THE ASSOCIATION

Family Office: Myths and Reality

A profession in its own right, founded on independence and neutrality

Luxembourg For Family Office LUXEMBOURGFORFAMILYOFFICE.LU

> *The Family Office is a profession in its own right, for only the independence and neutrality of those who practise it can guarantee the protection of the family wealth entrusted to them.*

Family Office: a definition

The "Family Office", literally the family's office, is the nerve centre in the organisation of family wealth. Its mission is to structure that wealth and to guarantee its preservation. Where an office is dedicated to a single family, one speaks of a "Single Family Office"; for an independent firm, of a "Multi Family Office." The people in charge of this wealth act as central coordinators for the family, across fields as varied as tax and wealth advice, governance and family policy, succession planning, fiduciary functions, real estate and art advice, risk management and philanthropy.

The opportunity for Luxembourg: the fourth pillar

At a time when private banking faces fierce competition, the Family Office offers new outlets for many players in the Luxembourg marketplace. It could establish itself as the fourth pillar, alongside private banking, the funds industry and commercial banking. In Europe, few institutions have a genuine Family Office; banks and wealth managers try to diversify by offering a Family Office service, but this is sometimes a marketing lure, particularly when the interest of the managing company comes before that of the family concerned. The Multi Family Office industry in the United States represents nearly $350 billion, with multiform ownership and remuneration structures. The development potential is immense for Luxembourg, which already has numerous independent advisers in the legal, wealth, tax and succession fields.

Luxembourg for Family Office

To support this development and the promotion of Family Office activities in the Grand Duchy, several specialists have created Luxembourg for Family Office. Its stated aim is the exchange and sharing of knowledge and the establishment of a genuine synergy among all these professionals, in order to guarantee the development of this young profession. The only potential obstacle to the success of this initiative is internal: if each player pulls in a different direction, competing destinations such as Singapore could take the lion's share.

— Luxembourg For Family Office.

> *The Family Office is a profession in its own right; only independence and neutrality protect the family wealth entrusted to it.*