

CLIENT BRIEFING

CORPORATE GOVERNANCE AND FAMILY OFFICES

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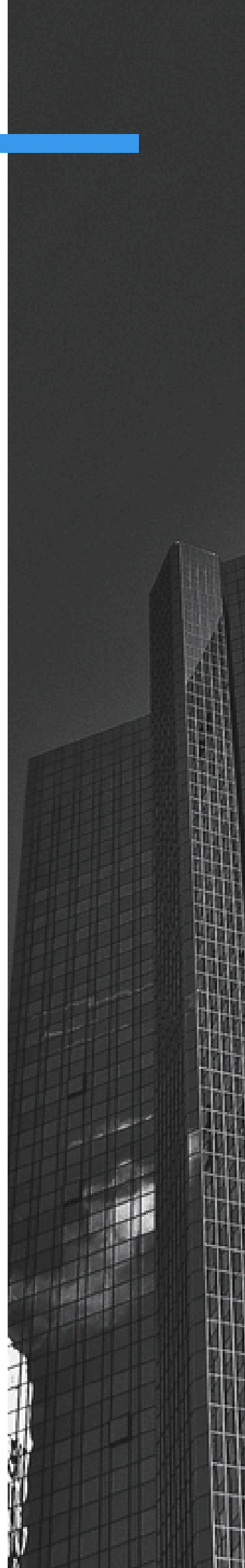
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Ultra-high-net-worth families increasingly face the challenge of preserving and growing wealth whilst navigating complex regulatory landscapes, family dynamics, and intergenerational planning. A purpose-built family office provides a strong platform while providing transparent governance, disciplined investment decision-making, and risk management.

INTRODUCTION

Family offices, whilst providing bespoke services, often struggle with governance complexities as families expand globally or their members pursue different strategic goals. Traditional trustee relationships, though offering fiduciary protection, frequently lack the specialised expertise required for complex alternative investments and cross-border structures.

Combining the discipline of institutional governance frameworks with the personalised attention of family office services can bridge this gap. Drawing upon two decades of experience structuring family offices, and subsequently advising ultra-high-net-worth clients on cross-border wealth preservation strategies, this analysis presents a strategic and operational framework for establishing and managing family offices that achieve sustained wealth preservation and growth objectives.



DEFINING OBJECTIVES

The foundation of any successful family office lies in clearly defined objectives that align with stakeholder expectations. These objectives include the preservation and growth of assets through prudent capital management and diversified investment strategies designed to protect assets and limit downside exposure. They extend to the implementation of governance protocols, risk-control mechanisms, formalised investment approval workflows, consistent reporting standards, and accountability metrics to ensure that decision-making remains disciplined, traceable, and aligned with long-term strategic goals. A family office should serve as a cooperative investment platform, leveraging the collective expertise, scale, and negotiation power of participating families to access differentiated opportunities and favourable investment terms. Transparent processes are essential to this endeavour and should be documented for both compliance and good governance.

The following objectives illustrate the specific goals and mechanisms that distinguish world-class family offices from generic wealth vehicles:



- **Harmonise Generational Objectives and Risk Preferences:** Facilitate consensus among diverse family branches, balancing conservative investment preferences with the appetite for higher-risk, higher-return opportunities.
- **Embed Transparent Governance:** Establish clear decision-making rules, with defined approval thresholds and regular performance reporting cycles, to track investment agendas, votes and audit trails.
- **Safeguard and Grow Wealth:** Structuring with the intent that capital keeps pace with or outstrips inflation, aiming for a real return over at least a rolling five-year periods, while protecting against significant market downturns.
- **Diversify for Sustainable Growth:** Allocate across multiple asset classes to target overall growth by combining low-cost core holdings with specialist thematic investments.
- **Risk Management and Capital Efficiency:** Cap overall portfolio risk so that potential losses do not exceed a pre-defined percent of assets in a one-month, e.g. 95 percent confidence scenario, and limit individual investment exposures to prevent undue concentration.
- **Offer Customised Reporting and Transparency:** Deliver consolidated performance and risk reports segmented by family, and asset class, ensuring each stakeholder receives relevant insights without compromise to overall confidentiality.
- **Leverage Collective Scale:** Pool capital from participating families to negotiate institutional-grade terms, such as reduced fees and preferential investment access, thereby lowering costs and enhancing returns.
- **Provide Bespoke Service Coordination:** Centralise administration, combining legal, tax, investment and philanthropic services, so families benefit from a single point of contact and integrated planning rather than managing multiple separate providers.
- **Prepare the Next Generation:** Develop a structured education and mentoring programme to equip younger family members with the knowledge and skills required for governance roles, including practical training and scenario-based workshops.



