
FAMILY OFFICE

INTRODUCTION

A family office offers wealthy families, their members, or individual wealthy individuals tailored support in meeting their complex financial and personal requirements. A family office primarily serves to protect assets, consolidate assets, support large asset inflows, avoid major tax losses and fragmentation of assets due to planned generational succession, and provide support during generational succession itself. A family office can also support families wishing to engage in philanthropy, as well as families desiring independence and convenience in general. The range of services offered by a family office is comprehensive and can be adapted flexibly to the needs of its clients. A family office generally relies on an extensive international network of experts in banking, real estate management, investment funds, insurance, project development, and other specialisations, giving families direct access to first-class support in all matters.

1. REASONS FOR ESTABLISHING A FAMILY OFFICE AND ADVANTAGES

Reasons for establishing a family office and the advantages of doing so may include the following:

1.1 ASSET PROTECTION

As assets grow, so does the complexity of managing and securing them and increasing their value. Numerous risks to (family) wealth also arise, especially in times of economic uncertainty. It is therefore essential to take a detailed and professional approach to asset protection – primarily in terms of the following aspects.

1.2 CONSOLIDATION OF ASSETS:

Consolidating assets in a family office makes it easier to ensure centralised management and provides a better overview. This can significantly improve the asset strategy as well as risk and financial

management. Centralising all assets can also make administrative processes more efficient. In general, asset consolidation supports the family office's overarching goals in terms of asset protection, optimised tax planning, and generational succession.

1.3 SALE OF ASSETS AND ASSET MANAGEMENT:

For entrepreneurs and their families who focus primarily on managing and developing their businesses, establishing a family office offers significant advantages when there is a large increase in assets – often following the sale of a company. A family office structures the assets from the outset and ensures efficient management and investment. By providing solutions specifically tailored to the individual needs and goals of entrepreneurial families, a family office not only facilitates financial management, but also provides effective support with succession planning.

1.4 AVOIDANCE OF MAJOR TAX LOSSES AND FRAGMENTATION OF ASSETS DUE TO PLANNED GENERATIONAL SUCCESSION:

A family office is not only an instrument for wealth management, but also a valuable protective shield for the generational succession of a family. Without careful planning, the complexity of any inheritance, gift, and/or exit tax can quickly lead to unexpected liquidity bottlenecks for the family members concerned. This becomes even more critical when assets such as company shares are at risk of being fragmented as a result of an inheritance, gift, or even divorce. A well-structured family office not only protects family assets from major tax losses, but also ensures the continuity and unity of companies, real estate, collections, and other assets across generations.

1.5 GENERATIONAL SUCCESSION:

Establishing a family office is an effective solution for the challenges of generational change in family businesses by ensuring a carefully planned transition from one generation to the next, taking all relevant aspects into account. Well thought-out succession

planning facilitates the seamless transfer of assets. Key elements include valuation of the family business, selection and development of potential successors, legal preparations, safeguarding financial security, and ensuring the active involvement of all family members as well as their effective and transparent communication. In addition, it is crucial to ensure the financial independence of the departing generation through appropriate pension measures. Generational change must take into account the financial security of the family, a fair distribution of assets, income security, training of successors, and preservation of family harmony so as to avert financial uncertainties and promote the growth of the company – and ultimately of wealth – across generations.

1.6 INCREASING PHILANTHROPIC ENGAGEMENT:

Growing interest in philanthropy has been a significant trend in recent decades. More and more wealthy families, individuals, and businesses are demonstrating social engagement by investing in important areas such as health, environmental protection, education, and charitable organisations. They are often inspired by role models such as the Bill & Melinda Gates Foundation and the Chan Zuckerberg Initiative. A family office can facilitate and optimise a family's philanthropic endeavours through strategic planning, efficient asset management, and coordination of all administrative responsibilities.

1.7 INDEPENDENCE AND COMFORT:

The decision to establish a family office can also arise from a desire for independence, especially if the family members do not want to be directly involved in the management of the (growing) family assets. It is not uncommon for family assets to be managed within the family business itself, such as by the company's finance department. However, mixing asset management in this way should often be considered a compromise rather than an optimal solution in terms of professionalism, privacy, and discretion.

2. ADVANTAGES OF LIECHTENSTEIN AS A FAMILY OFFICE LOCATION

Liechtenstein distinguishes itself with its specialised, internationally networked financial centre. Liechtenstein has a strong Financial Market Authority (FMA) that enforces international standards and is represented in supervisory authorities worldwide. As a small state, Liechtenstein also offers a stable legal and social order, a transparent tax and legal framework, and a AAA rating from Standard & Poor's, underscoring its economic attractiveness.

The Principality has a long tradition of banking and financial services, including wealth management, which makes it an attractive location for family offices seeking a secure and confidential environment.

Liechtenstein also distinguishes itself with an internationally recognised, competitive, and attractive tax system in line with the requirements of European law. Numerous bilateral agreements on the avoidance of double taxation and the exchange of tax information strengthen the system, especially in relation to other countries. The Liechtenstein tax system is regarded as simple and transparent. The Liechtenstein tax system also significantly promotes the accumulation of wealth over time, in particular also thanks to moderate company taxation.

The Principality has a well-developed financial sector specialising in services for wealthy individuals and family offices. This includes private banking, wealth management, and tailored financial solutions that meet the specific needs of family offices and their clients. Liechtenstein has adapted its regulatory framework to international standards so as to ensure a high degree of compliance with global financial regulations. This strict compliance with international standards gives family offices the certainty that their assets are managed in a jurisdiction recognised by the international community.

Liechtenstein benefits from access to two important economic areas: firstly Switzerland, thanks to their common customs territory, and secondly the European single market, thanks to Liechtenstein's membership in the European Economic Area. The latter can be advantageous especially for family offices wishing to invest or do business in Europe, given that it facilitates the free movement of goods, services, and capital within Europe.

Thanks to its flexibility and stability, Liechtenstein's legal framework offers ideal conditions for a family office. It guarantees comprehensive protection for assets and beneficiaries. The Principality is also known for its liberal company law and wide range of company forms. These allow legal entities to be structured and customised largely according to personal needs, with the purpose of protecting family assets and securing succession. In this context, legal entities such as Liechtenstein family foundations and trusts are especially noteworthy.

These factors – combined with the proven benefits of stability, a favourable tax system, and access to highly developed financial services – make Liechtenstein a first-class choice for entrepreneurs and others wishing to establish a family office.

3. OUR SUPPORT FOR FAMILY OFFICES

Invest in the future of your family – a family office can be a key factor in securing your financial future across generations.

FS+P AG (FS+P) is a medium-sized company in Liechtenstein, subject to regulation by the Financial Market Authority. Regulation means that the subordinated companies must comply with strict legal and regulatory requirements, especially with regard to transparency and security. FS+P maintains an extensive professional network of service providers

in Liechtenstein and abroad, particularly in Germany, Austria, and Switzerland, and has wide-ranging experience in cooperating with specialised tax consultancies and other service providers.

At FS+P, we have extensive expertise in family offices, based on long-standing, trusting relationships with our clients, whom we support over the course of many years. Thanks to our wide range of in-house knowledge and skills, we offer convenient and highly professional support from a single source.

THIS IS HOW YOUR RELATIONSHIP WITH US COULD BEGIN:

Arrange a non-binding, personal, and confidential initial consultation with us to get to know each other. If you are unable to visit us in person for a first meeting, we are also happy to offer a telephone consultation. We adapt flexibly to your needs. We are committed to understanding our clients' values and expressing those values in everything we do.



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