of a family office and the importance of getting one's legal house in order to build and maintain a structure that serves the family's needs efficiently and effectively. Proper financial and legal planning can have enormous benefits but are difficult areas for family offices to consider because of the specialized experience needed, shifting requirements, the expense of maintaining such expertise in-house, the difficulty in finding that experience, and the general lack of data broadly available on this topic.

Family office product-market fit: What to expect when you're selecting

In a previous white paper,[1] we explored the benefits of sorting family offices into distinct archetypes. Classification and research in this domain can help deepen one's understanding of family offices with the aim of improving their operations and effectiveness.

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1 "Using the 'Anna Karenina principle' to better understand and operate family offices". Click here to download.

A few common question about family offices arise when individuals reach a certain level of net worth:

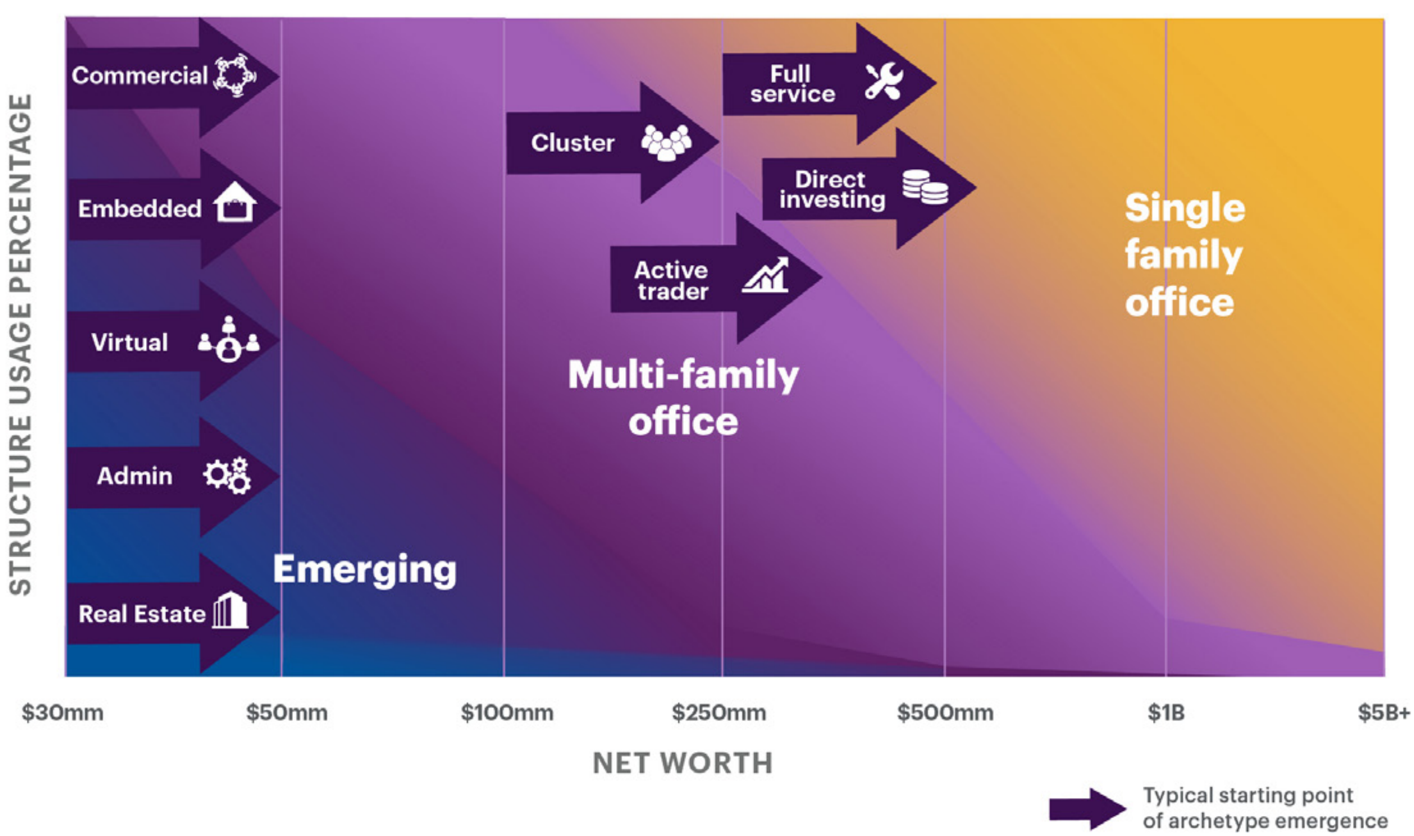
- What does a family office do?
- Do I need a family office?
- What level of net worth do I need to have a family office?
- What type of family office solution should I use and why?
- Who should I hire?