LEGAL AND STRUCTURAL FRAMEWORK

A well-designed framework begins with a clearly defined trust deed or charter that sets out roles and responsibilities of family members and trustees, as well as governance structure, decision-making rights and distribution policies. Governance is typically anchored by a board composed of independent professional trustees and family representatives to ensure a balance between objectivity and expert insight. Complementing this governance layer are reputable custodians and administrators responsible for compliance, record-keeping, and transparent reporting, each of which forms the backbone of operational integrity.

Selecting the optimal jurisdiction for a family office represents one of the most consequential strategic decisions ultra-high-net-worth families face. Unlike single-factor analyses that prioritise tax minimisation, sophisticated jurisdictional selection requires a multidimensional framework that balances priorities across a variety of critical decision factors. Based on our extensive experience advising families and financial institutions on cross-border wealth structures, the following analysis provides an assessment methodology grounded in measurable criteria and institutional best practices to assess the optimal jurisdiction.

- **Political and Economic Stability:** This factor receives the highest priority because it represents the foundational prerequisite for multigenerational wealth preservation. Political instability, regulatory unpredictability, or economic volatility can fundamentally undermine even the most sophisticated trust structures. Assessment criteria include:
 - **Sovereign Credit Ratings and Fiscal Sustainability:** Countries with AAA/AA ratings and debt-to-GDP ratios below 60% demonstrate superior long-term stability
 - **Political Continuity and Rule of Law:** Jurisdictions with uninterrupted democratic governance or stable constitutional frameworks for 50+ years provide essential predictability
 - **Economic Diversification:** Economies dependent on single commodities or industries face heightened volatility risks (e.g. Switzerland's diversified economy spanning financial services, pharmaceuticals, and manufacturing exemplifies optimal risk distribution)



- **Legal System Quality and Trust Law Framework:** The sophistication and flexibility of trust legislation directly determine structural options available to families. Common law jurisdictions (e.g. Jersey, Cayman, Guernsey) derived from English law principles can provide more flexible and established trust frameworks compared to civil law systems, which frequently rely on statutory alternatives such as foundations. Critical assessment dimensions include:
 - **Reserved Powers Provisions:** Ability for settlors to retain specific powers (investment direction, beneficiary modification, trustee removal) without invalidating trust structures (e.g. Jersey's Articles 9A of the Trusts (Jersey) Law 1984 provide statutory authority for extensive reserved powers)
 - **Perpetuity Period:** Jurisdictions permitting perpetual trusts (e.g. Jersey, Guernsey, Cayman, Isle of Man post-2015, South Dakota) enable true dynasty trust structures spanning unlimited generations
 - **Creditor Protection Mechanisms:** Statutory frameworks protecting trust assets from settlor creditors after specified seasoning periods (e.g. Cayman's Fraudulent Dispositions Law provides two-year statute of limitations for creditor claims)
 - **Firewall Provisions:** Legislation preventing foreign courts from applying forced heirship or community property rules (e.g. Jersey's Article 9 more broadly and Guernsey's equivalent provisions ensure trust validity regardless of settlor domicile).
 - **Private Trust Company enablement:** Jurisdictions permitting unregulated Private Trust Companies (e.g. Nevada, South Dakota, Jersey, Guernsey) versus those requiring regulatory licenses (e.g. Luxembourg, Singapore)



- **Tax Efficiency and Optimisation:** Whilst tax efficiency represents a critical consideration, it must be balanced against substance requirements and reputational considerations. Pure zero-tax jurisdictions without economic substance face increasing OECD scrutiny and potential blacklisting. Optimal jurisdictions provide:
 - Zero local capital gains and inheritance taxes (subject to the tax residence and domicile of specific beneficiaries)
 - Territorial tax systems, which only tax locally derived income (exempting foreign investment returns)
 - Extensive treaty networks that provide optimal cross-border dividend and interest tax efficiency
 - Exemption regimes, e.g. exemptions on qualifying dividend and capital gains income from subsidiary holdings
- **Banking and Financial Infrastructure:** Access to sophisticated custody, prime brokerage, and alternative investment platforms proves essential for institutional-quality portfolio management. This factor examines:
 - **Private Banking Concentration:** Switzerland hosts 25% of global cross-border private banking assets USD (USD 2.4 trillion), providing unparalleled service provider depth
 - **Custody and Prime Brokerage Access:** Jurisdictions hosting major international banks (e.g. Switzerland, Singapore, Luxembourg) enable seamless multi-currency custody and securities financing
 - **Alternative Investment Platforms:** Alternative Investment Fund (AIF) frameworks, which provide a sophisticated, globally accepted, and flexible infrastructure for owning, managing, and transferring complex wealth, Singapore's Variable Capital Company structures, and Cayman's SPC/Segregated Portfolio frameworks provide sophisticated fund vehicles
 - **Fintech and Digital Asset Infrastructure:** Dubai International Finance Center (DIFC) and Singapore lead in blockchain custody and digital asset regulatory frameworks
 - **Cross-Border Payment Efficiency:** SEPA integration versus correspondent banking dependencies



