

Read this book!
Don't allow wealth to
destroy your family.
—Benedikt Kaise,
Kaiser Partner

THE DESTRUCTIVE POWER OF FAMILY WEALTH

A GUIDE TO SUCCESSION PLANNING,
ASSET PROTECTION, TAXATION AND WEALTH MANAGEMENT



PHILIP MARCOVICI

WILEY

The Destructive Power of Family Wealth

**A GUIDE TO SUCCESSION PLANNING, ASSET PROTECTION,
TAXATION AND WEALTH MANAGEMENT**

Philip Marcovici

WILEY

This edition first published 2016
© 2016 Philip Marcovici

Registered office

John Wiley & Sons Ltd, The Atrium, Southern Gate, Chichester, West Sussex, PO19 8SQ,
United Kingdom

For details of our global editorial offices, for customer services and for information about how to apply for permission to reuse the copyright material in this book please visit our website at www.wiley.com.

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, except as permitted by the UK Copyright, Designs and Patents Act 1988, without the prior permission of the publisher.

Wiley publishes in a variety of print and electronic formats and by print-on-demand. Some material included with standard print versions of this book may not be included in e-books or in print-on-demand. If this book refers to media such as a CD or DVD that is not included in the version you purchased, you may download this material at <http://booksupport.wiley.com>. For more information about Wiley products, visit www.wiley.com.

Designations used by companies to distinguish their products are often claimed as trademarks. All brand names and product names used in this book are trade names, service marks, trademarks or registered trademarks of their respective owners. The publisher is not associated with any product or vendor mentioned in this book.

Limit of Liability/Disclaimer of Warranty: While the publisher and author have used their best efforts in preparing this book, they make no representations or warranties with respect to the accuracy or completeness of the contents of this book and specifically disclaim any implied warranties of merchantability or fitness for a particular purpose. It is sold on the understanding that the publisher is not engaged in rendering professional services and neither the publisher nor the author shall be liable for damages arising herefrom. If professional advice or other expert assistance is required, the services of a competent professional should be sought.

A catalogue record for this book is available from the Library of Congress.

A catalogue record for this book is available from the British Library.

ISBN 978-1-119-32752-3 (hardback) ISBN 978-1-119-32753-0 (ebk)

ISBN 978-1-119-32754-7 (ebk) ISBN 978-1-119-32904-6 (ebk)

Cover design: Wiley

Cover image: © pking4th/Getty Images

10 9 8 7 6 5 4 3 2 1

Set in 11/13pt SabonLTStd by Aptara Inc., New Delhi, India

Printed in Great Britain by TJ International Ltd, Padstow, Cornwall, UK

Advanced Praise

“In the wealth management industry, there are many charlatans: people who think they know the theory; but cannot actually manage wealth. Philip Marcovici not only knows the theory; he has been an eminent practitioner of it. One can only believe those who have experienced what they preach. All families should read his book.”

—David Chong, President, Portcullis Group, Singapore

“Philip has lived through and helped shape an era unlike any other in the creation and management of private wealth over the past 50 years. This is a time of great global private wealth, of recognition that private wealth can help fund governments, that wealthy families can be global, multi-cultural, migratory and opportunistic.

Philip’s book is a wise reflection on what he has seen and contains profound observations with respect to the distractions of family wealth and how they obscure the fundamental human needs for life’s meaning. He lucidly explains technicalities and details all wealth holders need to know.

Philip reminds us that life is about living. This book should be read by wealth holder and wealth advisor alike; and it will be a lasting historical reflection of the challenges and failures of our era.”

—Charles A. Lowenhaupt, Chairman, Lowenhaupt Global Advisors

“Philip is one of the few honest voices in the area of wealth planning. He highlights the importance of finding the right advisors and aligning their interests with yours, and always having checks and balances in place. The pitfalls of not doing so are well illustrated with many colourful stories; reading this book will ensure your family does not suffer a similar fate. A must read for anyone who has any amount of wealth (no matter the amount) and wants to ensure harmony within the family.”

