



# **FAMILY OFFICE OFFERINGS**

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NANGIA & CO LLP

# A Comprehensive Solution for Generational Wealth and Legacy Management



## Family Offices

A family business is a commercial entity in which decision-making is influenced by successive generations of a family, connected through blood, marriage, or adoption. They are closely associated with the enterprise through leadership or ownership. The establishment of a family office is a strategic response to the multifaceted dynamics that emerge as a tailored solution to address the intricate challenges associated with:

- The wealth management;
- Investment dynamics;
- Intergenerational transitions;
- Governance structures; and
- The holistic care of family members

## Key Aspects of Family Constitution

### Vision and Mission

A robust family constitution is predicated on the harmonization of the business vision among family members, leveraging the historical, traditional, and value-based foundations of the family as guiding parameters for informed decision-making.



### Succession:

Formulating comprehensive succession plan, outlines the roles in management positions within the family's business entities can effectively address common familial conflicts related to control and power struggles. Incorporating such provisions into the governing documents, can contribute towards the stability and growth of the family business.



### Philanthropy:

Many family businesses strategically engage in philanthropy, enhancing industry reputation and fostering a positive legacy for successive generations. The incorporation of appropriate provisions within the company's constitution ensures the sustained perpetuation of this commendable tradition.

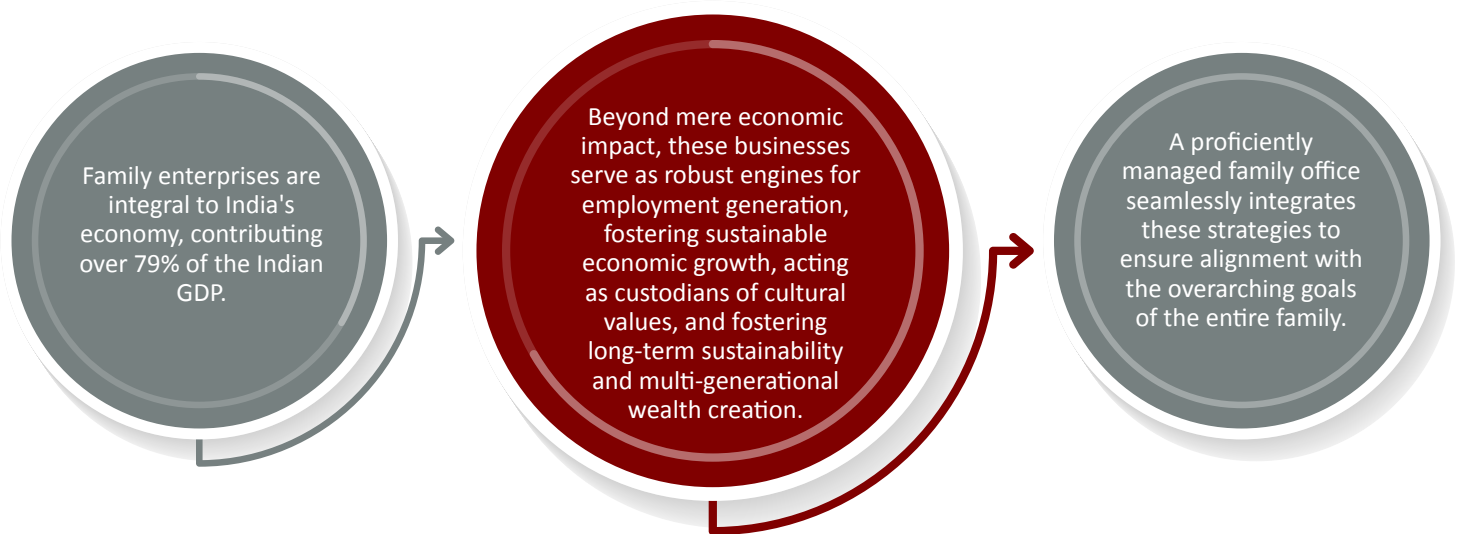


### Family Board:

A family constitution guides decision-making in a family business, defining the Family Board's roles and powers. Recognizing the integration of work and life and ensures administrative efficiency by allowing prompt actions in urgent circumstances.