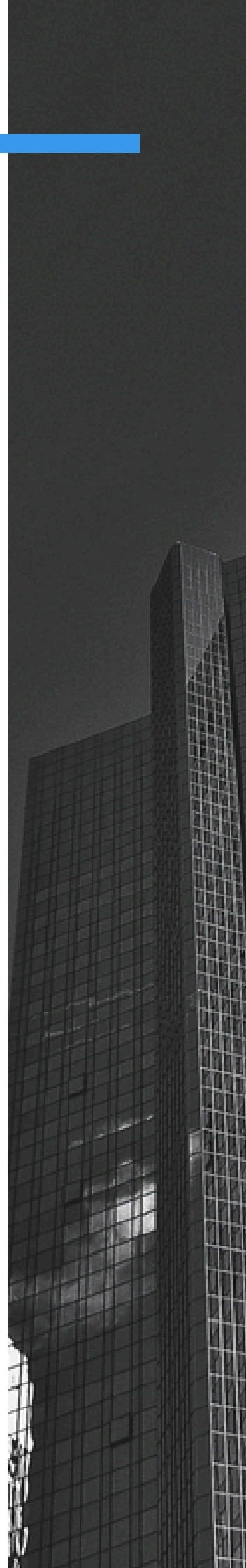
- **Professional Services Ecosystem:** The concentration of specialised legal, tax, accounting, and wealth advisory professionals directly impacts service quality and cost efficiency. Assessment criteria include:
 - Big Four accounting firm presence with fiduciary practices
 - Specialist trust law firms
 - Family office service provider concentration
 - Regulatory advisor expertise
- **Regulatory Framework and Compliance Requirements:** Whilst robust regulation provides legitimacy and institutional credibility, excessive compliance burdens create operational inefficiencies. Optimal frameworks balance oversight with pragmatism:
 - **Proportionate Regulation:** Luxembourg's 2012 Family Office Law and Dubai DIFC's Family Arrangements Regulations provide tailored frameworks recognising family offices' unique characteristics
 - **Substance Requirements:** Economic substance legislation versus pure presence requirements
 - **AML/KYC Proportionality:** Risk-based approaches for family offices versus blanket financial institution requirements
 - **Reporting Obligations:** Annual filing requirements (e.g. Luxembourg, Singapore) versus minimal disclosure regimes (e.g. Cayman, BVI, Jersey for non-regulated structures).
- **Privacy and Confidentiality Protections:** In an era of increasing transparency requirements, legitimate confidentiality protections for non-tax purposes remain valuable for personal security and commercial sensitivity reasons:
 - **Public Beneficial Ownership Registers:** Jersey, Guernsey, and Isle of Man for instance maintain non-public registers accessible only to authorities and licensed service providers
 - **Silent Trust Provisions:** Jersey and Guernsey permit statutory provisions restricting beneficiary information rights
 - **Confidential Trust Structures:** Liechtenstein's foundation structures (Stiftung) provide enhanced confidentiality
 - **Data Protection Frameworks:** EU GDPR compliance (Luxembourg, Malta, Cyprus) versus alternative frameworks.