—Leo Drago, Co-Founder, AL Wealth Partners

“Congratulations to Philip Marcovici for a well-written and very easy-to-read book which has incorporated much of his personal experiences in dealing with a vast client base, especially Asian. Much of the material he has covered is consistent with my teaching syllabus. It will definitely be on my recommended reading list when it is released.”

—Professor Roger King PhD, Director of the Thompson Center for Business Case Studies and the Tanoto Center for Asian Family Business and Entrepreneurship Studies, Hong Kong University of Science and Technology

“Philip is a long-time friend but more importantly a professional that I often seek guidance from for my ultra-high-net-worth clients. His expertise is not just his technical knowledge, but also the essential practical experience in how to manage or ‘suffer’ from wealth. This book illustrates many real life stories and should be read by all who have worked their entire lives to create wealth or a legacy for the family.”

—Anthonia Hui, Co-Founder, AL Wealth Partners

“Other than wealthy families, this new book will also be useful to private wealth management practitioners and other professionals, such as tax advisors, accountants, lawyers, as well as law and business/finance students who are interested in learning

about the basic tools of wealth and estate planning and issues related to cross-border taxation for high-net-worth individuals. In fact, I plan to use part of this book as reference material for my Private Banking and Wealth Management Course at the University of Hong Kong in the future. As Hong Kong continues to grow as an important wealth management hub in Asia, this book will be welcomed by wealth owners and people working in the financial services industry.”

—**Professor S.F. Wong**, Professor of Practice in Finance,
The University of Hong Kong

“Very interesting! A must-read for everyone working in or anyone looking to enter into the world of Private Wealth.”

—**Adrian Braimer-Jones**, Ensof Group

“This is a fantastic book and all families should read it. It is an education on wealth management entertainingly written. Well done! This book provides great guidance for any wealth owner and their advisors. Complexities are made understandable. Laughing is also included. Read this book and don’t destroy your family.”

—**Benedikt Kaiser**, Kaiser Partner

“Forget about complex family governance books, start with this read! *The Destructive Power of Family Wealth* contains a deep insight into the needs and psychology of the wealth owner and the challenges they face. It should be mandatory for every private banker and wealth adviser who wants to survive over the next 5 years and for every wealth owner who is concerned about what will happen if they are no longer around.

—**Jurgen Vanhoenacker**, Executive Director, Sales, Marketing & Wealth Structuring, Lombard International Assurance SA

“Who knew that philanthropy was not only about helping others? This book shows you how it can be a fantastic tool for family cohesion and to educate the next generation.”

—**Maurice Machenbaum**, Co-Founder, Wise Philanthropy Advisors

“My initial reaction to Philip Marcovici’s new book: I like it!”

—**Professor Joseph P.H. Fan**, Co-Director, Centre for Economics and Finance, The Chinese University of Hong Kong

“I thoroughly enjoyed reading this book as Philip Marcovici’s style is very natural and ‘colloquial’ (in the best sense of the word) and conveys difficult technicalities across in a way that targeted families will understand as well; I can just picture him speaking on the subject of this book in public. The content is very relevant to any young wealth planner and anyone looking at a career in wealth management and planning will get absolutely nowhere without reading this book.”

—**Britta Pfister**, Head, Rothschild Trust (Singapore) Limited

“This is fantastic stuff. Well done!”

—**Sharon Ser**, Regional Senior Partner Asia, Withers

A Few Extracts From *The Destructive Power of Family Wealth*

On the Needs of Wealth Owners

“Wealth owners have latent needs – they have needs, but don’t know what they are. Knowing the right questions to ask is the key – no one has all the answers, but if a wealth owner does not understand their own succession plan, whether this involves the use of wills, trusts or otherwise, it can be very dangerous. Who has the power to make decisions if we are disabled or die? Who can replace the trustee? Who will monitor conflicts of interest, including how asset managers and others charge for their services? What can be done to manage the risks of divorce and other risks to wealth?”