## Importance of Family Offices



## Types of Family Offices

### Multi-Family Office

An excellent fit for families with relatively straightforward dynamics, offering a cost-effective model that aligns seamlessly with their simplicity.

### Virtual-Family Office

This emerges as a practical solution for globally diverse teams and families, presenting a highly cost-effective approach tailored to their unique needs.

### Single-Family Office

This approach simplifies the process of wealth management dedicated to overseeing the comprehensive financial affairs of a singular affluent family.

### Hybrid-Family Office

This model delegates specific aspects of the family office through outsourcing while preserving an embedded family office framework for selective functions.



## Problems To Be Catered

### Why Set up a Family office: Problems To Be Catered

Establishing a family office is a strategic decision driven by various compelling factors:



#### Preserving Wealth

A family office serves as a robust mechanism to safeguard and sustain family wealth over generations, implementing tailored strategies to navigate the complexities of the financial landscape.

#### Facilitating Generational Transition

The family office aids in the seamless transfer of wealth and responsibilities between generations, ensuring a smooth transition and preserving the family legacy.



#### Mitigating Financial Risk

A family office serves as a robust mechanism to safeguard and sustain family wealth over generations, implementing tailored strategies to navigate the complexities of the financial landscape.

#### Establishing Governance Frameworks

It creates structured governance models that clarify decision-making processes, ensuring transparency and accountability in managing the family's wealth.



#### Fostering Family Unity

Beyond financial management, a family office plays a crucial role in promoting family cohesion. By facilitating effective communication and shared values, it contributes to the unity and harmony of the family across generations.

#### Managing Personal Affairs

In addition to financial matters, a family office extends its services to oversee the personal affairs of family members, addressing individual needs and enhancing the overall well-being of family members.







## Estate Planning In Family Offices

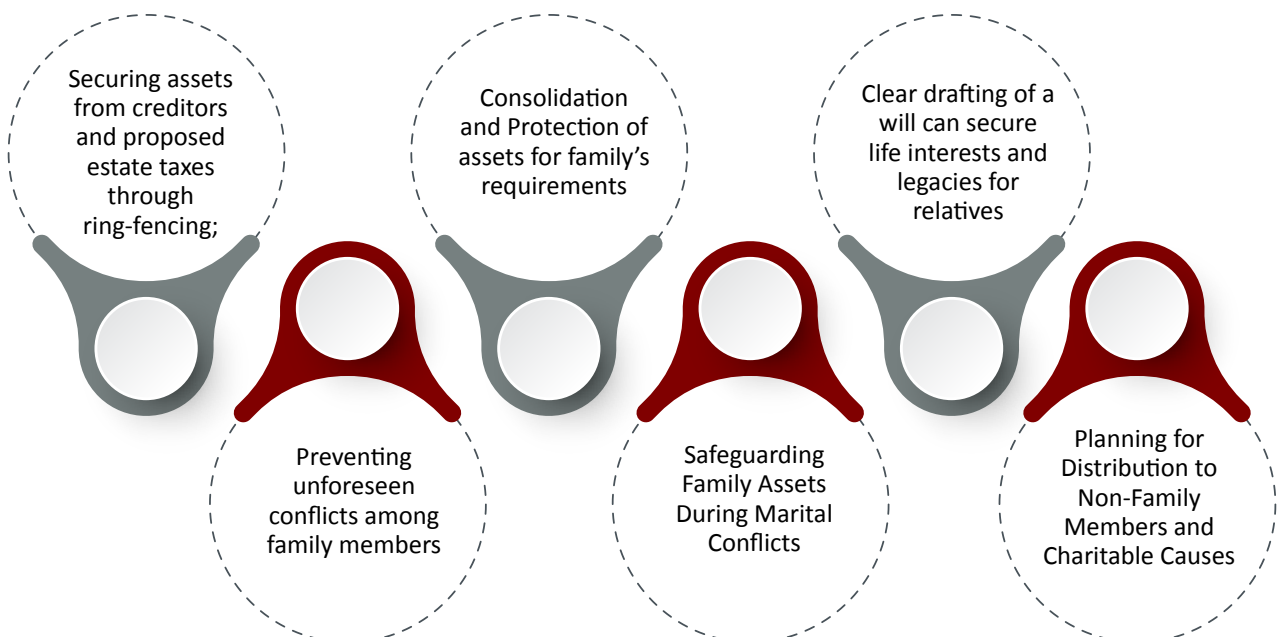
### Estate and Succession Planning : Family Offices