Based on the above criteria, three clusters of jurisdictions have been derived:

ESTABLISHED GLOBAL JURISDICTIONS

- **Switzerland:** Provides unparalleled banking infrastructure and political neutrality, with particular strength serving ultra-high-net-worth families. Cantonal tax competition enables customised tax rulings (forfait regime), whilst revised Trust Law enhances governance flexibility. Prime consideration for families prioritising discretion, stability, and access to sophisticated banking services.
- **Jersey:** Combines world-class trust legislation with zero capital gains/ inheritance taxes, robust banking infrastructure, and political stability. Jersey's trust law innovations, including the Schmidt v Rosewood codification of beneficiary information rights (allowing for "quiet" trusts) and extensive reserved powers provisions, provide maximum structural flexibility. The jurisdiction's 60-year track record in private wealth management and concentration of specialist trust practitioners ensures institutional-quality service delivery.
- **Liechtenstein:** Combines Swiss-level stability with superior tax efficiency and confidentiality. The Stiftung (foundation) structure provides unique advantages for families seeking control without trust disclosure requirements. Particularly attractive for German-speaking families and those with substantial European business interests.
- **Cayman Islands:** Offers world-leading trust legislation with zero local taxation and English law foundation. Recent economic substance requirements necessitate demonstrable local presence, but the jurisdiction remains optimal for families with substantial international investment portfolios and preference for common law frameworks.
- **Luxembourg:** The European Union's premier family office jurisdiction, hosting 600+ family offices managing over EUR200 billion in assets. The 2012 Family Office Law provides proportionate regulation, whilst extensive treaty network and UCITS fund ecosystem enable sophisticated investment structuring. Optimal for families requiring EU market access and regulated structures.
- **Guernsey:** Provides Jersey-equivalent trust law quality with marginally lower costs. Particularly attractive for UK-connected families and those seeking Channel Islands advantages without Jersey's higher profile.



- **Singapore:** Asia-Pacific's leading jurisdiction, hosting 59% of the region's family offices. Superior regulatory framework and governmental support through the Family Office Incentive Scheme (13R/13X tax incentives) drive rapid growth. Essential consideration for families with Asian business interests or beneficiaries.

SPECIALISED REGIONAL JURISDICTIONS

- **Dubai DIFC:** The Middle East's most sophisticated financial centre, with recent Family Arrangements Regulations eliminating DNFBP registration requirements for single-family offices. Zero taxation, minimal USD 50 million asset requirements, and strategic positioning between Europe and Asia drive adoption. Political risk considerations warrant careful assessment relative to established jurisdictions.
- **Delaware (United States):** Delaware is an attractive jurisdiction for US- and Latin American-based families seeking robust trust law, asset protection, and perpetual dynasty structures. Its predictable legal oversight, and extensive fiduciary expertise supports complex intergenerational planning. Delaware trusts integrate seamlessly with US banking and investment platforms, making it ideal for families with US-connected assets or operating businesses.
- **Isle of Man:** Provides solid trust law framework at attractive price points. Recent trust law modernisation and zero taxation create compelling value proposition for mid-sized families (GBP 50-200 million). Banking infrastructure limitations relative to Jersey/Guernsey constitute primary constraint.

EMERGING/NICHE JURISDICTIONS

- **Cyprus and Malta:** Offer EU membership combined with attractive non-domicile regimes and 12.5% corporate tax rates. Cyprus International Trusts provide 17-year tax exemptions on foreign-source dividends and interest. Suitable for families prioritising EU passport access and moderate-scale wealth (EUR 25-100 million).
- **Hong Kong:** Maintains sophisticated legal system and banking infrastructure but faces significant geopolitical uncertainty following 2019-2020 developments. Territorial tax system and 96% court efficiency rate remain attractive, but families increasingly favour Singapore for new structures.



GOVERNANCE AND ACCOUNTABILITY

Effective governance underpins the integrity and performance of a family office. Central to this governance model is an investment committee, a multidisciplinary body charged with strategic asset allocation, due diligence oversight, and ongoing performance evaluation. Decision-making should be charter-driven, with explicit approval thresholds for different transaction sizes and escalation protocols for exceptional cases.

Transparency remains a defining feature of a high-performing family office. Regular, standardised reporting, including performance summaries, risk dashboards, and audit findings, ensures that all beneficiaries maintain clarity over outcomes and exposures. Furthermore, dispute-resolution mechanisms between conflicting family members, pre-agreed and independently governed by policies and mediators, provide an additional safeguard, ensuring that conflicts between family members are managed swiftly and impartially.

INVESTMENT COMMITTEE STRUCTURE: COMPOSITION AND BALANCE

The investment committee serves as the governance cornerstone, translating strategic objectives into disciplined execution whilst maintaining family alignment. Research from UBS's 2025 Global Family Office Report reveals that only 56 per cent of family offices maintain formal investment committees, and merely 44 per cent document their investment processes, highlighting significant institutionalisation opportunities.