The issues of level of net worth and what type of family office one should consider are questions that come up quite often. There is no bright-line test for determining when to create a family office. There is no legislation, regulation or agreed-upon industry-wide or industry-agnostic practice that dictates what level of net worth one needs to have to know when and how a family office structure should be considered. On one hand, this freedom is a good thing, as it allows principals the flexibility to choose structures and strategies that fit their specific needs and motivations. On the other hand, the lack of a "gold standard" can lead to families making subpar decisions around structuring their family office, hiring and other operational matters. This often is one of the causes behind the stultification described in the aforementioned **Rule of Three**.

The chart below aims to serve as a guide for advisors to families, family office staff and family principals grappling with the questions: "At what level of net worth does it make sense to have a family office?" and "What family office solution should we use?". Like Hamlet, its aim is to help you answer the question whether "to be or not to be" a family office (with a dash of Romeo and Juliet's "Wherefore art thou?"). We hope it relieves some of the mental anguish caused by these common family office questions.

> "The issues and challenges family offices face are predictable and thus, families can work with their advisors to mitigate potential risks in advance. Preemptive planning is a lot less expensive and stressful than remedial clean-up."
>
> - *Gary Gartner,* New York

Family office structural usage considerations



The above chart is divided into three main categories: emerging, multi-family office (MFO) and single family office (SFO). The chart also contains the archetypes of family offices, as well as the net worth levels at which families commonly decide whether to create a family office, employ an MFO strategy or blaze a bold path and create their own SFO. The placement of the archetypes indicates when they most commonly appear.

"Most common" is an important phrase to keep in mind when referring to this chart, as there will be many exceptions and outliers (e.g., the family worth $50 million that decides to form an SFO or the billionaire who outsources most of their family office functions to a commercial MFO). However, the existence of outliers does not diminish the value of the above framework as a starting point for advisors to families and family offices when initiating conversations around family office structure and strategy. This chart can also help existing family offices in reconsidering their current approach and can assist in indentifying areas of possible improvement

Gradually, then suddenly

Lastly, often families will take a staged approach to building a family solution. It takes time to refine a strategy that is a good "fit" for the family (see Rule of Three). Families spend considerable time and effort landing on a solution that is the right balance of in-sourcing/outsourcing operations. Sometimes this will manifest through use of consultants, banks, wealth managers, lawyers, MFO/RIAs and the like.

These family office stepping stones provide both opportunities and potential hazards for families. Navigating these potential snares effectively requires keen insight and relevant experience.

> "Advisors to family offices need to see beyond the present. An advisor needs to take the journey with the family now and in the future and wants advice that cements the family's legacy in history."
>
> - *Doris Bonora,* Edmonton

Navigating the path and methods to achieve desired goals for a family office is a complex process. The variables in play when a family office is started versus in motion (let alone for multiple generations) are numerous and hard to understand for an outsider. Therefore, the strategic planning for family offices can feel like a dead reckoning process versus a finely-calculated GPS satellite guidance system.

The dead reckoning is a navigation technique based on estimating the position of a moving object by comparing it to a "known" previous position. Dead reckoning is often subject to a snowball of errors. Get the first "fixed position" wrong, and everything else estimated from there can cause more problems. The dead-reckoning method relies on understanding distance, speed, direction, and elapsed time.

If we go back to our fond memories of Physics 101, we were taught that Distance = Speed x Time. This formula works well in a vacuum and if one ignores error causes, such as directional drift, currents, wind, weight, air density, drag, and the like.

