Jersey is fast becoming the number one choice for South African Wealth Managers

Thanks to a forward-thinking approach, Jersey is at the forefront of banking, wealth management, funds and capital markets. At the heart of Jersey's international appeal is its enduring political and economic stability. In this environment, it has developed an offering that balances product innovation alongside high standards of regulation, world class legislation and a depth and breadth of expertise. This sets Jersey apart from other jurisdictions, particularly in wealth management servicing South African ultra high net worth families and individuals.

Set in the sparkling Channel seas, and boasting history, culture, natural beauty and sophisticated urban life, Jersey is to many a true island paradise. But while an evening on the St Helier seafront, surrounded by the cosmopolitan bustle and snatches of conversation in French and English – Jersey's two official languages – is enough to convince anybody of the island's charms, it's not just the lifestyle that brings Africans to its shores.

Through a quirk of medieval history, Jersey enjoys the status of a British Crown dependency. This gives the island a tight political and economic relationship with the UK alongside the freedom to set its own laws. The result is a comprehensive and rigorous, though investor-friendly regime which, when combined with its long-standing trade and cultural exchange with continental Europe, gives a unique mix of stability, flexibility and proximity that has been the basis of a highly competitive and dynamic financial services industry.

"Here in Jersey we are proud of our long-standing reputation as a specialist centre for supporting wealth management in South Africa"

Allan Wood, Jersey Finance

In the age of globalisation, Jersey has developed leading expertise in the profitable conduct of complex, international financial affairs. As Africa's capital markets deepen amidst unprecedented domestic expansion and rapid increases in international inflows, an emerging cast of internationally mobile high-net-worth individuals and families are discovering these benefits. In 2014, Jersey supported over £15 billion in deployed capital across Kenya, Uganda, South Africa and Egypt, whilst acting as the ideal base for Africans to access financial markets in the UK and EU. On the personal side, there is £1.14 trillion in trusts and asset holding vehicles administered in Jersey and over a thousand members of the Society of Trust and Estate Practitioners (STEP).

Jersey is a true international financial centre; a 'goldilocks' pound economy. With expertise and frameworks covering all aspects of the wealth management process, it offers a stable, tax- and cost-effective home for African wealth in a world that becomes more uncertain by the day.

Angus Chapman/ Jersey Finance

Jersey, first for South African Wealth Management

Allan Wood, Global Head of Business Development, Jersey Finance

As Africa becomes increasingly economically and politically strategic in our fast changing world, the unbounded opportunities on the continent have led to increased prosperity and wealth. This is particularly so for South Africa, which is a key hub for the opportunities on the continent, with its deep financial services sector and developed city infrastructure and air links.

Here in Jersey, we are proud of our long-standing relationship with South Africa. Over the past 30 years we have been helping ultra high net worth families diversify their investments, to ensure capital preservation and effective estate and succession planning. We are a specialist centre for supporting wealth management in South Africa, and also find that many South Africans who are internationally mobile have also made a home in Jersey.

