



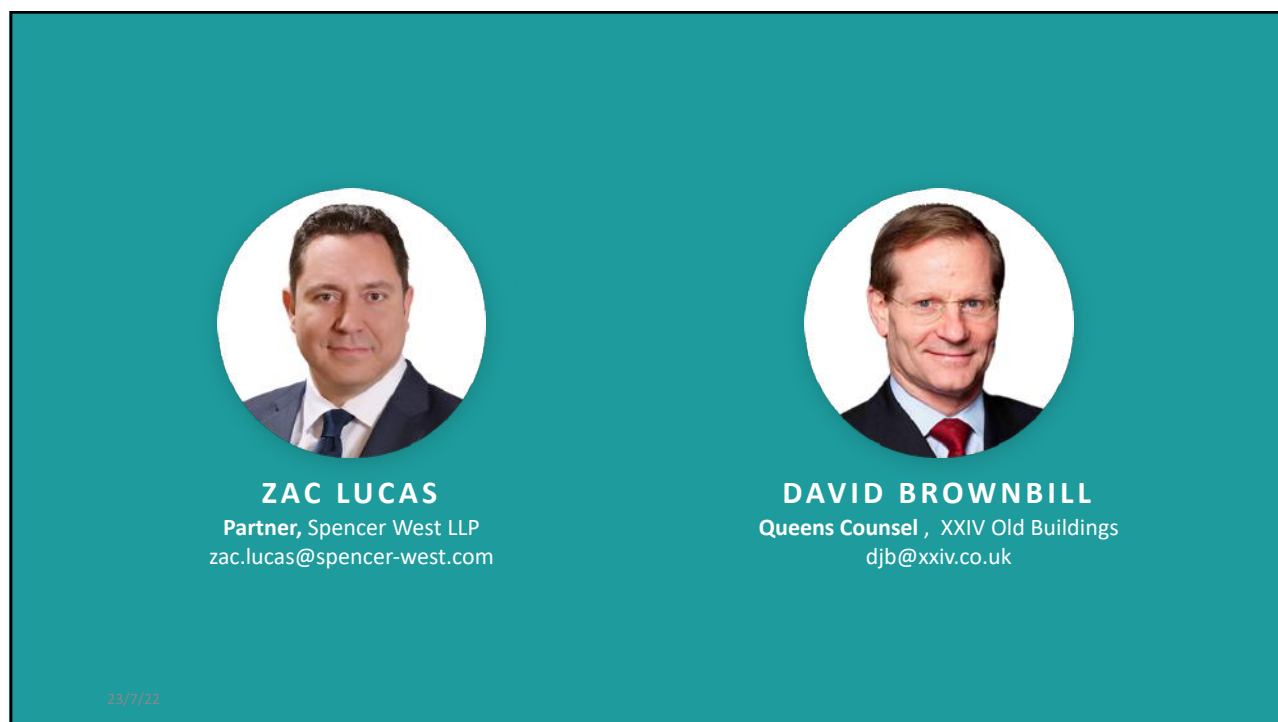
WEALTH TALKS


Family Office **Dispute**

 **20 JULY 2022**  **4:00 PM SGT**


XXIV
OLD BUILDINGS

**SPENCER
WEST**





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23/7/22

Agenda

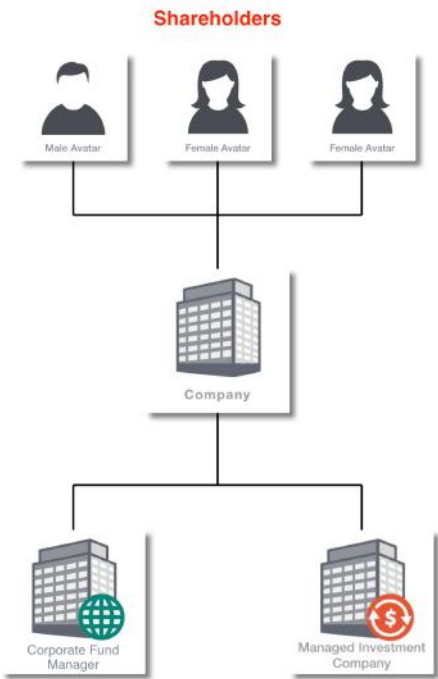
23/7/22

- Overview – Dispute Avoidance | Management
- Unstructured Family Office
- Structured Family Office
- Hybrid Family Office
- Summary
- Q&As 🗣️