A similar problem can occur if we plan in a vacuum with family offices. Let's consider a completely hypothetical formula used to predict family office goals such as Goals = (Motivations x Velocity of Wealth Creation) / (Level of Wealth + Number of Family Members).

Such a formula doesn't take into consideration such critical factors as: how the values and motivations of principals evolve and vary among generations, the time post-liquidity event a family has lived with wealth, the maturity of the family office and its operational capabilities, how the potential for geographic spread of family members over time, how many generations are served by the family office, the source of wealth and industry associated with operating companies, the known and potential unexpected costs required to achieve goals, and how "off the radar" family members want to be.

Ignoring these variables, among many others, leaves family members, family office staff, and family office advisors in a potentially confusing position, making operations clumsy and staff feeling like they are constantly putting out fires instead of driving toward well-defined goals. Moreover, family offices can often be "shareholders of one," but they are just as often "stakeholders of many." These stakeholders often are the source of (and sometimes the cure for) the increased complexity wealthy families experience over time.

101 questions family offices should ask their lawyer, Parts 1 & 2

As family offices look for ways to improve their structures and revisit their legal strategies, we offer the following set of questions to help you engage with your legal team. Please note that this list is not all-inclusive, but merely a starting point to help navigate each family office in the right direction. The complexity of each situation may dictate that additional queries be contemplated. Knowing which questions to ask and when to ask them is critical to the success of each family office. There are no easy answers in the family office realm. However, the below sample questions are imperative for each family office to consider.

Getting started[2]

- What experience do you have working with family offices and family businesses?
- Is your experience local, national or global?
- What are the legal services that you typically provide to family offices that look like ours?
- Does your experience with different family offices provide you with best practices that you can share with us?
- What are the key legal issues to consider before, during and after a liquidity event?
- Are all of your legal services billed hourly or can you deliver work on a flat-fee-per-project basis?
- How would you build a team to handle the legal and non-legal matters relating to my family office?
- Do you (or your firm) have access to a network of family office general counsels?
- Are the business entities currently affiliated with our family office optimally structured across all areas that we should consider, such as income tax, estate tax, securities regulation, privacy, etc.?
    - What legal considerations and potential pitfalls exist with respect to embedded family offices (i.e., where employees of the family business perform the same function as a single-family office)?
- If members of the family are investing together and/ or separately, what legal structuring should we consider?
- Would our family office benefit from a holding-company structure? Should one or more trusts own the family office legal entity? What is a family office management company? Should we consider using a holding company for our investments?
- What are the advantages and disadvantages of using a family limited liability company (FLLC) or a family limited partnership (FLP) in our family office or family business?
- How can we exercise optimal control of a family office or family business through the use of legal entities and strategies?
- How can we build governance strategies into our family office to ensure alignment of family interests, values, goals and succession plans?
- What is the regulatory environment in the jurisdiction where our family office will be located? If the family office provides services to family members who are located in multiple jurisdictions, does that raise any regulatory issues? What are the local jurisdiction requirements for advisors to the family office? What would be the best jurisdiction for all concerned?
- Have we titled all assets owned by the family effectively and efficiently?

2 The observant reader will note that there are more than 101 questions listed listed in the combined paper (parts 1 and 2). We wanted to include specific advice from different jurisdictions. Even more questions are found on our website: www.dentons.com/familyoffice

> Regardless of their size, scope, or maturity, family offices most importantly need a "Chief Get-Stuff-Done Officer". This function often is implicitly embedded as an extra part of the role of a CFO, CIO, or a CEO. However, managing family office-related projects requires a distinct skill set, large network of relevant contacts, and a good amount of creativity and problem-solving proficiencies."
>
> - *Edward V. Marshall,* New York

- What are the legal issues to consider when (a) outsourcing or (b) bringing family office services in-house?
- What shareholder and operating agreements should we create to support the family office operations? How will such agreements define the relationship between the family office and related entities?
- In what jurisdiction should we form the family office, and why?