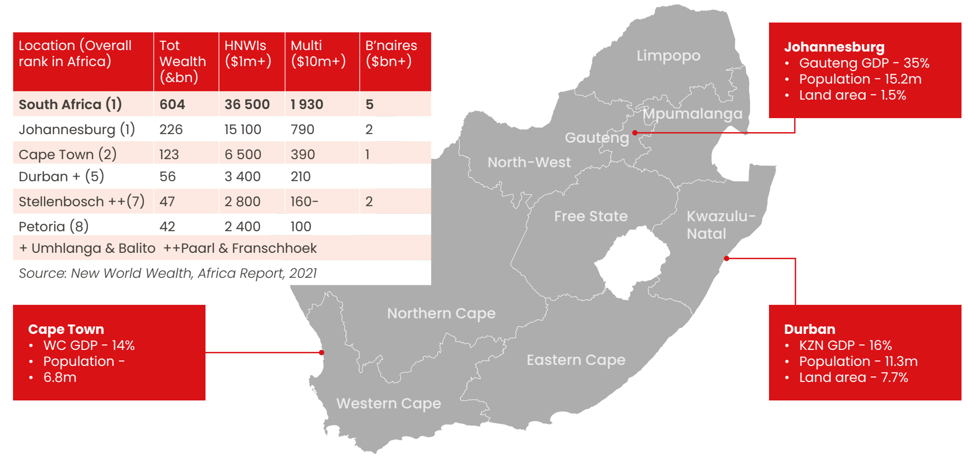
We are seeing more and more that as people become more prosperous, they want to give back. Our recent work complements the increased emphasis on sustainable and impact investing, and we have specialist expertise in philanthropy and environmental social and governance (ESG) frameworks. Further, our recent global value chains research report shows that Jersey's deep financial services expertise, its respected regulatory framework and its robust legal system mean that our Island is a key location for pooling capital and for facilitating international trade and economic activity. Jersey's global economic footprint and its contribution to global value chains (GVCs) supported £170.3 billion of global GDP on average each year during the period studied, of which £6bn flowed to Africa. I am positive that we will see an increase in such activity and a continued strengthening in our relationships in South Africa and the wider continent.

Overview of South African wealth: **Trends and data**

Where South Africa's wealthy live

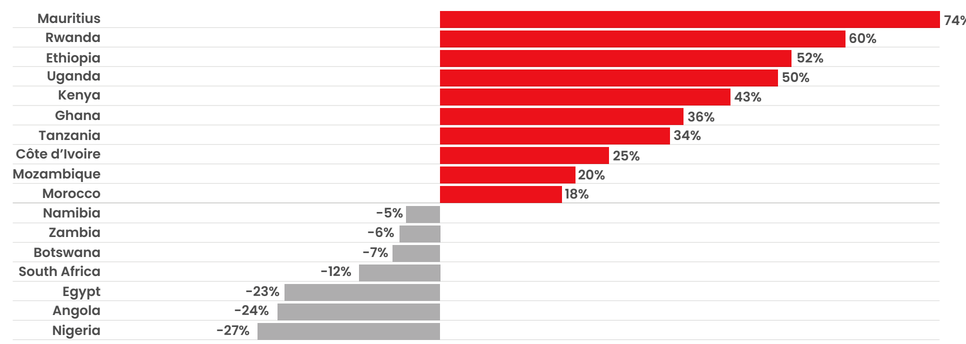
Location (Overall rank in Africa)	Tot Wealth (&bn)	HNWIs ($1m+)	Multi ($10m+)	B'naires ($bn+)
South Africa (1)	**604**	**36 500**	**1 930**	**5**
Johannesburg (1)	226	15 100	790	2
Cape Town (2)	123	6 500	390	1
Durban + (5)	56	3 400	210	
Stellenbosch ++(7)	47	2 800	160-	2
Petoria (8)	42	2 400	100	
+ Umhlanga & Balito ++Paarl & Franschhoek				

Source: New World Wealth, Africa Report, 2021



10-year growth rate of total wealthy in Africa

Source: New World Wealth



Vast natural resources, sophisticated high-tech industries and swelling domestic demand in vibrant urban centres combine to make Africa an increasingly wealthy continent. But underneath this headline runs currents of complexity. In Africa, geographical and sectoral inequities abound, and wealth accumulation remains at the mercy of volatile headwinds.

As of December 2020 – well into the COVID-19 pandemic, New World Wealth estimated that Africans held approximately US$2 trillion of total private wealth. This had fallen by 16 per cent over the past decade, but with signs of a rebound across 2021/22 as roaring financial markets inflated stock values. Wealth, as distinct from income, is a stock, not a flow. It measures the net assets of a person; the property, cash, equities and business interests that they control, minus any debts. Of this US$2 trillion, it was estimated that just over US$70 billion was controlled by Africa's 18 billionaires, with the remainder spread across a long tail of 125,000 high net worth individuals (HNWIs) who each hold at least US$1 million of wealth. And this is where it starts to get interesting.