On Succession Planning and Asset Protection

“The first step in succession planning is to understand that having no succession plan in place is a succession plan. If I die, something will happen to my assets, and this notwithstanding that I may not actually have thought about my succession or planned it at all.”

“I have run into a number of cases over the years where trusts and foundations established by wealth owners were not disclosed to family members, something quite common in times when wealth owners in Europe and elsewhere were led to believe that good planning involved hiding their assets from the tax authorities and others. In too many situations, advisors ranging from lawyers to trustees to protectors and others ended up helping themselves to all or part of the assets involved. When families finally discovered the structures their deceased parent had created, it was often too late to recover the full value involved.”

On Changing Demographics and Aging

“Do failing memories put assets at risk? It is wonderful that we are all living longer, but is it not the case that dementia and even simple forgetfulness that comes with aging put assets at risk if no one knows where they are? Early succession and asset protection planning is the key, and families increasingly need to consider the aging process and its effect on the safety of family assets and the maintenance of harmony within the family for the long term.”

On “Gold-Diggers”

“I am often asked by families I work with about the risk of in-laws or others being gold-diggers, more interested in the wealth of the family than they should be. This is not a difficult evaluation to make, and my answer is always ‘Of course your son-in-law or daughter-in-law is a gold-digger!’ This is not because everyone is evil – but because money comes into every relationship – if not at the start of the relationship, at some point in future. I always advise families to hope for the best, but plan for the worst.”

On Mistresses and Toy-Boys

“Mistresses are not an Asian concept. They are a global concept. Mistresses, toy-boys and other relationships all too often move into situations of blackmail, and there are approaches that wealth owners falling into common traps can employ to manage things effectively. One golden rule is to never give a mistress a lump sum of money – before long, she is back for more – why not use a trust or annuity that is designed to make payments over her lifetime, but conditioned on her keeping things quiet?”

On Divorce

“In the case of divorce, community property, co-habitation, and otherwise, it is easy to say that the rights of the spouse or other party are there because they need to be protected. And this is often the case, and why laws are in place to provide this protection. But for a wealth-owning family, and particularly where wealth is at the higher level, it is critical to understand how laws designed to protect a spouse can be abused to provide a spouse with rights to family businesses and wealth that by no stretch of the imagination should they have access to. And with lawyers charging on contingency, getting paid on the success of their efforts, is it fair that family wealth falls into the hands of those who fuel the flames of marital disputes?”

On Second (and Subsequent) Marriages

“Second and further marriages often cause more issues within families than the wealth owner establishing the new relationship thinks. The wealth owner often ends up in a difficult situation that jeopardizes not only the well-being of his children, but also the chances of success in his new relationship. As a believer that money comes into the picture in every relationship (because everyone is a gold-digger, at least to some extent), recognizing this is a first step toward finding approaches to help the process not be a destructive one.”

On the Need for Women to Understand their Rights and Financial Position

“There is one very important reality about women and wealth. The chances are that they will end up with the money, one way or another – so they had better know where it is and how to deal with it. Women live longer than men, and in a marriage, it is likely that they will outlive their husband. And if the marriage fails, which many do, the wife will and should end up with something – so everyone needs to be prepared, and all too often, women are not.”

On Who You can Trust

“Trust no one. This is not because no one can be trusted, but because the safest approach is to ensure that the right checks and balances are in place to deal with the reality that everybody has conflicts of interests. And for trustees, bankers and others, there is no client better than a dead client – dead clients do not complain about fees and do not fire you. Key is to ensure that those who succeed to your assets are able to properly keep an eye on trustees and others and remove and replace them when necessary.”

On Family Business Succession

“Families that manage to keep their businesses intact over the generations tend to be families that are flexible in their understanding that it is inevitable that not everyone in the younger generation will see things the same way. Allowing for the likelihood that there will be family members who will not want to participate in and support the family business, and having clear procedures for how to buy out their interests and at what price has been a key way successful families have managed to keep businesses in family hands over the generations. Having the ability to ‘prune’ the family tree can be critical to the long term success of a family business.”