General investing

- If we are considering direct investment strategies, what specialized entities should we create and why? What are the legal considerations if we participate in club deals with other family offices?
- Can you provide legal and non-legal due diligence prior to an acquisition or disposition?
- How can we properly structure profits interest structures?
- What are the decision points around creating special purpose vehicles (SPVs) for individual investments? Should the SPVs be owned by a trust or a holding company, and why?
- How do we evaluate all of our investment activities to ensure we are following applicable securities laws?
- Based on our current and/or planned activities, does the family need to register or make other filings with relevant securities regulators (e.g., in the US, the Securities and Exchange Commission (SEC) or in Singapore, the Monetary Authority of Singapore (MAS))?
- What are the legal considerations to insourcing rather than outsourcing our investing activities?
- If our SFO wants to transition to an MFO or RIA (registered investment advisor) model, what are the legal and non-legal considerations to keep in mind?
- What legal considerations are there for family offices that invest in cryptocurrency or blockchain-related assets (e.g., NFTs)?
- How do we properly structure cross-border investments? What do we do if we have family members investing together and they have different citizenships and/or places of residence?
- How can we conduct a red-flag review of illiquid investments (e.g., private equity, hedge funds, direct investments, etc.)?
- How can we use investment policy statements (IPSs) to help guide and interact with the family's investment advisors (in-house or outsourced)?
- If we invest successfully, does the family office team get compensated? How are such arrangements designed to align the family office team with the family?
- What securities regulations should one be mindful of when considering a family office?
- How should we determine our shared family capital vision?

Investing and owning real estate

- What structuring considerations are there with respect to personal real estate owned by individual family members?
- What structuring considerations are there with respect to real estate owned by the family business or the family office?
- What are the structuring considerations if the family office wants to invest in real estate, or to finance (or refinance) its existing real estate investments? What if only some members of a family want to invest or participate in a real estate financing?

"Family offices are increasingly looking to Singapore as an attractive jurisdiction. Understanding government incentives, tax and legal nuances, investment opportunities, and the business landscape is critical to success. Our team has supported both single and multi-family offices set up shop and thrive in this innovative market".

- *Edmund Leow*, Singapore

- What special considerations exist for specialty real estate asset classes, such as multi-family housing, hotels and hospitality assets?
- What asset classes and investment types do you have significant experience with?

Venture capital and private equity

- How much legal due diligence should we undertake as an investor or co-investor in an early-stage investment?
- What are the risks associated with SAFEs (simple agreements for future equity) and similar convertible instruments?
- Which representations and warranties should we give and which should we avoid when making direct investments?
- What minimum rights should we seek to negotiate as a minority investor, and why?
- How can we take advantage of double taxation treaties when structuring our investments?
- How does one mitigate one's risks when serving on the board of a portfolio company? How can we use insurance to address these risks?
- How do our rights differ when investing in a club deal as opposed to a fund?
- What co-investment and other rights should we negotiate when investing into a fund?
- What are the pros and cons of investing in secondaries?
- Where are the legal risks of paying finders fees for deals?
- What are registration rights and why do we need them?
- Do we need any specific reports prepared for our investment e.g., on the ESG status of underlying investments made by the fund?
- How do we ensure that our interests and those of other investors are aligned with those of the fund manager?
- Should we have a standard form of side letter ready to provide to the manager of any fund into which we are investing?

The Lender Management strategy (US-based family offices)

- What are the facts and circumstances of the 2017 case of *Lender Management, LLC v. Commissioner of Internal Revenue*, and are they relevant to my family office?
- What is the difference between Internal Revenue Code Sections 212 and 162, and is this relevant to my family office?
- What are the factual differences between the *Lender* case and *Hellmann v. Commissioner of Internal Revenue*, and are they relevant to my family office?
- If my family office is organized in a *Lender Management*-type fashion, do we need to or can we manage investments for non-related other families?

Taxes

- Have we optimized our family office entities and investment strategies to minimize adverse tax consequences?
- How should we best interface with the family office's accounting advisors to optimize tax planning and compliance?

- In preparing for an audit, what steps should we take to ensure our family office is in compliance with all applicable laws?