Because wealth in Africa is extremely uneven. Of Africa's 54 countries, the 'big five' economies of South Africa, Egypt, Nigeria, Morocco and Kenya together account for over 50 per cent of all the wealth on the continent. Even amongst this group, South Africa has more than double the number of HNWIs than Egypt, the second wealthiest country, which in turn almost doubles the number in Nigeria, the third.

After these, wealth tails off very quickly, with the two least wealthy countries – Zambia and Rwanda – together home to just over 1000 individuals worth more than US$1 million from populations of 18 and 13 million respectively. At the regional level, it is more of the same. Johannesburg is by far the wealthiest city in Africa, with double the wealth of second-placed Cape Town and almost three times as many HNWIs. Of the ten wealthiest metropolitan areas in Africa, five are located in South Africa.

This, largely, is a sectoral story. While resources, materials and heavy industry may dominate at the acute end of the wealth spectrum – of the top five wealthiest people on Forbes' *African Billionaires* list for 2022, not one has made their money in services – it has long been recognised that the tertiary sector is the real driver of broad, consistent and sustainable growth in the 21st century global economy. Hence why South Africa, home to Africa's strongest corporate, financial and professional services industries, has such an overrepresentation of HNWIs compared to its peers.

Where the money flows, so do those services that make the wealthy their business. Unsurprisingly, South Africa dominates the African wealth management market, with more than half of Africa's US$140 managed billions booked inside its borders. So too with luxury goods, African demand for which was reported by *African Business* in 2020 to be the second-fastest growing in the world, after the Middle East. Of the 2000 Porsches sold in Africa each year, approximately 1200 are destined for South Africa.

In recent years, however, it has not all been smooth sailing. While boosting some exports, persistently weak currencies in the major economies have reduced the value of the equities and real estate that make up the majority of the portfolio of African HNWIs. Both the South African Rand and Egyptian Pound have been mired well below US$0.1 for over five years, while the Nigerian Naira has barely bought US$0.003 since mid-2016.

It is perhaps unsurprising, then, that greater quantities of financial wealth have moved offshore; as a hedge against these frictions. Recent estimates suggest that between 15 and 40 per cent of African wealth is held in overseas jurisdictions offering higher returns than are possible at home.

But it is not just financial conditions creating headwinds. New World Wealth report that safety and security are the number one concern for African HNWIs, pointing to substantial outbound flows of wealthy migrants toward nations like the UK, USA, Australia and Switzerland, known for their relatively low crime rates and stable institutions.

Angus Chapman

For investors who need a stable jurisdiction that offers certainty and stability, Jersey is a clear front-runner, says **Dr Rufaro Mucheka,** Business Development Consultant, Africa, Jersey Finance

The Jersey Proposition is growing in popularity for South African UHNWIs and South African wealth managers alike

Having worked in financial services for more than 21 years across Africa, I've noticed a growing interest from wealth management professionals seeking to diversify their client's investment portfolios and work with international finance centres (or IFCs), such as Jersey, to achieve this.

In Africa, "wealth isn't inherited, but made", and entrepreneurship is the most common route used by Africans to create wealth.

Interestingly, South African HNWIs share a common interest – the greatest portion of their estates are assigned to family. For them, it's clear they will seek the ability to build generational wealth which relies on the ability to both create it and protect it – ambitions experts in Jersey's IFC have delivered for private clients for more than 60 years, using structures such as trusts and foundations to manage, protect and grow assets. In fact, Jersey's asset holding and trusts sector is by far the largest on-Island in terms of assets; £1.14 trillion of capital is administered by Jersey firms.

Unsurprisingly, the political environment is a significant risk to wealth preservation for South African HNWIs, which can be seen as a good reason to explore offshore solutions to bolster and diversify their investment portfolios - allowing investors to benefit from a broader, global universe beyond what the South African market offers. Looking offshore can expand investment opportunities in long-term growth sectors, such as technology.

More so, diversifying helps to both optimise and decrease the risk of a portfolio. Diversification across nations, sectors and businesses, as well as asset classes and currencies, is a key advantage of offshore investment.