Estate and succession planning within family offices plays a pivotal role in safeguarding multigenerational wealth, facilitating seamless asset transfer, and fostering family cohesion. These strategies mitigate financial risks, optimize tax efficiencies, and uphold the family's legacy, ensuring continuity and prosperity for future generations.

#### Importance of Estate Planning:

- **Clarification of Inheritance Rights:** Estate planning ensures assets are distributed according to one's wishes, avoiding confusion and potential conflicts over legal heirs.
- **Avoidance of Family Disputes:** By outlining asset distribution in advance, estate planning reduces the likelihood of disagreements among family members, preserving harmony and relationships.
- **Reduction of Tax Burden:** Strategic planning minimizes tax liabilities, maximizing the value of the estate passed on to heirs.
- **Control Over Legacy:** Planning allows individuals to shape their legacy by directing assets towards causes and organizations aligned with their values and beliefs.

#### Objectives of Estate Planning:



## Estate Planning : Key Tools

### Key Tools of Estate Planning : Will

#### Significance of a Will in estate Planning:

- A Will, serves as a formal legal declaration embodying the testator's intentions regarding the distribution of their estate upon death.
- This document not only ensures the fulfillment of the testator's wishes but also mitigates the risk of contentious disputes arising over intestate succession.
- The Will specifies the designating beneficiaries with precision and offers a clear and legally binding framework for the orderly transfer of wealth.
- It stands as a testament to prudent foresight and responsible estate planning, safeguarding familial harmony and financial stability in the wake of the testator's passing.



#### Process Involved in the Creation of a Will:

1. Preparation of an Asset Register for family members to know where all your assets are.
2. KYC and Nomination Audit.
3. Appointment of Executor.
4. Listing of Primary Beneficiaries and their share in the estate.
5. Identification of Secondary, Residuary and Ultimate Beneficiary that can include Charity.
6. Registration, Execution, Probate of Will.
7. No income tax or Stamp duty implications on the bequeathal of the estate.