Litigation

- To avoid conflicts of interest, should family members whose interests are or may differ from other family members retain separate counsel? If separate counsel is retained, how will ithe family office share information with family members without waiving attorney-client privilege or raising the issue of possible partisanship?
- How should we prepare for and what are ways we can avoid potential litigation on behalf of the interests of the family?
- Have we considered that our that actions of individuals or entities are invariably challenged after the fact and judged in hindsight?
    - Are we doing everything by the book?
    - Are we observing all corporate formalities?
    - Are we acting in a procedurally correct fashion?
    - Are we ticking all the boxes?
- Have we considered that attacking the substance of a deal is difficult and uncertain and that it is often easier to challenge whether the correct form was followed (e.g., a flaw in the process that be argued to make the substance suspect.)?
- Have we considered potential outcomes of a decision in a manner that allows us to consider broader outcomes and avoid tunnel vision or overly optimistic/pessimistic outcomes (e.g., reasonably optimistic best case, reasonably pessimistic best case, reasonably optimistic worst case, reasonably pessimistic worst case, etc.)?

Operations and governance

- If we decide to hire an in-house GC for the family office, what experience, qualifications, compensation and other factors should we consider in doing so? Is it better to hire a generalist or someone who specializes in a particular legal discipline?
- What should we have as a process for establishing a board of directors/advisors to help manage the family office? How can we consider the use of and hiring of independent directors?
- How do we select the staff that will run the family office? What characteristics and backgrounds are important in general and for their specific roles?
- How do we go about developing and testing a business continuity plan for the family office?
- How do we pay for the operations of the family office and what are the legal implications of the various funding sources?
- Does the technology our family office uses for operations meet all local, regional and global laws, policies and regulatory standards?

Employment

- What kind of pre-hiring evaluation should we be doing (and are allowed to do) for potential family office staff?
- How can we create an effective staff screening system? How can we create effective security and risk management policies that govern staff after they are hired?
- What arrangements should we use to employ/engage staff (i.e., should they be employees, consultants, etc.) and who should employ/engage them?
- How can we create effective employment/ engagement agreements and compensation strategies? Should we include severance provisions in our agreements?
- How can we ensure that our employment manual complies with all federal and local labor laws?
- What non-disclosure agreements, noncompetes, non-solicitation and related provisions can we require of family office staff?
- Do we need any immigration permissions for family office staff to work in the desired location?
- What are the tax implications of how we operate family office staff?
- What legal and compliance obligations do we need to be aware of and adhere to once we have employed/engaged family office staff?
- Are we following all of the local, state, federal and international laws, policies and regulations with respect to our family office staff? (e.g., wage-and-hour laws, drug testing and substance abuse management, etc.)

- Are we in compliance with ERISA and any state/local laws and regulations applicable to our benefit plans?
- Are we compliant with local, regional, national and global rules around qualified/nonqualified retirement plans, executive compensation, and perks and fringe benefits (e.g., use of private aircraft, corporate cars, etc.) for family office staff?
- How can we manage exit strategies from the family office or family business for inactive family members, and what legal risks do we need to be aware of?

Impact investing and philanthropy

- How can we optimize our charitable-giving strategy? What legal entities, tax considerations and related strategies should we consider to optimize our philanthropic impact?
- What are the important legal structuring and tax considerations with respect to impact-investing?
- What are the tax and legal considerations of such philanthropic vehicles as charitable lead trusts, charitable remainder trusts, donor-advised funds, scholarships and private foundations?
- What are B corporations and what is their potential relevance to our family office?