- **Optimal Committee Size and Composition:** Experience demonstrates that investment committees' function most effectively with five to nine members, large enough to incorporate diverse expertise whilst small enough to facilitate decisive action. The composition should balance three constituencies:
 - **Family Representatives (40-50%):** Include family members with demonstrated investment acumen or strategic business experience. Avoid automatic inclusion based solely on generation or branch representation; merit-based selection prevents the perception of nepotism that undermines committee credibility. For families spanning multiple generations, ensure representation from both senior members (providing institutional memory and risk perspective) and rising generation leaders (contributing contemporary market insights and longer time horizons).
 - **Independent Directors (30-40%):** Appoint two to three independent directors with specific domain expertise aligned to portfolio strategy. For families emphasising private equity, recruit a former institutional investor or GP with track records in relevant sectors. For traditional endowment-style portfolios, consider former CIOs from pension funds or university endowments. Critical selection criteria include:
 - **Objectivity without agenda:** Independent directors must demonstrate capacity to challenge family thinking diplomatically whilst respecting family culture and values.
 - **Complementary expertise:** Assess skill gaps within the family and recruit accordingly—e.g., real estate specialists, alternative investment veterans, or regulatory compliance experts.
 - **Time commitment capacity:** Independent directors should dedicate 20-30 days annually, including meeting preparation, portfolio review, and ad hoc consultation.
 - **Family Office Executives (20-30%):** Include the CIO and CFO as full voting members, ensuring operational insights inform strategic decisions. This integration prevents the governance-execution disconnect that plagues committees operating at excessive remove from portfolio reality.



- **Investment Committee Charter:** A formal charter codifies the committee's mandate, decision-making authority, and operational protocols, eliminating ambiguity that breeds conflict. Essential charter provisions include:
 - **Decision Thresholds and Escalation Protocols:** Establish explicit approval thresholds stratified by transaction size and risk profile, e.g.:
 - **Tactical Decisions (up to GBP 2 million):** CIO authority with quarterly committee reporting
 - **Strategic Investments (GBP 2-10 million):** Investment committee approval via simple majority vote
 - **Transformational Allocations (above GBP 10 million):** Investment committee supermajority (66.7 per cent) plus family council ratification
 - **Voting Mechanisms:** Voting methodology significantly influences decision quality and family dynamics. Research across family governance structures reveals several approaches:
 - **Simple Majority (50%+1):** Appropriate for routine portfolio rebalancing and manager selection decisions. Efficient but risks alienating substantial minorities on controversial matters.
 - **Supermajority (66.7% or 75%):** Required for high-stakes decisions such as major asset allocation shifts, illiquid commitments exceeding five-year lock-ups, or direct operating business acquisitions. Ensures broad support and reduces implementation resistance.
 - **Anonymous Voting:** Critical for decisions involving family member conflicts of interest or emotionally charged matters (e.g., removing underperforming family-connected managers). Deploy secure electronic voting platforms enabling confidential ballot submission with independent vote tabulation.
 - **Ranked-Choice Voting:** Optimal when evaluating multiple manager candidates or alternative investment strategies. Participants rank preferences, with iterative elimination of lowest-scoring options until a majority emerges. This approach surfaces genuine preference ordering rather than strategic voting.



- **Meeting Cadence and Formats**
 - **Quarterly In-Person Meetings:** Schedule four comprehensive quarterly reviews, typically two to three hours, covering portfolio performance, strategic asset allocation review, new investment approvals, and risk assessment. In-person meetings build trust and enable nuanced discussion impossible in virtual formats.
 - **Monthly Virtual Updates:** Conduct 60-90 minute video conferences for performance monitoring, tactical adjustments, and emerging opportunity evaluation. Virtual format accommodates geographically dispersed families whilst maintaining governance continuity.
 - **Annual Strategic Retreat:** Dedicate two full days annually to comprehensive strategy review, including investment philosophy reassessment, risk appetite recalibration, manager roster evaluation, and governance process refinement. External facilitators often add value by ensuring structured dialogue and surfacing unspoken concerns.
- **Transparency Architecture:** Reporting and Documentation: Transparency requirements must balance legitimate beneficiary information rights with operational efficiency and confidentiality preservation. Best-practice reporting frameworks include:
 - **Monthly Executive Summaries (5-10 pages):** Provide concise performance snapshots covering:
 - Portfolio-level returns versus relevant benchmarks (absolute, risk-adjusted, and real returns)