## Key Tools of Estate Planning : Private Trust

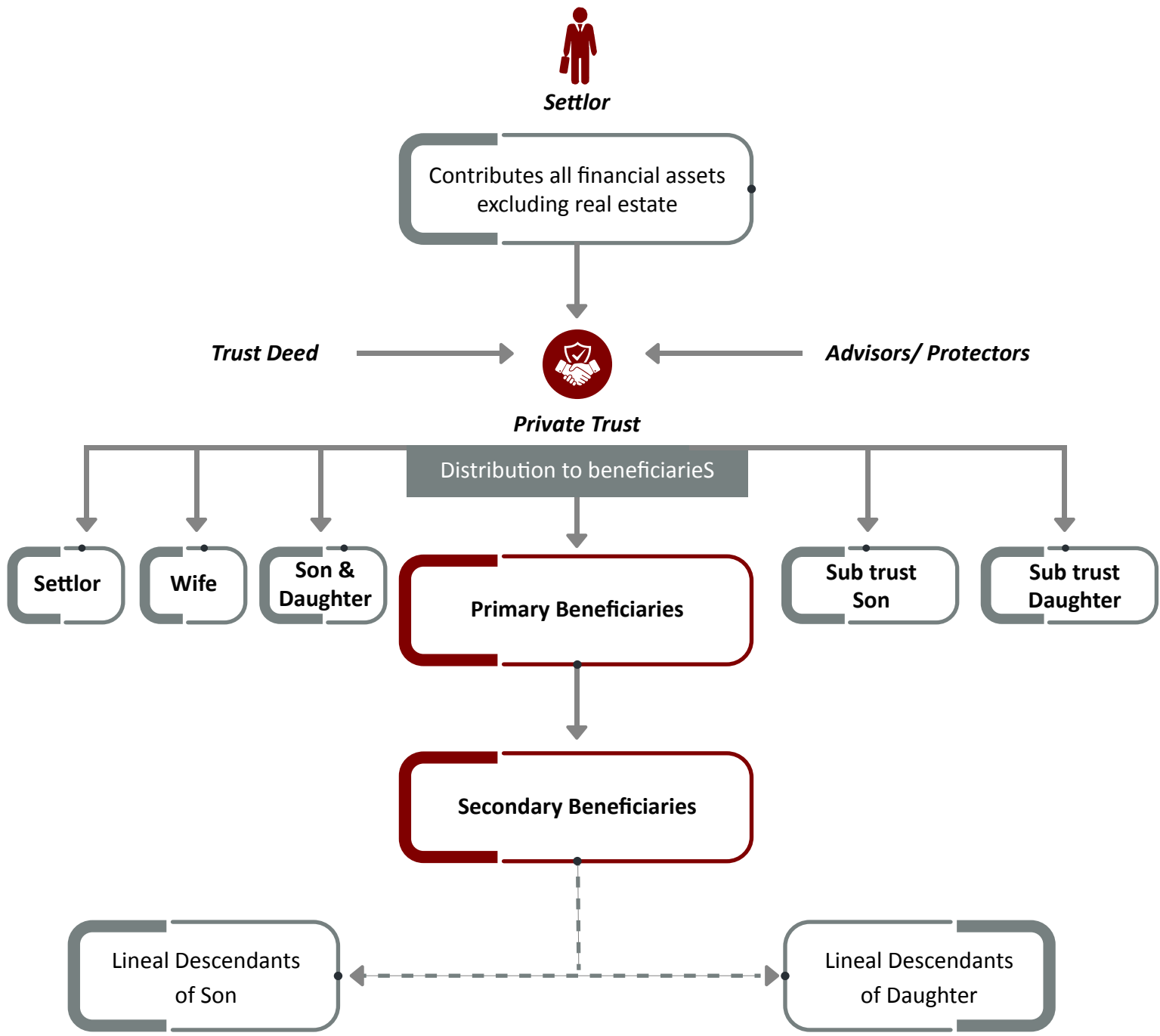
### Significance of a Private Trust in estate Planning:

A trust is a legal arrangement in which assets are placed under the control of a trustee, who manages them for the benefit of designated beneficiaries according to the terms set forth by the settlor, providing various benefits such as asset protection, wealth succession, and efficient estate planning;

- **Fiduciary Responsibility:** Trusts represent a fundamental obligation tied to property ownership, wherein a trustee is entrusted with asset management stemming from the confidence bestowed upon them by the owner or settlor, for the benefit of designated beneficiaries.
- **Asset Protection and Preservation:** Trusts serve as a robust shield, safeguarding assets against diverse risks and ensuring their sustained preservation, thereby facilitating the seamless transfer of wealth across generations and bolstering intergenerational financial stability.
- **Wealth Succession and Welfare Assurance:** Trusts play a pivotal role in orchestrating the smooth transfer of wealth across familial lines while concurrently guaranteeing the ongoing welfare and support of family members, including those with unique needs, thereby fostering enduring financial security.
- **Strategic Estate Planning Tool:** Trusts function as a distinct and indispensable entity within comprehensive estate planning strategies, enabling efficient asset management and seamless transmission of the settlor's estate with minimal court interference upon their incapacitation or demise.
- **Conflict Mitigation:** By providing lucid directives and operational mandates, trusts serve as effective instruments in forestalling familial conflicts pertaining to the equitable distribution and judicious management of assets.
- **Tax Management and Probate Evasion:** Trusts serve as sophisticated mechanisms for managing exposure to estate taxes and circumventing probate expenses, thereby ensuring the efficient preservation and equitable distribution of assets in alignment with the settlor's intentions.