On Tax Advantaged Investing

“There are many facets to tax advantaged investing, but in the simplest terms, to invest on a tax advantaged basis means focusing on the after tax and not the

pre-tax return on an investment. It is very easy to get into an investment, but often not enough attention is paid to the question of how one will exit from the investment, and what the tax consequences of this might be.”

On Taxation

“In a world where disparities of wealth are increasingly at the forefront of the political and social agenda, is ‘hiding the money’ either an option or the right thing to do? Advisors and wealth owning families have to change their ways, and in many cases, the ways of the past were not something to be proud of.”

“[T]he only certainty in the tax world is that the laws will change, and constantly do. The wealth owning family does not need to become expert in the tax laws of every country that affects them and their investments. Rather, the wealth owning family needs to be able to understand the advice they receive and be able to challenge that advice, and ask the right questions. Being aware of how tax systems work can help families stay in control of the succession and asset protection planning put in place for their families.”

On the Move to Tax Transparency and Automatic Information Exchange

“Is transparency in the tax world a rocky road that will create a new kind of refugee problem and a drain of capital and entrepreneurship from countries most in need? I worry that many developing countries are simply not ready for automatic information exchange. Politically motivated use of tax information, corruption, leakage of tax information to kidnappers and more will lead to entrepreneurs desperately needed by their economies realizing that they only have two choices – play by the rules or get out. And to play by the rules does not work if the tax system does not adequately protect taxpayer interests – so getting out will be the only choice. Who will replace the lost jobs and revenues of the developing countries involved?”

On Mobility

“Play by the rules or get out. These are the only choices wealth owners have – the third choice of staying connected to a country by residence, domicile, citizenship or otherwise and hoping that no one will find out is simply not an option in a world of growing transparency and where tax laws are increasingly and more aggressively enforced. Tax laws are laws, and there is no choice but for compliance with them.”

“One simple guideline on mobility planning is that the best time to consider leaving a country is before that country begins to impose an exit tax. As the world moves to greater tax transparency and tax laws are enforced more vigorously, it is likely that more wealth owners will be using mobility as part of their planning, attracting more high tax countries to consider barriers to mobility, including exit taxes and tougher rules in relation to the question of who is and who is not a tax resident, particularly among those who were previously taxable residents of the country.”

On Tax Planning, Tax Avoidance and Tax Evasion

“As a tax lawyer, my job has been to work with wealth owners and to help them legally plan their affairs such as to minimize tax exposures. But how far should one go to pay the least amount of tax possible? Is it an ethical obligation of wealth owners to pay headline rates of tax to help address wealth and income inequality and to not take steps to reduce tax exposures? Where is the line between legal tax planning and illegal tax evasion...and what of tax avoidance, something that used to be considered

legal and appropriate, but which is increasingly condemned by tax authorities and others?”

On Political Risk

“[T]here are many risks that a wealth owner is subject to that can fall under the heading of ‘political’ risk, including changes in the tax landscape, perhaps in part as a result of a new focus on income and wealth inequality... Addressing political risk will be an increasing need of wealth owning families worldwide. The current focus on income and wealth inequality, increasing populism in the political sphere and the difficult financial position of many countries is increasing risk, and not only in parts of the world one normally thinks of as unstable.”

On the Wealth Management Industry

“Wealth management is a knowledge business, but sadly run by many who are more focused on their own interests than on the need to invest in and manage knowledge for the benefit of their clients. A wealth owner has little choice but to get a handle on what is relevant to their own situation, and be in a position to ask the right questions that will lead them to the right advisors. And for the wealth manager who gets it right, the opportunity to excel and attract clients is significant.”