- Asset allocation versus strategic targets, with drift analysis
- Liquidity position and upcoming capital calls/distributions
- Key market developments and portfolio implications
- **Quarterly Comprehensive Reports (25-40 pages):** Deliver detailed analysis encompassing:
 - Manager-by-manager performance attribution with commentary on outperformance/underperformance drivers
 - Risk metrics including VaR, maximum drawdown, correlation analysis, and scenario stress testing results
 - Detailed fee analysis—management fees, performance fees, fund expenses—with benchmarking against industry standards
 - ESG integration assessment for portfolios with sustainability mandates
- **Annual Integrated Reviews (60-100 pages):** Produce comprehensive documentation including:
 - Multi-year performance trends with decade-long perspective where available
 - Total cost of ownership analysis, including family office operating costs, investment management fees, and transaction expenses
 - Governance effectiveness assessment, decision quality evaluation, committee composition review, and process improvement recommendations
 - Forward-looking strategic positioning, including market outlook, strategic asset allocation recommendations, and implementation roadmap



- **Digital Governance Infrastructure:** Modern family office governance demands secure, efficient technology platforms supporting:
 - **Board Portal Solutions:** Deploy enterprise-grade board management software (e.g., Diligent, BoardEffect, or OnBoard) providing:
 - Secure document distribution with granular access controls and audit trails
 - Meeting agenda management with automated pre-read distribution and completion tracking
 - Electronic signature capabilities for approvals and consent resolutions
 - Integrated video conferencing with recording and transcription functionality
 - **Investment Management Systems:** Implement consolidated portfolio reporting platforms (e.g., Addepar, Black Diamond, or family office-specific solutions) enabling real-time performance visibility, risk monitoring, and compliance tracking across diverse asset classes and custody relationships.
 - **Secure Communication Channels:** Establish encrypted communication protocols for sensitive discussions, separate from personal email systems and protected by multi-factor authentication.
- **Dispute Resolution Mechanisms: Preventing Governance Paralysis:** Even optimally structured committees encounter conflicts requiring formal resolution processes. Pre-agreed escalation mechanisms prevent governance deadlock:
 - **Mediation Protocols:** Establish relationships with experienced family business mediators who understand wealth dynamics. Mediation agreements should specify:
 - Trigger conditions requiring mediation (e.g., two consecutive meetings failing to reach supermajority on strategic decisions)
 - Mediator selection process (typically mutual agreement from pre-approved panel)
 - Binding versus advisory mediation outcomes



- **Independent Chair Authority:** Grant the independent committee chair tie-breaking authority on operational matters (not strategic decisions requiring supermajority). This prevents paralysis on routine portfolio management whilst preserving family consensus requirements for consequential choices.
- **Family Council Escalation:** Reserve the family council (broader family assembly) as final arbiter for disputes the investment committee cannot resolve. Family council review ensures decisions reflect family-wide values beyond purely investment considerations.

By institutionalising these specific governance mechanisms, precise committee composition, explicit decision authorities, transparent reporting architectures, and formal dispute resolution, family offices transcend ad hoc wealth management to achieve the disciplined, accountable stewardship that preserves and grows capital across generations.