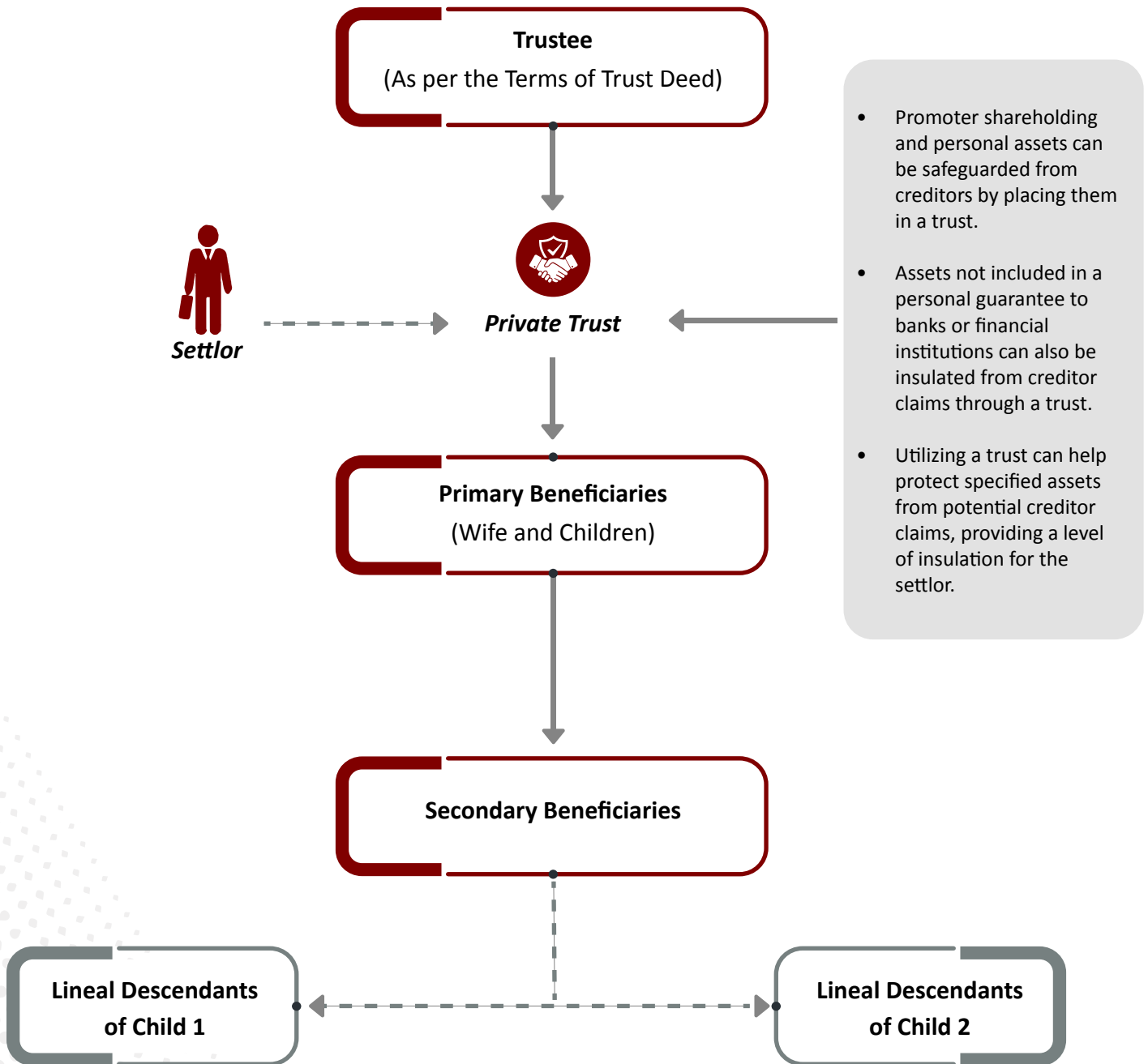
# Private Trust Structures: Succession Planning and Ring Fencing