When considering the next generation of South African HNW families - with children who live beyond one 'home' jurisdiction - there's an even stronger case for investors to seek offshore structuring solutions. Structures such as trusts can pool and secure wealth for future generations and investors will need a stable jurisdiction that offers certainty and stability to achieve this ambition. Jersey's IFC is a clear front-runner in this instance. The ecosystem of expertise, consisting of more than 13,600 financial services professionals experienced in providing private client services and with more than 40 firms already working with African clients.

Connect with Dr Rufaro Muchecka at Jsy.fi/rufaro

SA: Total wealth and HNWI figures

Year	Total wealth (US$bn)	HNWIs (US$1m+)
2021	651	39,300
2020	604	36,500
2019	636	38,400
2018	649	39,200
2017	722	43,600
2016	665	40,400
2015	633	38,500
2014	770	46,800
2013	773	46,900
2012	795	48,200
2011	739	44,800

Note: HNWI numbers rounded to nearest 100. Includes only people living in country (residents). Figures for year end. Source: New World Wealth

Stonehage Fleming: Relocation case study

Our Family Office in South Africa assisted a South African UHNWI, Stefan* and his family relocate to the UK. The UK was deemed well-positioned geographically, offered political and economic stability and a flexible 'non-domiciled' individual tax regime.

Stonehage Fleming Law and the Family Office team, conducted a strategic review to assess Stefan's existing global structures, related reporting and disclosure requirements.

They also conducted a review of all Stefan's existing business roles and directorships to assess how becoming a UK tax resident would affect such positions. Where applicable, employment vehicles were created to facilitate the continuity of his positions.

Outcomes (to date)

Stonehage Fleming Law advised Stefan on the legal and tax aspects of his re-location to the UK and prepared a preimmigration tax plan to take full advantage of 'remittance planning'.

Our Family Office team in London supported the family with all the relocation logistics. They set up both UK and offshore bank accounts, arranged medical insurance policies, a medical concierge for the family and arranged the purchase of a car.

Our London-based residential property advisory team shortlisted a selection of rental properties for the family, negotiated the rental tenancy and sourced furnishings, utilities and a housekeeper in advance of their arrival.

** Please note, all Stonehage Fleming case studies have been carefully anonymised. Although scenarios are based on real life events they have been fictionalised and are an amalgamation of client experiences. All names, locations and occupations have been replaced with pseudonyms.*

Legal and regulatory technical developments

Offshore loans and a taxpayer's ongoing compliance obligations

by Jade Hansen and James Whitaker

South Africans continue to diversify their wealth by taking funds offshore, often to tax neutral jurisdictions. Jersey remains a top location due to the comprehensive regulatory environment and the significant number of South African financial institutions with offices there. While there are significant benefits to investing in an offshore jurisdiction, individuals must remain cognisant of the reporting requirements in the country in which they are tax resident.

In terms of South African transfer pricing provisions, where a loan is made by a South African tax resident individual to an offshore connected person (such as a family trust) interest must be charged on the loan at a market rate to avoid the deeming of income and donations. Individuals are therefore often advised to charge interest at the market rate. However, reporting the interest accrued on the loan in tax returns is not the only ongoing tax compliance requirement arising from the loan. The interest rate charged on the offshore loan must also be reviewed regularly to ensure that the rates remain at market value and that the loan continues to satisfy the arm's length requirement. As central banks have indicated that they are beginning a series of interest rate hikes, individuals should consider whether investment returns will be sufficient to cover an increased tax liability arising from an offshore loan.

This is one of many factors that must be considered relating to offshore structures in South Africa. Given each person's unique circumstances, we encourage individuals to seek professional advice to ensure that they are fully compliant.

While there are significant benefits to investing in an offshore jurisdiction, individuals must remain cognisant of the reporting requirements in the country in which they are tax resident.