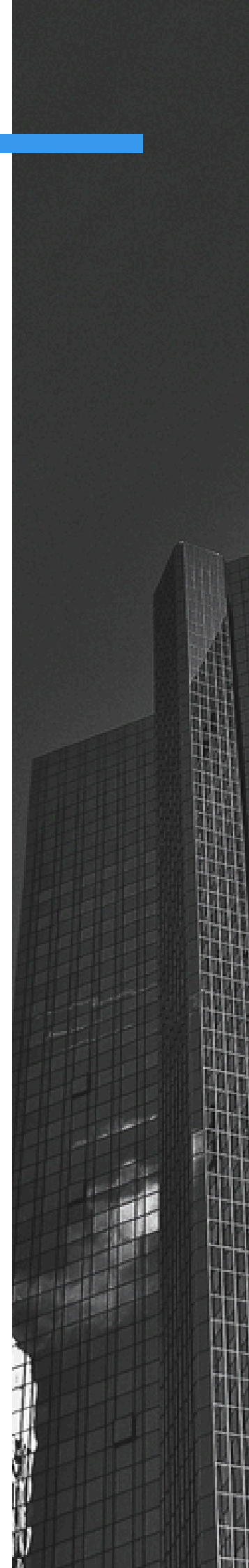
TALENT STRATEGY AND OPERATING MODEL DESIGN

Attracting and Retaining the Right Talent

A frequently underestimated factor of family office success is its ability to attract and retain high-calibre talent across investment, governance, and operational functions. Unlike institutional asset managers, family offices often compete for professionals who value long-term orientation, discretion, and intellectual breadth over short-term financial incentives. Clear role definitions, competitive but aligned compensation structures, and visible governance frameworks are critical to attracting professionals capable of operating with both independence and fiduciary sensitivity. Equally important is cultural fit: senior hires must be able to navigate complex family dynamics, exercise judgement in ambiguous situations, and maintain disciplined decision-making under limited external scrutiny. Leading family offices therefore treat talent strategy as a core governance issue rather than a purely administrative function, recognising that continuity and institutional memory directly influence long-term capital preservation.

A Hybrid Model of In-House Capabilities versus Outsourcing

Deciding which functions should be performed internally and which should be outsourced is a strategic decision with long-term implications for cost, control, and resilience. Fully internalised models offer greater confidentiality, alignment, and responsiveness but can introduce concentration risk and operational rigidity. Conversely, extensive outsourcing may dilute accountability and reduce institutional learning. Increasingly, best-in-class family offices adopt a hybrid model, retaining strategic decision-making, governance oversight, and core investment leadership in-house while outsourcing specialist functions such as tax structuring, legal execution, fund administration, and certain asset-class expertise to external providers.



This approach preserves strategic control and family alignment while leveraging external scale, technical depth, and regulatory adaptability. When properly governed, the hybrid model enhances flexibility and reduces key-person risk, allowing the family office to evolve alongside changing family needs and market conditions.

RISK MANAGEMENT AND COMPLIANCE

An integrated risk-management framework is essential to ensure that a family office's operational activities remain aligned with its strategic mandate and long-term preservation goals. This begins with a clearly defined risk-appetite statement supported by formal policies and procedures that set acceptable exposure thresholds across market, credit, liquidity, operational, and reputational dimensions.

A disciplined approach to portfolio construction and diversification, combined with stress-testing and scenario analysis, enables the family office to anticipate and respond to volatility, geopolitical events, and macro-economic shifts. Risk governance must be embedded at both the strategic and transactional level, supported by escalation protocols and documented decision-making to ensure transparency, accountability, and consistency.

Ongoing due diligence and continuous monitoring of asset managers, counterparties, operating partners, and underlying investments are critical to maintaining control and visibility. Beyond traditional financial metrics, modern family offices must evaluate qualitative considerations such as governance quality, regulatory standing, ESG policy adherence, and operational resilience. This level of scrutiny should extend to internal processes through periodic internal audits, compliance reviews, and independent oversight mechanisms. By integrating rigorous risk assessment with proactive monitoring and institutional-grade controls, the family office not only safeguards assets and reputation but also enhances its agility, enabling informed decision-making and the ability to capitalise on opportunities while maintaining disciplined guardrails.

Modern family offices face an unprecedented and constantly evolving compliance landscape shaped by cross-border financial crime risks, expanding global transparency regimes, and sophisticated cyber and personal-security threats. Complex obligations under KYC, AML/CFT, CRS, FATCA, sanctions, and tax-reporting frameworks require disciplined onboarding, continuous due-diligence review, meticulous record-keeping, and the ability to evidence decisions under multi-jurisdictional scrutiny.



At the same time, rapid innovation in digital assets, the rise of AI-driven fraud and social-engineering attacks, and the privacy vulnerabilities inherent in managing sensitive wealth data heighten operational and technology-security demands. For UHNW families, the implications extend beyond institutional compliance into personal risk, including identity theft, reputational attacks, extortion, and targeted cyber-intrusions against family members and heirs. Leading family offices respond with institutional-grade governance, independent compliance expertise, secure digital infrastructure, ongoing staff and family education, and proactive threat-monitoring to protect capital, privacy, and legacy in a complex and increasingly hostile global environment.

Together, these two elements create a culture of professionalism and accountability that promotes long-term stability and security.

IMPLEMENTATION ROADMAP

The process of establishing a family office unfolds through several interlinked stages. It begins with a feasibility assessment, during which legal, tax, and financial advisors validate the proposed jurisdiction, structure, and associated costs. Once viability is confirmed, stakeholder alignment becomes the next priority. Facilitated workshops help harmonise family values, governance principles, and strategic objectives, ensuring a shared foundation.

Following this alignment, the drafting and establishment phase formalises the trust deed, appoints trustees, and secures necessary regulatory approvals. Operational launch then involves setting up administrative systems, onboarding professional service providers, and defining communication and reporting protocols. The final stage, ongoing management, includes quarterly reviews, updates to governance policies, and refinement of investment guidelines in response to market developments.

