



BDA

BERMUDA
**BUSINESS
DEVELOPMENT
AGENCY**

BERMUDA FRIEND OF THE FAMILY OFFICE

For decades, high-net-worth individuals and families have valued Bermuda for the array of services available in the jurisdiction to support trust structuring, private-wealth preservation, estate management and succession planning.

As HNWI's continue to look for better ways to protect and manage their wealth, Bermuda is leveraging its well-earned reputation as a leading trust and private-client centre to firmly position itself as an ideal location to establish and/or operate a family office.

BREADTH OF SERVICES

A family office in its truest sense puts a more institutionalised structure around a family's financial affairs, enabling a more disciplined and professional approach to managing them. Whether a single- or multi-family office, there will be a number of specific functions that need to be executed with skill and efficiency, such as legal and fiduciary services, asset allocation, investment management, insurance, administrative services, philanthropy and charitable giving. Family office operators may choose to outsource all these functions, hire talent to execute them in-house, or some combination of the two.

Bermuda can offer the full suite of products and services a family office could need. The island is a premier international financial centre, well-known for its insurance and reinsurance industry, but also endowed with mature and well-developed trust, asset management and administration sectors, all of which touch the family office space. Add to these the diverse range of service providers such as tax and regulatory compliance experts, auditors, accountants, and business advisory firms, and it becomes clear that Bermuda is uniquely equipped to be a one-stop shop for attending to the professional needs of a family.

LOCATION AND LIFESTYLE

Besides its appeal from a financial services perspective, Bermuda is also a convenient and comfortable place to live and work. The island's location in the North Atlantic, with easy access to London, New York, Miami and Toronto, makes it an ideal jumping-off point to major financial hubs and gateway cities to and through which HNWI's and their children travel most frequently. Flight times average less than two hours to New York, and less than seven hours to London. Conveniently, both the island's commercial airport and executive private-jet terminal offer the advantage of US Customs & Immigration pre-clearance on departure, shortening travel time. Bermuda is a particularly attractive base for multi-national families whose children may be attending schools in the UK, US east coast and Canada.

Bermuda is a democratic, self-governing British Overseas Territory, with a political system that provides stability and consistency. It is a safe and secure jurisdiction, where terrorism, kidnapping, violence, crime, natural and man-made disasters are not everyday concerns.

It has a history of being transparent yet discreet; while Bermuda complies with the highest international standards of tax and anti-money-laundering compliance, there are governmental controls in place to ensure that any solicitations for financial information are properly approved in accordance with tax information exchange agreements and other official arrangements, to minimise the risk of inappropriate requests.

Offering one of the highest levels of GDP per capita in the world, as well as excellent education, sophisticated telecommunications, access to world-class healthcare, myriad cultural and sporting attractions, and sub-tropical physical beauty, Bermuda's lifestyle is enviable by any standard. Recent changes to the island's residency requirements now permit persons over the age of 18 to obtain a residency certificate enabling them to reside (but not work) in Bermuda indefinitely, provided the criteria are satisfied.

LEGAL AND TAX STRUCTURE

Bermuda has had its own Parliament and courts since the early 1600s; in fact, Bermuda's legal system marks its 400th anniversary in 2016.

The island uses English common law and principles of equity, with recourse to the UK Judicial Committee of the Privy Council. Overlaying this foundation, which provides certainty and predictability, Bermuda continually implements and updates its laws to facilitate the use of trusts and other investment structures for modern commercial applications. Domestic legislation has allowed for progressive and innovative products that family offices find useful, such as private trust companies (PTCs) and segregated accounts companies (SACs).

A tax-neutral jurisdiction, Bermuda has no income, capital gains or corporate taxes. Its consumption-based system does levy payroll tax, import duties, social insurance, and custom duties on goods and services—a major component of the island's tax revenues. Bermuda's unique tax system was designed to support its own infrastructure.

PEOPLE

In order for any business to thrive, it must have the right people, both in its own operation and at its service providers. And, particularly in the family office sphere, personal relationships between wealth owners and their trusted employees and advisers are of paramount importance. Statistics confirm that a family's wealth, if not properly managed, is often completely dissipated within three generations. Having trained staff and highly qualified external partners operating for the benefit of a properly structured family office can safeguard against this phenomenon.

As mentioned above, Bermuda is home to world-class expertise across multiple business sectors. Corporate and private client lawyers, leading (Big Four) accounting and audit firms, fund administrators, financial advisers and wealth managers, IT specialists, actuaries,



SEAN MORAN is a Business Development Manager at the Bermuda Business Development Agency (BDA). Responsible for the agency's Trust & Private Client sector, he works with industry focus groups to help trusts, family offices and other wealth management businesses set up and grow in Bermuda.



info@bda.bm
+ 1 441 292 0632

re/insurance underwriters, brokers, and support services—all can be found within the two-square-mile parameters of the City of Hamilton. These quality financial intermediaries have a decades-long history of working together, and often have close personal relationships with each other by virtue of the fact that they live and work on the same 21-square-mile island. In that respect, Bermuda and the family-office industry share a very important characteristic: we rely on personal relationships for success.