Succession planning trust case study by Equiom

Situation

A Jersey trust, established some time ago, where the settlor is no longer living, provides for the benefit of successive generations of a family. The main trust asset is a large equity stake in a listed UK company, together with several smaller discretionary portfolios. The beneficiaries of the main trust are three separate trusts which were established for the benefit of three different branches of the family, all of whom live and work in South Africa.

Challenge

Given that this is a Jersey trust, it is fundamentally important that the place of effective management and control ("POEM") of the offshore trust, always remains in Jersey. This means all trustee meetings, decisions, record keeping, and trustee resolutions must be held and maintained by the trustee in Jersey. This also rings true for whatever jurisdiction the trust is established. Failure to meet this requirement as well as following blindly the instructions of the South African settlor/beneficiaries can result in a shift of POEM and as such, rendering the trust to being taxed in South Africa.

Other challenges that trustees face have been in relation to either loans/distributions or advancement of capital, some will require pre-authorisation by the Reserve Bank of South Africa before the transfer of funds. The trustee and beneficiary may then be faced with time consequences, should the funds be required for investment purposes meaning planning around funding is crucial and the trustees must understand the family dynamics and liquidity requirements. Challenges also arise in cases where divorcing couples are both beneficiaries of a trust. The trustee must always be impartial and ensure the demands of the divorcing beneficiaries, and those of the wider class of beneficiaries, are considered carefully. The thought process and external third party advice must be clearly documented before the advancement of capital.

Solution

The recent reform of the Republic of South Africa (RSA) exchange control rules, and the relaxation regarding the use of loop structures means that South African residents can now use funds or assets held in offshore structures to invest back into South Africa. The legislation is designed to encourage inward investment into South Africa and amendments to the Income Tax Act (ITA) have also been introduced to prevent the leakage arising from the relaxation of loop structures, so it's imperative that suitable tax advice is obtained.

Spotlight on family offices:

Fireside chat with Rob Hersov

The New World Wealth South Africa Wealth Report for 2020 identifies family offices as one of the fastest-growing segments of the wealth management market. Typically comprised of a lawyer, an investment specialist and an accountant, these offices allow a more customised wealth management offering for high-net-worth families, coordinating household, educational, philanthropic and intergenerational matters on top of the usual investment services.

Rob Hersov – the South African-born entrepreneur and investor with Chairman and deputy Chairman roles across Invest Africa, African Capital Investments, Vista-Jet and Adoreum Partners – is well aware of these benefits.

His grandfather founded one of South Africa's largest mining and industrial companies in the early 1930s, and his father – Basil Hersov – ran the business from 1973 until 2001. The scale, longevity and international complexity of the family's affairs means that the Hersovs have had a presence on Jersey for over forty years.

"There's nothing really like Jersey", he says. "Jersey is a league above everywhere else. Professional, organised, great institutions…well governed, transparent."

The location, for Rob, is a major plus. Being situated almost exactly in between London and Paris – with each financial centre within an hour's flight – means his Jersey office can manage the family's needs seamlessly across Africa, Europe, the United Kingdom and the rest of the world. But even more important than its geographical features are the quality of the Jersey offering itself; the stability, sophistication and effectiveness of its firms, frameworks and professionals that place the island in a league of its own amongst other international financial centres (IFCs).

"It's been established as an offshore regime…for a very long time. And it's existed within a very strict corporate governance and financial governance system, which is respectful of the other major international and financial institutions and sectors", he says. "In terms of stability, this is the most stable IFC."

"It would be quite rare for anyone in my family or even network to consider anywhere else."

Stonehage Fleming Case Study: Creating a structured approach to charitable giving

The Van Olst family's wealth was generated through the sale of a first generation business in the transport sector. The second generation have stewarded the proceeds successfully as financial professionals in the private equity space. They have a strong background in philanthropy.