“Today, around the world, there are increasing regulations that require asset managers to provide transparency on charges to their clients, but there continue to be many circumstances of hidden charges that asset managers, such as private banks, impose on their clients. Is the client aware that the bank may have made arrangements to receive ‘retrocessions’ or kick-backs from investment funds in which they may invest the client money they have under discretionary management? Relatively recent court decisions in Switzerland require banks to refund retrocessions they historically received in a number of circumstances, but unsurprisingly the industry is pretty quiet about the rights their clients may have to obtain refunds of amounts their advisors secretly received.”

On Independent Asset Managers and Family Offices

“Interesting to observe is that the independent asset manager and single and multi-family offices usually come into the picture when the wealth owning family gets fed up with the poor service they get from their traditional private bank. And while the private bank ends up being nothing more than a custodian, the independent asset manager or family office begin to focus on negotiating even these fees on behalf of the wealth owner, putting more pressure on the private banks.”

On Compliance as a Client Need

“Compliance is a client need. Tax and related reporting requirements are only part of the picture, and too few banks realize that families need help to understand the choices they have on how to structure their affairs and ensure that they know who has what information on their family and assets and where that information is going to go. Delegating these things to the compliance department is not enough – helping clients deal with increasing compliance is part of the service an effective bank or trust company needs to provide.”

*To My Family
Peggy, Joshua, and Luca, With Love
and To All Families*

Preface

Now retired from practicing law, I spent my career as an international tax and private-client lawyer, working with families, businesses, and the wealth-management industry, first in New York and Vancouver, then in Hong Kong and Zurich. I have also worked with governments seeking to address the global problem of undeclared funds, and have taught widely in Asia and Europe, learning while sharing my views on the potentially destructive nature of wealth and the failings of the wealth-management industry, and of advisors, to truly help the families they are meant to serve.

I began working with wealth-owning families on their succession and other needs early in the 1980s, in Hong Kong. Having studied law in both Canada and the USA, I had started out as a corporate tax lawyer in New York, and then moved to Hong Kong where I spent 12 years practicing law. The 1980s and early 1990s were interesting times in Hong Kong. Pretty much the most capitalist place in the world was soon to revert to pretty much the most communist place in the world. China, which was a very different country in the 1980s and early 1990s than it is today, was negotiating the return of Hong Kong by the UK. The UK had been governing Hong Kong under treaties that, in part, were coming to an end after a term of 99 years. The handover of Hong Kong to China was ultimately agreed between Margaret Thatcher and Deng Xiaoping and took place in 1997.

In the run up to 1997, many of Hong Kong's wealth-owning families began restructuring their businesses in view of perceived political risks and sought second (and third and fourth) citizenships and places of alternative residence. My work changed from being work for companies on their tax affairs to work for the owners of companies looking more comprehensively at their situation, mixing in issues of political risk and asset protection with tax exposures in the USA and elsewhere particularly those associated with cross-border investment and new residences and citizenships. Many of the wealth owners

in Hong Kong came from families who had fled China on the arrival of the communists and who suffered the expropriation of their businesses and many other similar setbacks and challenges. They were not about to let themselves lose everything again.

My work with families in relation to their personal and business assets, and the protection of wealth, led to me working with the wealth-management industry – the providers of asset-management services, trusts, and other “tools” of wealth planning. Something I learned early on is that the industry all too often does not meet the comprehensive needs of the clients it serves. This led to me becoming active in training and education within the industry, and working on strategy for private banks and others interested in greater alignment with the needs of their clients. But overall, I was working in a major growth industry that was – to me – surprisingly chaotic (and often unethical) in its management and delivery of services.

In the mid-1990s, I moved to Switzerland, where I spent 15 years working with private banks, trust and insurance companies, and the global families that use their services. With young children, we were looking for a clean place to live in light of the growing pollution in Hong Kong. A partner of an international law firm, I had the opportunity to look at a map and broadly choose where I wanted to spend the next years of my career. We arrived in Zurich, and found the clean place we were looking for – air that was broadly unpolluted, a lake that could be swum in, and a population surprisingly obsessed with cleanliness. One of our many challenges in adapting to Switzerland related to the complexities of throwing out garbage, navigating a system that combined charges for unsorted waste and the encouragement of free recycling.