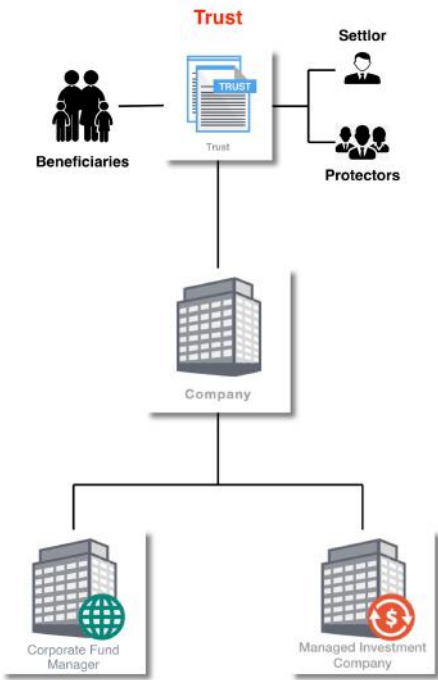
Overview

- Dispute Avoidance
- Dispute Management
- Governance Framework 🗣️

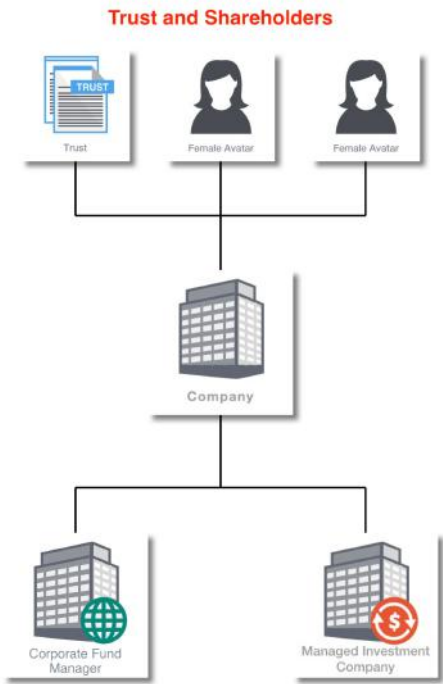
Unstructured Family Office



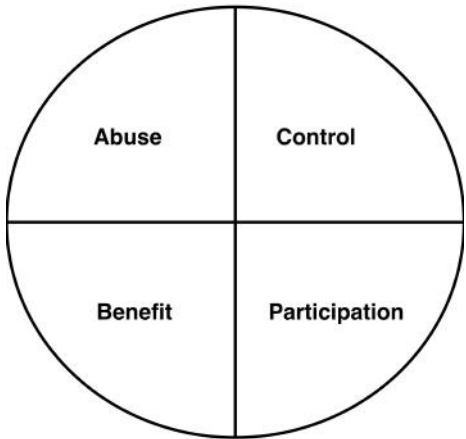
Structured Family Office



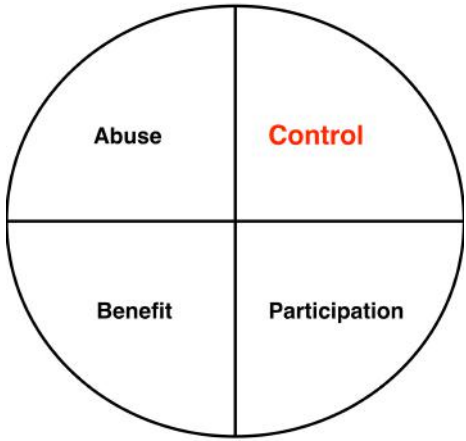
Hybrid Family Office



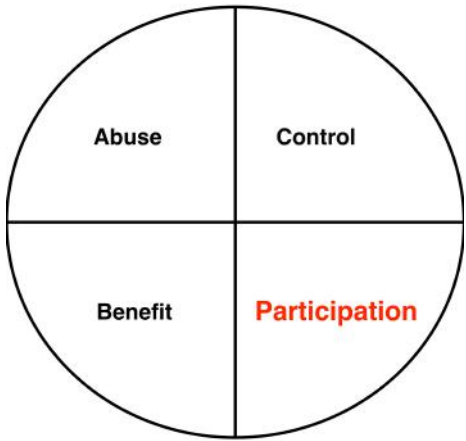
Governance Framework



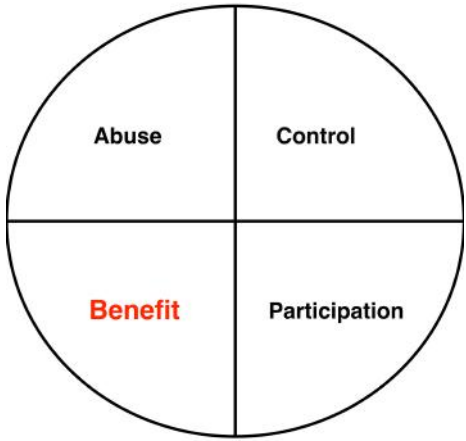