The Van Olsts' Goals

- Develop a broader 'family office' style relationship, taking a holistic view across all assets, planning and implementing the smooth transfer of wealth to the next generation
- Simplify their investment portfolio and reduce reliance on personal relationships built over many years in the investment business
- Set up a charitable foundation to align their existing philanthropic activities and family values

Our recommendations

- Our Legal and Philanthropy teams helped the family plan their charitable giving, making suggestions as to giving in a systematic and thoughtful way
- Our Family Office teams in London and Jersey reviewed the Van Olsts' existing structures and made recommendations to maximise tax efficiency and meet their long-term needs
- Our Investment Management team sourced and evaluated external investment managers, made recommendations on transitioning legacy private equity exposures and sourced alternative investment options

Outcomes (to date)

- Establishment of four family trusts for which our Family Office team in London and Jersey act as fiduciaries and trustees
- Our Investment Management team now provide oversight as gatekeeper for the family's investment assets, amounting to c.£60 million, carrying out quarterly manager performance reviews negotiating all fees
- An ethically constrained portfolio directly invested in global equities was established for the eldest daughter alongside an income-oriented mandate to meet UK expenditure requirements
- Sophisticated, expert reports are generated for the client from multiple data sources to give a holistic overview of their portfolios - showing both lifestyle assets, including art and property and their investments against benchmarks
- Stonehage Fleming Law worked with the client to set up a charitable foundation for lifetime funding and to receive 10% of their wealth at death

Specialist services used
Family Office
Investment Management
Succession & Governance
Expert Fiduciary
Philanthropy
Private Equity
Expert Reporting

Jersey expertise in investing for sustainability and impact

Integrating ESG factors into offshore portfolios with Melville Douglas

Mbali Makhathini, Head of ESG (Environment, Social and Governance), Melville Douglas

Melville Douglas, a boutique investment management arm within the Standard Bank Group, offers bespoke portfolio management solutions to its investors. Through its positioning in Standard Bank, Melville Douglas enjoys the benefit of trading between domestic and global markets, allowing clients to take advantage of investment vehicles delivered by offshore Melville Douglas funds and Standard Bank Jersey offerings.

The integration of ESG into Melville Douglas' investment approach and philosophy has allowed for the screening and allocation of client's capital to quality companies and funds with a strong ESG underpin. This has proven to be of particular interest to high net-worth wealth individuals and families as it strategically places them in an opportune position to invest their capital in funds that will result in positive financial returns as well as positive environmental and social impacts. This means their capital can serve to do good as they ultimately drive investment away from business activities that pose inherent negative environmental and societal impacts, but rather towards those that have minimal negative and, in some cases, positive impacts.

Some of our high net-worth clients have expressed building a legacy is of utmost importance and ESG investing provides a unique way for them to make a meaningful contribution towards a sustainable future, a legacy they want to be remembered for.

Standard Bank investors enjoy the benefit of ESG and/or Sustainability linked offerings, including but not limited to the Responsible Diversified Portfolios managed in Standard Bank Jersey focused on investing in sustainable funds aligned to sustainable infrastructure, water and waste, carbon emissions and sustainable macro. More recently the Melville Douglas Global Impact Fund joined the market allocating investor capital to companies that have a measurable contribution to the sustainable development goals (SDG's).

However, ESG investing is not limited to driving personal fulfilment to investors who look to make a difference in the world, it also acts as a fundamental risk management tool that shields investors from financial loss. The COVID-19 pandemic painfully demonstrated this as global markets reared from the most severe market crash since the global financial crisis. Investors who invested in companies or funds with ESG alignment saw more resilience in their funds and a higher adaptability to change in the companies in which they invested.

COVID-19 reminded the world that ESG safeguards investors capital. This reinforced Melville Douglas and the broader Standard Bank Group's stance to continue upholding their responsibility and fiduciary duty to ensure investment processes are underpinned by the assessment of material financial and non-financial/ESG factors in order to yield sustainable, above-average returns on client's investments. Companies that focus on, and implement, robust ESG policies and practices are inherently better managed, and of higher quality, thereby delivering a better return outcome when included into an investment portfolio.

Investing for impact with Innovest Advisory

Jo McDonnell, Impact Lead

Innovest Advisory is a specialist impact advisor to investment funds and private asset allocators such as family offices, foundations and charitable trusts. Based in the Channel Islands and South Africa, Innovest provides services to private asset allocators who wish to become more intentional about impact via their philanthropy and investments.