But while Zurich and Switzerland were certainly clean places, this was pretty much only from the point of view of the environment. While I was not naïve when arriving in Switzerland, I was still shocked at the unclean nature of the Swiss financial center and, in particular, its wealth-management industry. Now forced to change, the Swiss were, to me, clearly abusing their role as global champions of privacy, ignoring the real needs of their clients, which in my view include ensuring that families “play by the rules” of their home countries of residence and investment – including the tax rules of those countries. While tax evasion is a global problem, and the role of the wealth-management industry in facilitating tax evasion is and was by no means limited to Switzerland, I believe that Switzerland,

as the dominant player in the wealth-management industry, had the opportunity to take leadership in addressing the issue. Instead, Switzerland and many other offshore banking centers misled their clients into believing that secrecy could be the solution to all problems.

Today, things are changing. Not only in Switzerland, where tax compliance and transparency are at the top of the agenda in the wealth-management industry, but around the world. Data leaks, most recently in Panama, have contributed to change, but the shift from an opaque world to one that is increasingly transparent will take time, and the road for many wealth owners will be a rocky one. Switzerland failed to take the global lead it could have on the issues of undeclared money, and today there remain, surprisingly, financial centers that continue to mislead families into thinking that hiding money is good financial planning. The USA is a particularly egregious offender, particularly given the way it has sought to protect its own tax revenues through aggressive attacks on Switzerland and others, while preserving the ability of its banks and corporate service providers to market secrecy over substance.

To compound these problems, in my experience, too many families have failed to understand their own planning needs and the conflicts of interest their advisors and banks have. Many of the families I have come across have neglected to focus on the critical issue of succession – in part due to an obsession with secrecy and an over-emphasis on tax exposures. Tax enforcement is a new reality, with many developments that are quickly changing the ways of the past. Notwithstanding these changes, I continue to have a real concern that families do not put enough emphasis on the key question or issue that they need to address – will wealth destroy their family?

In the 1980s a common line of thinking among my clients and friends was that things were different for Chinese families. I was told that I did not understand that the Chinese were close and loving families, where succession would never be something that would have a detrimental impact on family and relationships. This was in direct contrast to litigious Westerners lacking the respect for the older generation that the Chinese were innately meant to have. I later ran across Latin American families professing similar beliefs, this time on a theme of love and devotion (and music) that made them different. The sad reality, proven over and over by the many disastrous fights

among Asian, Latin American, Middle Eastern, and other families of late, is that *all* families are the same – the children, holding hands, arrive at their parents' home for dinners and lunches, and after the passing of their parents all too often end up enriching the lawyers who are all too often happy to fuel the flames in disputes over murky succession arrangements left by the older generation.

There is no question that religious and cultural issues impact how families work as well as the succession process itself. But no family is immune to the dangers that wealth can generate, or the relatively new issues associated with all of us living longer and the succession changes that result because of changes in the demographic patterns. If Mom or Dad lives to 105, does that mean that I inherit when I am 80? And what of the growing incidence of dementia and all the problems that come with it?

Are these only problems of the “wealthy?” For me, the answer is no – all wealth owners, meaning anyone who owns anything of value that may pass to the next generation or to others, have the potential to destroy their families through a poorly planned or ambiguous succession process. In fact, families who have relatively little in the way of assets have a particular responsibility to ensure that what they have and hope to use to enhance the lives of the next generation does not end up in the wrong hands or result in the destruction of family relationships.

Who really is wealthy is, in any case, a very subjective thing – what is a fortune to one person may be a pittance to another. And there is a sad reality that human nature seems to make people think they always need more than they have to really be “rich.” In the end, we do need money to survive, but how much is ever enough? Does wealth really create happiness? Or does it too often result in deep unhappiness and regret?

