

Family Business and Private Wealth: from family trees to organisational structures

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February 2020

In this special edition of Law Update we focus on issues relevant to family businesses and private wealth. Al Tamimi & Company, founded in 1989, has grown alongside many of the family businesses in the region and has seen first-hand the challenges and evolving dynamics which families and privately-owned businesses face.

As we enter a new decade in 2020, it is even more important for families and high-net-worth individuals to be agile, proactive rather than reactive, responsive to changing market dynamics, alive to disruptive tech transforming whole industries, creative in investing their wealth for the future and prepared for the millennials and Gen Z individuals entering the family business arena, whose new perspectives are altering the way the corporate world, in this region, operates.

Succession planning is a term that is bandied around by many, but what does it actually mean? In the context of family business in the Middle East, succession planning is key to ensuring that tomorrow's leaders are identified and groomed today, that systems are in place to enable the family business to operate and grow beyond the founder(s)' hands, and that proper estate planning is consciously considered and implemented.

In this edition of Law Update, we discuss a number of themes that are highly relevant to family business and private wealth, from succession planning, marriage contracts and alternative investments, to inheritance matters and family disputes.

A number of our family business and private clients hold sizeable real estate portfolios and succession planning in the context of family real estate assets is discussed by [Mohammed Kawasmi](#) & [Abdulla Khaled](#). [Ashleigh Bruce](#) considers succession planning in the context of corporate governance in business.

Trust structures continue to play a key role in achieving optimal succession planning – [Foutoun Hajjar](#) and Layla Alalawi discuss Bahraini trusts as a solution for family businesses and [Richard Catling](#)'s article 'Trusts in succession planning' provides further insight into the benefits of trust arrangements for the preservation of family assets across generations.

Intra-family disputes – whether due to generational gaps, a lack of succession planning, control being in one pair of hands, disagreements regarding financial distributions and so on have the capacity to paralyse families and family businesses, and so the experienced advisor will always recommend legal structures that reduce the likelihood of such disputes arising. [Peter Smith](#) discusses forms of dispute resolution as well as choosing the right jurisdiction.

Another aspect of good succession planning is estate planning. Egypt has a number of laws that focus on inheritance matters and Ahmed Zohny and [Nada Abouelseoud](#) provide a focus on inheritance issues facing Egyptian Coptic Christians, who comprise some 30 per cent of Egypt's

population.

[Dipali Maldonado](#) and [Ruksana Ellahi](#) consider the tax implications for both family businesses and private individuals who hold real estate in the UK via special purpose vehicles. Whilst Al Tamimi & Company does not advise on UK tax law, we work very closely with advisors in the UK to ensure that our clients are optimising their real estate asset holdings in light of changes to the UK tax regime.

For any founder concerned with protecting their legacy, the retention of wealth within the boundaries of the family is a key concern. When children of wealth marry it is common to give consideration to marriage contracts under Islamic Sharia, which ensures certainty and transparency from the outset. [Ahmed Zohny](#) considers this area.

If you have ever considered supporting the arts, accessing a high profile industry or just simply diversifying your investment portfolio, [Fiona Robertson](#)'s article on Private Film Investment is a must read.

Al Tamimi & Company's full service offering means, that across the board, we can assist by providing families and high-net-worth individuals, in both their complex business and personal affairs, with tailored advice and solutions to best meet their needs. We understand family and privately owned businesses in the region, having grown alongside them from the firm's inception, and are acutely sensitive to their challenges, values and goals.