Innovest supports clients to develop targeted impact strategies and frameworks across thematics ranging from financial inclusion to agribusiness and healthcare, and to climate change and environmental sustainability.

We are increasingly seeing private asset owners wanting to deploy their capital in alignment with their values.

Innovest has recently opened their South Africa office, driven by significant interest in impact strategies from South African fund managers, and a rapidly increasing focus on investing into Africa by global asset managers and private investors.

Over 70% of the clients of Innovest are seeking African investments that create positive social returns, alongside competitive financial returns. This is catalysed by the global transition from do no harm investing, to a focus on ESG investment and now impact investing. Michelle McMahon, an Innovest Partner based in Jersey, says "We are increasingly seeing private asset owners wanting to deploy their capital in alignment with their values … while still preserving their capital base, and in so doing multiply the impact of their philanthropic mission".

Jersey's financial services professionals see a bright future for Africa

'Africa is our home, we drive her growth," says Mo Baluchi, Senior Business Development Manager at Standard Bank and Chair of the Channel Islands Wealth Management Association. Mo is just one of over 13,600 financial services professionals in Jersey, working to serve African UHNW individuals in accordance with the latest trends, risks and opportunities on the continent.

"We are completely focused on delivering positive outcomes for the future of both South Africa and the wider continent," says Mo. "We actively source clients from within the continent and diaspora to provide solutions from within our main International Client Solution segments."

He continues: "Africa presents one of the greatest strategic opportunities in wealth management, both for firms that are committed to the continent and clients seeking sophisticated wealth planning and investment solutions that were previously inaccessible to them. [Professional bodies such as] Jersey Finance and the Channel Islands Wealth Management Association have played a major role increasing awareness of these opportunities and supporting member firms."

Amidst continued fiscal and political volatility in Africa, Mo's clients require careful and appropriately professional advice from highly regulated financial institutions and advisers in terms of both on and offshore solutions. "This," he says, "is what the Channel Islands has been providing for decades."

Dean Douglas knows this better than most. Having grown up in South Africa he has a strong understanding of how the culture and diversity of the country can be harnessed with Jersey's financial services expertise to drive success in global markets. As Director of Private Wealth at IQ-EQ he works with a huge range of assets on both Jersey and African continent, including property, quoted investment portfolios, private investment portfolios, alternative assets and luxury assets such as aircraft, supercars and classic collector cars. The key, says Dean, is to "combine global expertise with an unwavering focus on [local] client service delivery".

Lindsay Bateman continues this theme. As Head of Business Development at Brooks MacDonald, which presides over £17bn in FuM from offices in Jersey, Guernsey and the Isle of Man, he sees the importance of synergies between African expertise, flexible, client-facing service and a global investment footprint:

"It is no secret that the world is an increasingly uncertain place. One only has to look at the global pandemic or invasion of Ukraine to see that hard-earned assets can be at risk through political, social, economic or other macro factors. Investors are increasingly recognising the risks associated with investing within the "comfort zone" of one's home market, and South Africa is no exception".

He describes an approach based around the formation of partnerships with local, independent professionals, who can then introduce prospective African clients who are likely to benefit from a global investment solution. "The [South African] annual foreign capital allowance of up to R10m per private individual in good standing with the tax authorities is specifically designed to accommodate residents seeking high quality international diversification of wealth. By working with local advisors, prospective investors can be introduced to Brooks Macdonald International."

"Once introduced, we engage our investment specialists to develop an understanding of the client's investment return expectations and risk appetite, then an initial investment proposal is constructed. Once agreed, the new portfolio is established in private name; either via an offshore life wrapper or offshore discretionary trust as recommended by the client's local adviser. And once funded, both the advisor and client can be given online access to the portfolio, receiving quarterly full valuations, annual tax reporting and ongoing direct support from the islands."