Trusts, estates and wealth preservation

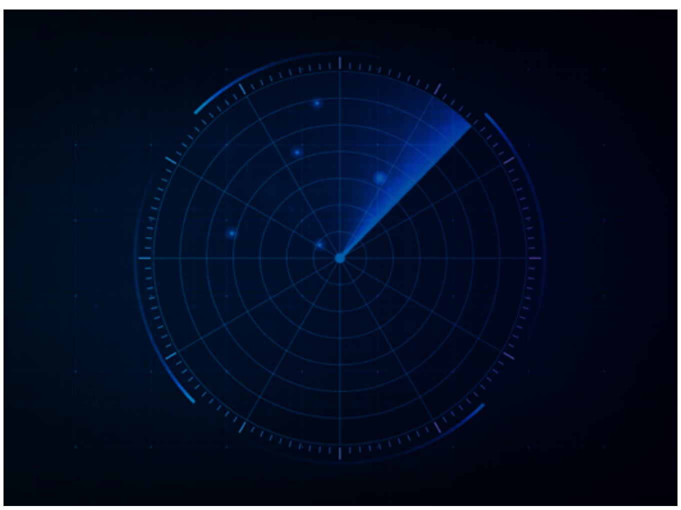
- Should we be using pre- or post-nuptial agreements in our family? What about agreements specific to citizens or residents of different countries?
- What are the trusts-and-estates law considerations for each member of the family?
- If family members are subject to multiple jurisdictions, what are the local, national and global legal structuring and planning considerations?
- How should family members evaluate both on- and off-shore life insurance requirements and navigate life insurance planning? When and how should we consider the pros and cons of irrevocable life insurance trusts, offshore life insurance, split-dollar life insurance, private placement life insurance and insurance-dedicated funds?
- How should we create wills and trusts for families in multijurisdictional situations?
- How can we plan for liquidity to satisfy estate taxes that will be due after the death of a principal?
- What legal considerations are there for the administration of estates with specialty assets (e.g., art, collectibles, wines and spirits)?
- How can we educate the next generation on legal matters and best practices pertaining to the family office, their expected obligations to the family and their potential inheritance?
- Should our family office consider establishing a private trust company (PTC)?
- What are the legal and tax consequences of using a family bank strategy?
- Do our legal entities allow for the sale, gifting or transfer of family office ownership among family members?
- Should agents of family members, such as investment advisors, trustees, attorneys, etc., be required to sign non-disclosure agreements for the family office?
- How can we support family members with issues concerning trustees?
- How can we plan around the cash flow needs and general financial planning concerns of family members?
- Should the family office hold regular meetings with the members of the family? Should there be meetings between the beneficiaries/each of the family members and the trustees?

- Are the conflict-of-interest policies up to date? What's in place to assure full disclosure?
- What should we implement regarding practices and policies for maintain confidentiality and continuity in the event of the divorce, death or incapacity of a family member who is in the bloodline of the matriarch or patriarch who established the family office wealth?

Public policy

- Should we take a proactive stance and attempt to influence the public policy dialogue with respect to the scope of the family office exemption and related issues?
- Will our family office be subject to additional regulation should the SEC act on its stated desire to produce amendments to the Family Office Rule?
- If our family office wishes to engage politically and at the public policy levels, should we try to achieve our goals independently or as part of a coalition of like-minded, similarly-situated family offices?
- How can we measure return on an investment in political and public policy engagement?

Risks and threats



- How can we set up a family office to maximize the family's privacy? How can we protect ourselves in the event of a breach of privacy (e.g., stalking, blackmailing, public disclosure, theft, etc.)?
- Have we structured the family office to maximize our liability protections?
- If our family office is not subject to specific regulatory oversight, how can we implement our own compliance processes and policies to prevent risks and prepare for future potential requirements?
- How do we establish controls and procedures to prevent fraud?
- How do we ensure that our legal and non-legal questions are covered under legal privilege? Are there steps we can take to ensure that communications and advice from third-party advisors (e.g., security companies, accountants, banks, etc.) are protected under attorney-client privilege?
- What legal agreements and strategies should we have in place prior to the death of a matriarch or patriarch?
- Does the family office need director-and-officer as well as comprehensive general liability policies with respect to the performance of duties by family members and employees, as well as coverage in connection with those serving on boards and in officer positions of portfolio companies to protect family office assets from third-party exposure?
- What legal and non-legal strategies can we implement to avoid family feuds and litigation after the death of a principal? How can we handle intergenerational conflicts, especially where family members are located in different jurisdictions?
- What legal and non-legal strategies should we have in place to help protect us against risks and threats (e.g., cyber, physical, fraud, lawsuits, natural disasters)?
- How can we conduct a thorough risk-and-threat audit of our family office?
- How can we build a system for responding to medical emergencies and do we have adequate preventative health care measures in place?
- Should we consider having a social media policy for family members and the family office?
- What type of internal compliance policies do we need to avoid transactions involving restricted/denied parties, or structures susceptible to money laundering?
- How can we prepare for inquiries from the media?
- what is our communication policy on public events?