Governance Framework



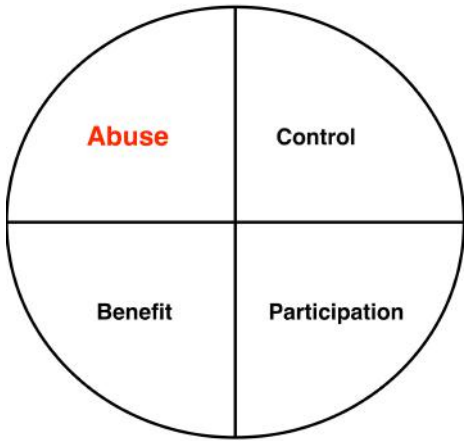
Governance Framework



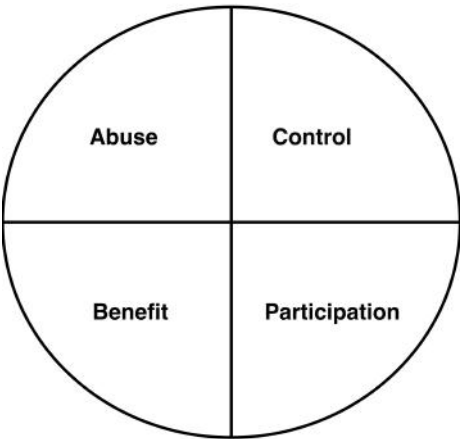
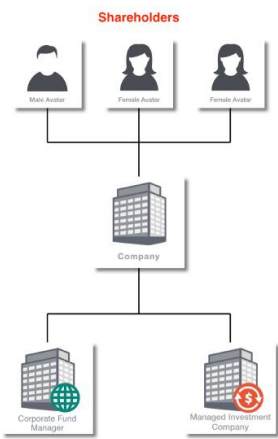
Governance Framework



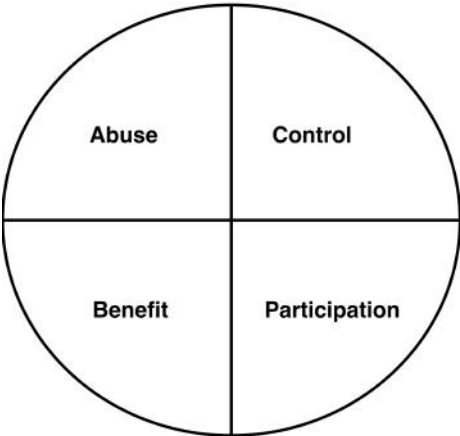
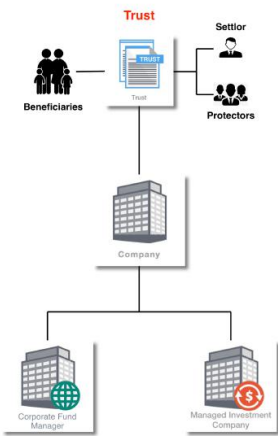
Governance Framework



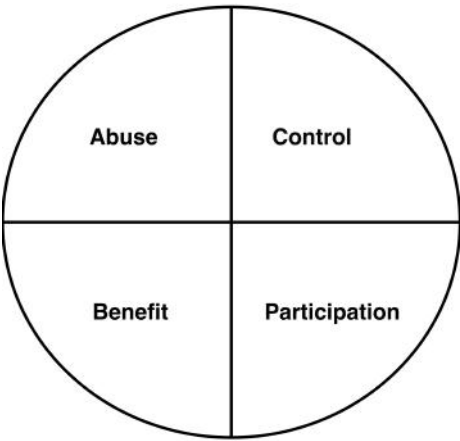
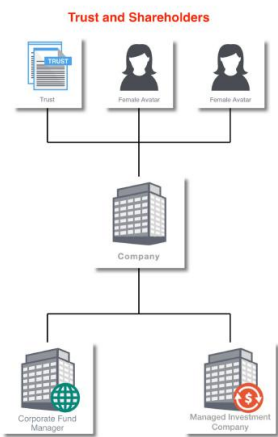
Unstructured Governance Framework