Paul Douglas, Managing Director of the trust and fiduciary business Accuro, highlights the new sense of responsibility African UHNWIs are applying to their investments. "Our clients increasingly recognise the direct impact of environmental issues on their family, communities and assets," he says. "They have reflected and re-assessed their purpose by shifting to building a sustainable future for their children and grandchildren. This translates into their structures and investment strategies, and Accuro is assisting them in achieving that purpose."

Whether providing independent financial advice, structuring international portfolios or maximising investment outcomes in a net-zero world, Jersey's financial services professionals stand ready to assist.

Angus Chapman and Dr Desné Masie

South Africa and Jersey: **Enduring Connections**

South Africa and Jersey have a long history based on the ability of Jersey's firms and professionals to provide bespoke solutions to South Africans' complex investment needs. Michael Bull, Executive Director of Quilter Cheviot, highlights how Jersey's connectivity and service provides considerable benefits to South African clients seeking to structure across multiple jurisdictions:

"Our global view, understanding of the varied, sometimes significant, challenges facing South Africans and knowledge built on years of experience provides a solid foundation for our clients."

He recounts the story of one of Quilter Cheviot's oldest clients, whose wealth is structured by a local trust company that is able to take a relaxed, partnership-based stance toward QC's role as the client's investment manager. This has built trust and understanding, which in turn allows the seamless transfer of wealth across generations, timezones and assets. QC have just overseen the transition of this client's wealth to the second generation of the family, and Michael describes the complex structuring that has made this transition so seamless.

"Whilst not all the beneficiaries still reside in South Africa, we and the trust company have been able to provide continuity of relationship to all parties. The original trust was split to form individual trusts for each of the beneficiaries, [with] each investment portfolio now looking at the individual needs of those connected to the connected structure. These clients, as with others, still have assets in South Africa, [but] diversification is key for their overall wealth planning, not only in terms of asset class but where the money is held and in which currency."

Standard Chartered Bank is another Jersey-based firm with extended links

"Our global view, understanding of the varied, sometimes significant, challenges facing South Africans and knowledge built on years of experience provides a solid foundation for our clients."

to South Africa stretching back over 160 years. Its experienced team of relationship managers, service managers and wealth specialists leverage Jersey's advantageous time zone to work across standard business hours in both South Africa and Jersey.

The South Africa-Jersey connection is often a family affair. While many African investors prioritise real estate assets, and South Africans are no different, Standard Chartered recently onboarded an existing client's son who was interested in diversifying on global markets in recognition of the growing trend of South African UHNWIs away from property investment. By helping him offshore, and diversifying his country and currency risk by providing access to an international portfolio denominated across major global currencies, the family's wealth is safe to grow for generations to come.

Angus Chapman and Dr Desné Masie

Alexander Forbes and Standard Bank collaborate in supporting global business

Corporate Case Study: *Savings Plans for Internationally Mobile Employees*

The Client: *Employers with employees who work across Africa.*

The Challenge: *Providing streamlined, flexible employee savings plans.*

The Solution: Alexander Forbes Offshore and Standard Bank Offshore Trust Company Jersey Limited provided a savings plan to employers in the African continent who have staff deployed around the globe.

A unique International Savings Plan, positioned as an alternative to traditional pension plans for internationally mobile employees, offers the client a more flexible savings solution than a pension plan.

Working with a well-known multinational company in North America who wants to support employees working in countries across Africa, the funds will be invested in a range of Alexander Forbes Investment funds within a lifestyle strategy, with the employer able to select a suitable retirement date for members.

The savings plan will operate under a Master Trust domiciled in Jersey, which is an investment vehicle that collectively manages pooled investments.

Results: At retirement or on leaving the company, members receive the value of their savings plan account. Contributions to the plan do not receive tax relief, however, there is no Jersey tax on the funds held in the members' savings account and no tax is deducted on benefits paid.

On the death of the member, the Trustees are guided by the 'Letter of Wishes' provided by the member. The savings plan complies with the requirements under Article 118D of the Income Tax (Jersey) Law 1961.