Specialty areas

- How can we ensure that our private aircraft meet local, regional, national and global regulations (e.g., FAA in the US; International Civil Aviation Organization (ICAO) on an international scale)?
- How do we properly structure private aircraft acquisitions, dispositions, insurance, finance, leases, tax issues, use policies and ownership entities?
- How can we ensure that our active-investor trading policies comply with local, national and global laws and regulations?
- How can we ensure that we are following anti-corruption laws (e.g., Foreign Corrupt Practices Act (FCPA)) in our home country and other countries where we operate and invest?
- How can we properly structure sports and entertainment investments (e.g., team ownership and control vs. non-control/passive investment)?
- How do we properly protect intellectual property assets?
- What steps should we take in responding to requests for information to satisfy Know Your Client (KYC) requirements from third-partyy vendors for the family members and the family office?

Country specific

Singapore

- What are the advantages of setting up my family office in Singapore?
- What tax incentives are available for family offices in Singapore?
- Can I transfer my Singapore real estate to my family office entities?
- Should I establish a trust to hold my family office entities?
- Can I apply for permanent residence or employment passes to relocate my family members to Singapore?

Hong Kong

- Are there advantages of setting up a family office in Hong Kong vs. other juridictions?
- What are the risks of Hong Kong-mainland investments?
- How does the scheme of "The Greater Bay Area - Wealth Management Connect" work?
- Is there any support from the government or business communities in establishing a family office in Hong Kong?
- Are there any tax considerations for family offices in Hong Kong? Is there any difference between investing as an individual and through corporate entities?

> "Covid notwithstanding, Hong Kong ranks globally as a top 10 territory in terms of UHNW density. Financial markets are sophisticated, including high-end/green investment choices. With the largest PE market outside mainland China and largest Asia hedge fund hub, plus cross-boundary policy initiatives, we expect strong international demand for Hong Kong family offices services."
>
> - *Julianne Doe,* Hong Kong

Conclusion

There is no question that working in a family office requires wearing many hats and understanding numerous disciplines—of which legal is one of the most challenging, if one lacks formal education and the requisite experience and specific expertise.

Well-structured family offices can help their principals play offense and defense. Well-thought-out legal plans and policies can support incredible opportunities while helping to protect against the numerous risks that family offices and their principals face on many fronts. Whatever its structure, every family office should analyze its annual legal spend to identify potential gaps, ways to cut wasteful spending and areas where expertise can be added or improved.

For each ill, inconvenience or frustration that a family office faces, there is often a remedy. Sometimes the medicine may be worse than the "disease" and be nearly impossible to implement because of the amount of resources it requires, or because of intractable or systemic problems. However, two things that can help identify issues and work towards a cure are getting the fundamentals in order and building and testing a strategic plan.

Running a successful family office is not about winning a race. It is about building a sustainable process that incorporates lessons learned along the way. Legal is a critical area to strategically nagivate given the wide range of issues that can and will come up. Just like there is no doctor who is the top of her field in both neurosurgery and immunology, the same holds true for lawyers supporting a family office. It isn't always easy to find the right person, with the right expertise, to provide the right legal (or non-legal) solution. Building the right team requires a concertmaster who understands how the first chair violin fits in with the last chair triangle.

We hope that this paper sheds some light on these diverse areas and helps families and family offices have more productive conversations with their legal advisors.

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For more information on how Dentons works with family offices, please visit www.dentons.com/familyoffice

A huge thank you to my partners and friends in the family office space for their thoughtful input and feedback on this paper. And a special thanks to Doris Bonora, Henry Brandts-Giesen, Virginia Brause, Samuel Braver, Julianne Doe, Trip Dorkey III, Dzhangar Dzhalchinov, Gary Gartner, Gary Goldberg, Constantin Kroll, Brian Lee, Edmund Leow, Deborah Little, Anna Metrakos, Christopher Milenkevich, Howard Neiswender, Brian Raftery, Christohper Rose, Rick Ross, Jeffrey Scheine, Eric Tanenblatt, Anthony Williams, Michael Zolandz and many more.

"Our family office clients come to us seeking certainties. Latin American countries such as Uruguay provide legal, political and economic stability, coupled with government tax incentives which have made family offices thrive. Uruguay is the country with less social risk in Latin America."

\- *Virginia Brause,* Montevideo