Structured Governance Framework

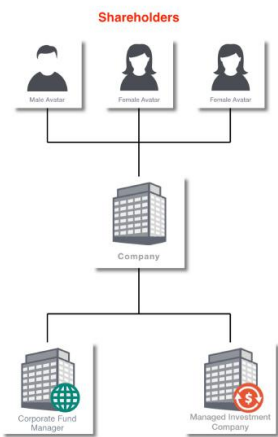


Hybrid Governance Framework



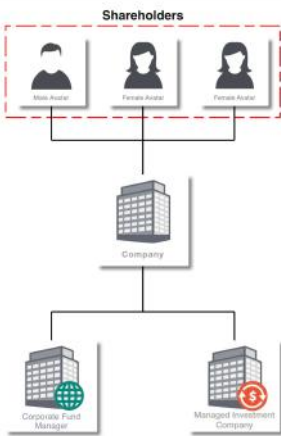
Unstructured Family Office

Unstructured Family Office



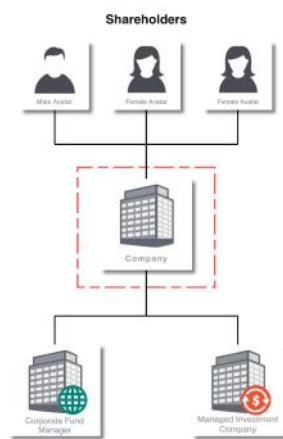
- **Principal Tools:**

Shareholders Agreement




- **Principal Tools:**
- Shareholders Agreement

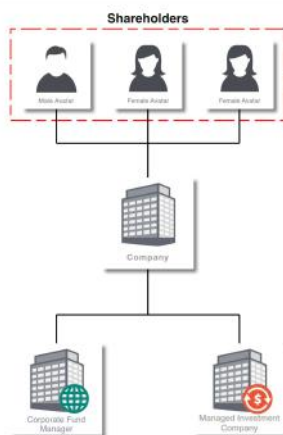
M&A Amendments




- **Principal Tools:**

- Shareholders Agreement
- M&A Amendments | Class Right 

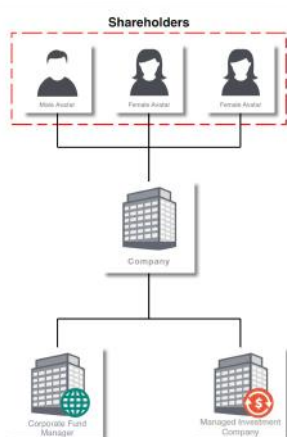
Shareholders Agreement



- **Advantages:**

- Confidential, Flexible and Legally Enforceable (Contract) 

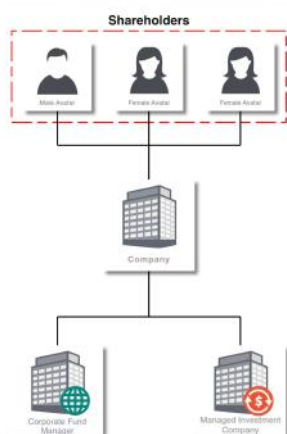
Shareholders Agreement



- **Key Provisions:**

- Minority Shareholder Protections (Co-Governance)
- Termination Provisions
- Access to Information
- Exclusive Jurisdiction
- Arbitration ➡

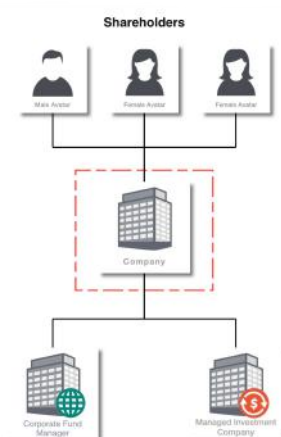
Shareholders Agreement



- **Disadvantages:**

- Estate Succession | Forced Heirship | Voluntary Adherence
- No Asset Protection
- Breach of Contract Claim
- Self Policing | Enforcement ➡

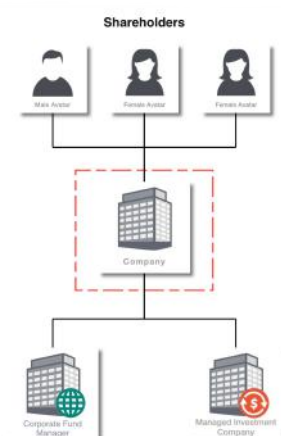
M&A Amendments



• Advantages:

- Flexible, Legally Enforceable
- Administrative Framework (Directors | Ultra Vires)
- Automatic Adherence (Statutory Contract) ➡