## Private Trust : Succession Planning Structure





## Private Trust : Ring Fencing Structure



## Will V/s Private Trust : Tools of Estate Planning

Particulars	Will	Private Trust
<b>Legal Instrument</b>	A Will constitutes a legal document delineating the manner in which an individual's assets and property are to be distributed subsequent to their demise.	A private trust represents a legal arrangement wherein assets are transferred to a trustee for management and distribution, primarily for the benefit of designated beneficiaries.
<b>Enforcement</b>	Activation of a will occurs posthumously, triggered by the demise of the testator (the individual who made the will).	A private trust may be established during the lifetime of the settlor (the creator of the trust) and can perpetuate beyond their demise.
<b>Flexibility</b>	Wills typically lack flexibility once executed but may be amended or revoked during the testator's lifetime.	Private trusts provide greater flexibility, allowing for adjustments to terms and beneficiaries throughout the settlor's lifetime.
<b>Estate Tax Planning</b>	Wills offer limited scope for estate tax planning strategies.	Private trusts afford enhanced estate tax planning opportunities, facilitating strategic asset transfers to minimize tax liabilities.
<b>Asset Protection</b>	Wills generally provide minimal to no asset protection.	Private trusts can offer robust asset protection benefits, shielding assets from creditors, bankruptcy, divorce settlements, and other potential claims.
<b>Cost</b>	Wills may incur expenses related to probate fees, legal counsel, and administrative costs inherent to the probate process.	Private trusts may involve initial setup expenses but can yield long-term cost savings by avoiding probate and potentially offering tax advantages.
<b>Privacy</b>	Wills generally become public records post-execution, subject to probate proceedings and public scrutiny.	Private trusts offer heightened confidentiality by bypassing probate, thereby ensuring discretion in asset distribution.



## How Can We Assist

### Navigating Across Generations, Wealth, and Legacy: Our Robust Solutions for Family offices

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#### Wealth Management and Financial Planning:

- Assistance with generational transition of assets;
- Transfer of shares and assets within the family;
- Philanthropic advice;
- Real estate advisory services;
- Succession planning for ownership and leadership transitions;
- Protection and creation of art collections.

#### Tax and Legal Services:

- International tax planning;
- Legal advice on corporate, trust and foundations' structures;
- Tax advice on investments whether movable or immovable property.

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#### Asset Management:

- Valuation of assets;
- Identifying investment opportunities;
- Due diligence on potential investments;
- Guidance on regulatory compliance and licensing;
- Merger and acquisition support for asset transactions.

#### Governance and Advisory Services:

- Advisory services on governance structures, board composition, and best practices;
- Enhancing professionalism and effectiveness of family-owned businesses;
- Conflict management and resolution;
- Development of family constitutions (bylaws, shareholder agreement, articles of associations) and governance frameworks.

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### **Risk Management:**

- Advising on risk mitigation strategies;
- Monitoring regulatory developments and updating risk management practices accordingly;
- Managing family's wealth and the continuity of the business;
- Ensuring adherence to relevant laws, regulations, and industry standards related to risk management;

### **Family Succession Planning:**

- Assisting with the transfer of management and ownership to the next generation;
- Ensuring the continuity of the family business;
- encompasses succession planning strategies, estate analysis, tax optimization, asset protection, business succession, legacy planning, and the ongoing review and adjustment of these strategies;
- Developing and refining strategies for implementation of ring-fencing structures.

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### **Trust Structures and Will formation:**

- Assessment of the family's assets, including real estate, investments, businesses, and personal property;
- Assistance in formation of 'Will' between individuals appointed as executors of the Will and responsible for managing the estate;
- Providing assistance in estate planning and drafting legal documents, such as trusts, powers of attorney, and healthcare directives;

*Note: Our services shall be in association with corporate trustees or reliable third-party trustees.*

### **Estate Planning:**

- Helping families create comprehensive estate plans and;
- Assisting in the drafting and execution of a legally binding Will that outlines the distribution of assets and guardianship;
- Business succession goals ensuring orderly transfer of assets across generations.

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### Investment Consulting:

- Complement to Existing Investment Team;
- Financial and Cash Flow Planning;
- Due diligence assistance;
- Consolidated reporting.

### Structuring and operational support:

- Design and implementation of family office structures and models;
- Regulatory and compliance guidance;
- Accounting and Annual tax return preparation.

