

The International Family Offices Journal

**UK
Budget
special**

Editor: Nicola Saccardo

Editorial

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International perspectives on AML regulatory environment in trusts and estates legal practices – United Kingdom

John A Terrill, Michael A Breslow, Dr Christian von Oertzen, John Riches, Eleanor Riches-Lenaghan and Lyat Eyal

Family and family business reputation in an era of transparency

Charlie Bain, Julian Hanson-Smith, Iraj Ispahani and Alastair Levy

Managing the risks of the family – captive insurance for family offices

Henry Brandts-Giesen and Jackson Tu'inukuafe

People, policy and participation: elements relevant to family enterprise decision-making

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Balancing trustee duties in a next gen ESG-driven environment

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From trickle down to pay up: a billionaires' tax proposal

Mark Summers and Christopher Gothard

Relocation to Italy under the Lump Sum Tax Regime

Nicola Saccardo, Alice Wilne and Daniele Mologni

Internationally competitive? The post-April 2025 tax rules for non-doms

Dominic Lawrance and Catrin Harrison

Consequences of the abolition of the non-dom regime and 30 October 2024 Budget: what are the family law issues for wealthy clients leaving the United Kingdom?

Miranda Fisher

Transatlantic shockwaves herald sea change in UK tax treatment of US-connected individuals

Sangna Chauhan and Matthew Radcliffe

The United Kingdom's Autumn 2024 Budget: good news for British ex-pats

Lisa-Jane Dupernex and Dominic Lawrance

The future of IHT planning with pensions

Emily Campbell and Harriet Betteridge

An IHT shakeup – who stands to benefit?

Julia Cox and Harriet Betteridge

News section

Selection from STEP News Digests

The International Family Offices Journal



Contents

Volume 9, Issue 2, December 2024

Editorial _____ 3 Nicola Saccardo	Relocation to Italy under the Lump Sum Tax Regime _____ 45 Nicola Saccardo, Alice Wilne and Daniele Mologni
International perspectives on AML regulatory environment in trusts and estates legal practices – United Kingdom _____ 4 John A Terrill, Michael A Breslow, Dr Christian von Oertzen, John Riches, Eleanor Riches-Lenaghan and Lyat Eyal	Internationally competitive? The post-April 2025 tax rules for non-doms _____ 51 Dominic Lawrance and Catrin Harrison
Family and family business reputation in an era of transparency _____ 13 Charlie Bain, Julian Hanson-Smith, Iraj Ispahani and Alastair Levy	Consequences of the abolition of the non-dom regime and 30 October 2024 Budget: what are the family law issues for wealthy clients leaving the United Kingdom? _____ 67 Miranda Fisher
Managing the risks of the family – captive insurance for family offices _____ 17 Henry Brandts-Giesen and Jackson Tu'inukuafe	Transatlantic shockwaves herald sea change in UK tax treatment of US-connected individuals _____ 69 Sangna Chauhan and Matthew Radcliffe
People, policy and participation: elements relevant to family enterprise decision-making _____ 27 James Grubman	The United Kingdom's Autumn 2024 Budget: good news for British ex-pats _____ 74 Lisa-Jane Dupernex and Dominic Lawrance
Balancing trustee duties in a next gen ESG-driven environment _____ 36 Josephine Howe	The future of IHT planning with pensions _____ 76 Emily Campbell and Harriet Betteridge
From trickle down to pay up: a billionaires' tax proposal _____ 41 Mark Summers and Christopher Gothard	An IHT shakeup – who stands to benefit? _____ 78 Julia Cox and Harriet Betteridge
	News section _____ 81 Selection from STEP News Digests

Welcome to the 34th issue of The International Family Offices Journal

Nicola Saccardo

I am delighted to introduce another issue, demonstrating the usual range of expertise and insight, but reacting in particular to the recent legal and political upheavals affecting the international world of family offices and their principals.

John A Terrill, Michael A Breslow, Dr Christian von Oertzen, John Riches, Eleanor Riches-Lenaghan and Lyat Eyal open this issue with an overview of the United Kingdom's AML and regulatory regime and the direction of travel. This will be particularly relevant for family offices in light of the changes resulting from the various legal and political developments covered by this issue's other contributors. Building on the same theme, Charlie Bain, Julian Hanson-Smith, Iraj Ispahani and Alastair Levy discuss how family reputations can be protected, enhanced and fostered in this world of increasing transparency.

Henry Brandts-Giesen and Jackson Tu'inukuafe propose a different approach to risk management: captive insurance. This is a form of self-insurance, where the insurer is part of the same structure as the insured entities, which offers interesting alternatives for dividing risk between insurer and insured.

James Grubman draws on his family enterprise consultant experience with an insight into decision-making dynamics in family businesses. This will be relevant to family offices particularly as they prepare for and react to generational transitions to ensure the long-term stability of their structures.

Josephine Howe writes from Jersey with an overview of how modern ESG considerations can be integrated into much more established Jersey trust law and where the trustees' duties lie, particularly where the principal might wish the trustees to emphasise ESG-focused investing. ESG considerations were central to the recent G20 summit, at which a key agenda item was a minimum tax for billionaires. This is reviewed by Mark Summers and Christopher Gothard and will be of critical importance to family offices, which are often consciously structured around the variations between different jurisdictions' tax policies – the proposal considered at the summit would bring this planning to an end.

Much of the rest of this issue addresses recent legislative and political upheavals and how they might affect family offices and the principals they

serve. I am joined by Alice Wilne and Daniele Mologni in providing an overview of the Italian lump sum tax regime, of increasing relevance following the UK Government Budget which has prompted a large volume of relocations. Italy has been a beneficiary of this change in the United Kingdom and its lump sum regime has been central to this.


Dominic Lawrance and Catrin Harrison provide a comprehensive overview of the UK changes and, while much of it might make unpleasant reading for those affected, provide useful guidance on mitigation steps and the unexpected silver linings to be found in the draft legislation. Miranda Fisher builds on this, analysing the new rules from a family law perspective for clients seeking to leave the United Kingdom as a result of the Budget, a reminder of the fact that tax legislation is not relevant only to the payment of taxes but can also affect other areas of life as distant as divorce settlements.

Sangna Chauhan and Matthew Radcliffe take a pan-Atlantic perspective with their briefing note on the ramifications of the Budget for those with UK-US ties, particularly for those who have already put planning in place and may now need to consider their structures.

Lisa-Jane Dupernex and Dominic Lawrance subsequently focus on some unexpected winners from the Budget – British ex-pats, whose status is no longer bound to their UK origins and who are now free to consider the beneficial planning opportunities available where they now live. This will be important to consider for family offices and principals with British origins. On the other hand, pension-centric planning has not benefitted from the Budget – Emily Campbell and Harriet Betteridge assess the damage in this respect but also provide some helpful tips for minimising the adverse impact as much as possible.

Finally, Julia Cox and Harriet Betteridge step back from the granular detail and close this issue with a useful summary of winners and losers from the Budget – a good starting point for advisers and family offices looking to take stock and decide which issues to address first.

The articles are followed by our usual round-up of relevant highlights from the STEP News Digest.



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