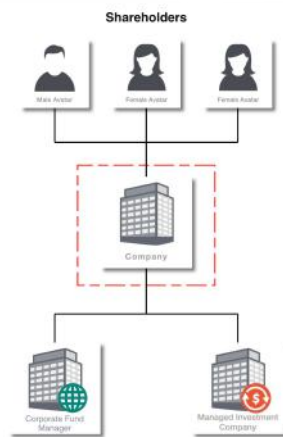
M&A Amendments



• Key Provisions:

- Minority Shareholder Protections (Co-Governance)
- Access to Information
- Entrenchment
- Exclusive Jurisdiction
- Arbitration ➡

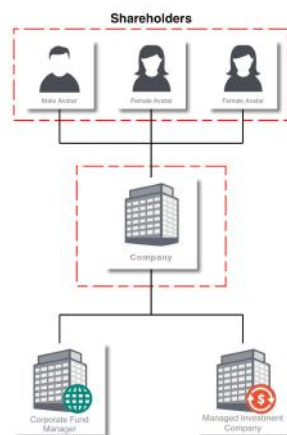
M&A Amendments



- **Disadvantages:**

- Public Access
- Estate Succession | Forced Heirship
- No Asset Protection ➡

Unstructured Governance

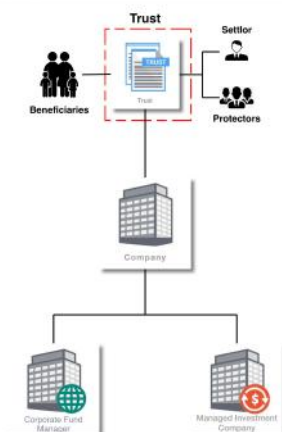


- **Summary:**

- Shareholders Agreement
- M&A Amendments ➡

Structured Family Office

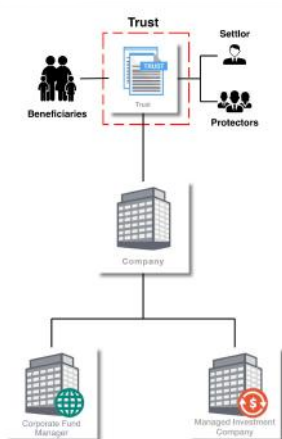
Structured Family Office



- **Advantages:**

- Confidential
- Multi-Generational
- Anti-Forced Heir Protections
- Asset Protection
- Administrative Framework (Trustee) 📄

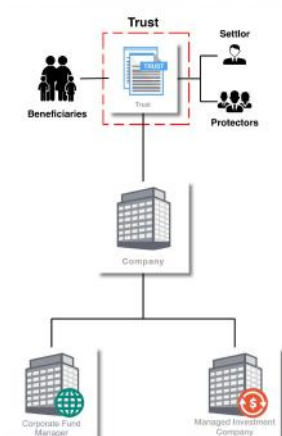
Structured Family Office



• Key Provisions:

- Co-Governance Powers (Settlor | Protector Committee)
- Arbitration Clause?
- Bahamas, Guernsey, DIFC, Switzerland
- Exclusive Jurisdiction Clause?
- Crociani [2014] UKPC 2014
- No Contest Clause?
- AN vs. Barclays Bank [9 ITEL 630]
- Rights of Access to Information?
- Schmidt vs. Rosewood [UKPC 2002]
- Bartlett Clause?
- Zhang Hong Li [2019 HKCFA 45] 📄

Structured Family Office

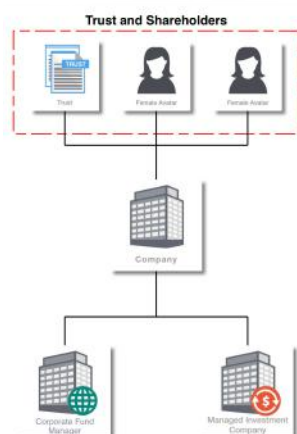


• Disadvantages:

- Standard Trust Deed - Weak Governance Framework (Single Generation)
- Public Dispute Resolution
- Exclusive Jurisdiction Uncertainty 📄

Hybrid Family Office

Hybrid Family Office



- **Key Considerations:**

- Universal Shareholder Agreement
- Minority Protections (Co-Governance)
- Exclusive Jurisdiction
- Arbitration 

Summary

Summary

- Comprehensive Governance Framework
Essential Dispute Avoidance Planning
- Evaluate and Reform Standard Settlor
Reserve Power Trust (Weak Opaque
Governance Framework)
- Understand and Explain Limits of Trust
Law (Arbitration, Jurisdiction, No Contest,
Information, Reserved Powers)
- Ensure Hybrid Family Office adopts
Comprehensive Governance Framework
(Universal Shareholder Agreement)
- Actively Monitor Developing Case Law ➡

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