CONCLUSION

For certain individuals a well-structured family office can be a better solution than conventional wealth management vehicles as it integrates a collaborative investment process, with good governance, and professional risk oversight. By translating strategic roadmaps into disciplined execution, empowering stakeholders, and maintaining a focus on client-centric delivery, family offices can foster long-term growth and ensure capital preservation for the benefit of future generations.



HOW WE SUPPORT FAMILY OFFICE CREATION AND MANAGEMENT

Carsted Rosenberg Advokatfirma brings a uniquely integrated perspective to family-office establishment and long-term governance, combining senior leadership experience from global financial institutions and premier international law firms with deep technical banking, finance, legal, and wealth-management expertise. Our team has designed operating models for international family offices, overseen investment strategy and capital-allocation frameworks, and served on boards and investment committees. We draw on extensive experience advising on complex financing structures, cross-border transactions, and wealth-management environments, as well as on structuring investment platforms, trust arrangements, and succession frameworks for multi-generational families. This blend of real-world execution, legal insight, and investment discipline enables us to anticipate compliance, legal, governance, risk-management, and operational challenges while building resilient family-office structures capable of preserving capital, supporting entrepreneurial activity, and sustaining intergenerational legacy.

At the inception stage, Carsted Rosenberg helps designing the optimal legal and organisational structures that leverage international regulatory frameworks. Through detailed feasibility analyses and stakeholder workshops, we can align family governance principles, asset protection requirements, and investment mandates into a cohesive trust deed and operational charter.

During the creation phase, our trust-formation team navigates the complexities of regulatory approvals, trustee appointments, and custody arrangements, ensuring that strategic blueprints translate into tangible milestones. This process encompasses the establishment of IT systems, reporting platforms, compliance frameworks, and defined risk-appetite statements.

Once operational, Carsted Rosenberg provides ongoing governance and management support through its strengths in regulatory compliance, performance monitoring, and dispute resolution. The firm assists clients in forming investment committees, setting approval thresholds, and institutionalising transparent reporting and audit processes that safeguard capital, manage risk, and promote collaborative decision-making.

At every stage, our commitment to client-first principles ensures that families are empowered with the governance knowledge, operational tools, and strategic insights required to sustain both growth and legacy across generations.



ABOUT THE AUTHOR

Dr Parwis Tikrani is a Partner at Carsted Rosenberg Advokatfirma and a seasoned financial services executive with extensive international leadership experience at top management consulting firms and leading global financial institutions.

He advises global family offices, leveraging deep expertise in wealth management, investment strategy, governance, succession planning, and risk and compliance oversight. Parwis has a proven track record in shaping and executing business strategies that drive sustainable growth and long-term value while ensuring regulatory and operational discipline.

He brings significant experience from board and investment committee roles and has guided family offices from inception through operational build-out, providing counsel on investment structuring, portfolio management, jurisdictional considerations, and intergenerational wealth planning.

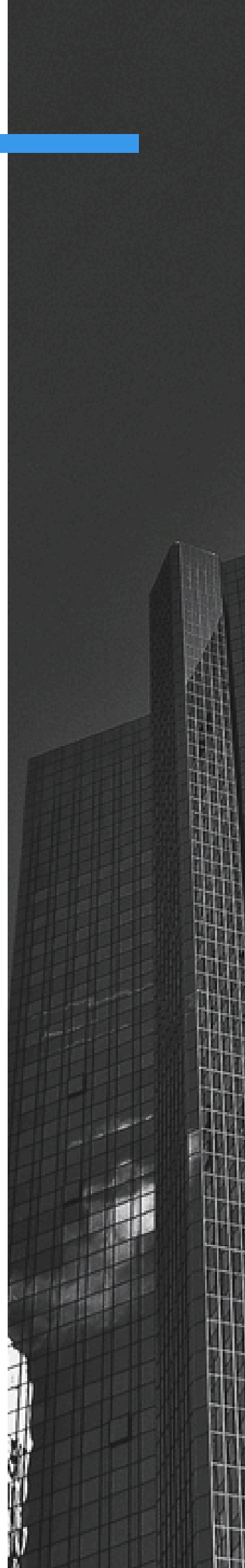
His holistic approach integrates financial, legal, and operational insights, enabling family offices to achieve their strategic objectives while preserving and growing their wealth for future generations.



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