Perhaps the comedian Spike Milligan was right in saying *money can't buy you happiness... but it does bring you a more pleasant form of misery*. I actually think that he was too optimistic.

Acknowledgments

I have many to thank for help in writing this book, and have to acknowledge the outstanding support I received from a number of friends and colleagues. A surprising number of people took the time to read an advance review copy of the book, and I received many, many helpful comments.

The errors and judgements that I have made are, of course, my own responsibility, and I take particular ownership of the strong negative views I have of certain financial centers and of those who have led the wealth-management industry and its clients down a dark, dangerous path more about secrecy than understanding and meeting client needs. I believe that wealth-owning families have been let down by a business which has been too easily distracted by short-term, easy profits. These views are my own, and I take full responsibility for them.

I was fortunate in my career to have had the opportunity to work with families from around the world and, in my teaching, with students from around the world. I learned much from these experiences, and continue to do so. I was also fortunate to work with many advisors and regulators who not only share my vision of what wealth owners and the communities to which they are connected really need, but who are also leaders of change on many fronts. Sadly, the “stars” in the wealth-management industry and in the leadership of key financial centers are few and far between, but they do exist, and I have been fortunate to work with a number of them.

Pascal Saint-Amans, the Director of Tax Policy and Administration at the OECD, and his predecessor, Jeffrey Owens, were visionaries who generously supported my work in helping to address issues around undeclared funds, leading to the Liechtenstein Disclosure Facility and related arrangements between Liechtenstein and the UK. With the help of a very talented colleague, Lyubomir Georgiev, we, together with a number of others, were able to achieve what I believe was an example of what was needed at the time, but which received

massive resistance from financial centers, law and accounting firms, and private banks and trust companies seeking to preserve the past. I think they regret this, as do many of the wealth-owning families connected to countries other than the UK, who would have benefitted from what was achieved – a confidential and sympathetic approach to moving from an opaque past to a transparent future. The arrangements would not have worked without the huge efforts of Andy Cole, former Director of Specialist Investigations for Her Majesty's Revenue and Customs. Now retired, Andy, a good friend, was appointed by the then Chairman of HMRC, Dave Hartnett, to negotiate the arrangements on behalf of the UK.

I received considerable input to my book, and I thank all those who took the time to share their thoughts. I have particularly to thank Stefan Liniger for his support and detailed comments. Stefan was a strong defender of Switzerland in his comments to me, and while only mildly successful in his efforts to have me tone down my criticism of Switzerland, Stefan shares with me a passion for excellence and a strong belief that Switzerland will rebuild its ability to be a long-term and respected safe haven for global families. Britta Pfister wore green eyeshades when reading my book, and not only provided important comments, but also line-by-line corrections that were much needed and appreciated. My good friend and colleague of decades, Paul Stibbard, provided not only detailed comments – correcting my English (and I very much trust his!) – but also important input on many aspects of my book and particularly my references to Islamic law, one of the many areas of his deep expertise.

Michael Morley was most helpful and supportive in his comments, and for years was one of the few leaders in the industry who I believe really understood what wealth management is about. Stephen Atkinson, Jurgen Vanhoenacker, Anthonia Hui, Leo Drago, Maurice Machenbaum, Amaury Jordan, Tom McCullough, and many others were also most helpful and generous in sharing their thoughts.

I also thank Annie Chen for her years of patient support and insight over martinis and otherwise, Lisbet Rausing for sharing her views over pancakes she made for me in London, and Michael Olesnick, Jeff VanderWolk, and Richard Weisman for their input and friendship. Professors Joseph Fan of the Chinese University of Hong Kong, S.F. Wong of the University of Hong Kong, and Roger King of the Hong Kong University of Science and Technology were all of support and influence, along with many, many others.

I have been fortunate to work with John Wiley & Sons in relation to the publication of this book, and particularly want to thank Thomas Hyrkiel and Jeremy Chia for their professionalism and support.

Finally, my love and thanks go to my wife, Peggy, for her insights and consistent disagreement with almost everything I say.