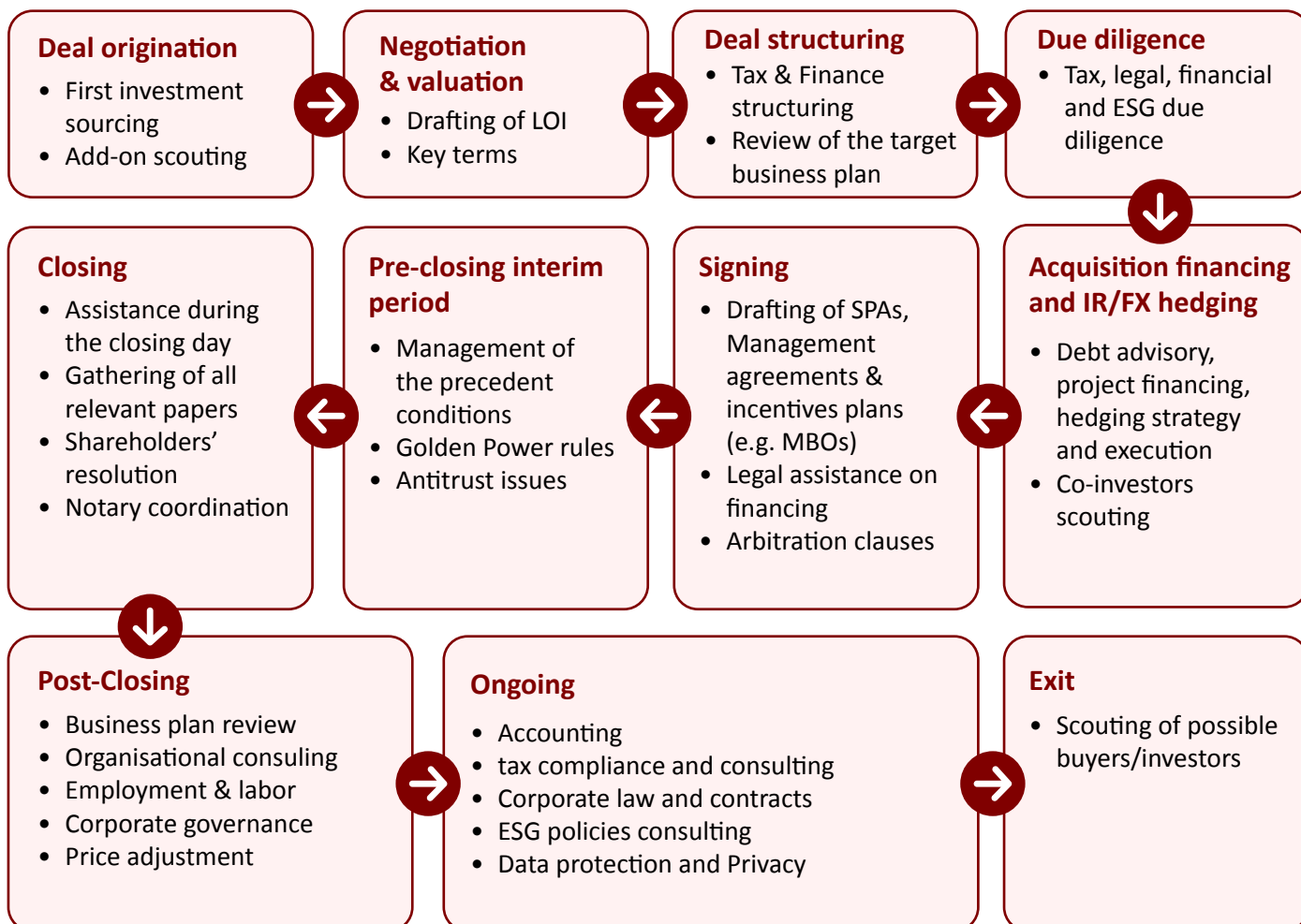
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## M&A Advisory Process

### Advisory in every step of the M&A process

From thorough due diligence and adept deal structuring to meticulous tax planning and the seamless integration that follows a merger, our dedication is resolute. We strive not just to meet but to surpass our clients' expectations, consistently providing extraordinary value.



## Primary Corporate M&A Dedicated Contact Point



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