

## REDEFINING RESILIENCE

How family offices are adapting to global uncertainty and next-generation priorities



#### **Foreword**

The private wealth and family office landscape in 2025 continues to evolve in response to ongoing geopolitical instability and increasing regulatory complexities. Despite hopes that global uncertainty would ease after the key governmental elections held in 2024, including the US and UK, the opposite has proven to be true. These two events in particular have created seismic shifts in the PWFO environment as families seek jurisdictional security for the protection and transfer of their wealth.

As markets shift or buckle under the weight of global policies, private wealth clients are reassessing their wealth management plans more frequently than ever before. UHNWIs and families that have historically relied on family members or trusted advisors to manage their assets are looking at third parties to ensure robust governance. Increasingly, they are turning to multi-solution service providers to help them decide where to invest, reflecting the need for expert insights and operational experience to navigate today's uncertain business environment.

Tracing a path through these complexities is the latest edition of TMF Group's Global Business Complexity Index (GBCI), an annual report that offers a comprehensive overview of the challenges of establishing and operating businesses worldwide.

Based on 292 business indicators, the GBCI provides an in-depth analysis of the global and local complexities that impact the ease of doing business. These data points compile a global ranking of 79 jurisdictions. And as part of its analysis and corresponding survey, the annual report includes comprehensive questions directed at leading family offices and private wealth professionals in various jurisdictions, including the United States, the United Kingdom and Channel Islands, the Kingdom of Saudi Arabia, the United Arab Emirates, Singapore and Hong Kong, SAR.

This year's report found that geopolitical volatility, economic and political stability and regulatory shifts continue to add to the layers of complexity facing wealthy families. Additionally, a drive towards professionalising operations is significantly changing the way family offices do business, while the next generation's focus on philanthropy is creating a new roadmap for ethical investments.

This sub-report explores these factors in more detail, grouping them together as four key trends, and highlighting the need for industry professionals to understand and adapt to these complexities to successfully assist UHNW families in managing their wealth.

#### Tim Houghton

Global Head, Private Wealth and Family Offices, TMF Group





#### **Geopolitical volatility**

There is a trend towards families expanding into new markets due to the need for increased diversification and access to new market opportunities, which is partly driven by geopolitical concerns.

"The rise of trade tariffs in the US is impacting local private equity funds that rely on an international supply chain. This, in turn, is causing families to hedge their bets on new investments due to the long-term uncertainty the disruption creates." – Kim Tran, Business Development, Fund Services and Financial Clients, TMF Group

Diversification has become a key strategy for wealthy families in recent years, driven by the desire to spread risk and explore new opportunities across varied jurisdictions and industries. Geopolitical concerns have further underscored this trend, prompting families to seek stability and growth outside of traditional markets. For example, some are setting up operations in alternative locations, attracted by access to a wider pool of resources and new manufacturing opportunities in growing local economies.

There is a significant increase in families asking service providers to explore the strengths and weaknesses of multiple jurisdictions before deciding where to invest, indicating broader concerns driven by geopolitical instability. Service providers with a diversified business model and wider geographic footprint are the ones most likely to benefit from this.

Additionally, there is an appetite to expand into different industry sectors, not only to hedge against concentration risk, but also in recognition of advancements in new technology. This diversification is more often outside of their original fields of expertise. Families who have traditionally invested in real estate and the energy sector, for example, are now venturing into more innovative industries like AI, often in new markets, to manage their risk profile and capitalise on new growth opportunities.

### Stability and regulatory shifts

Stability (economic and political), the regulatory environment and legislation are key considerations when choosing a jurisdiction in which to invest or establish a presence.

Economic and political stability are paramount when family offices consider the jurisdictions they want to invest in and operate from. The regulatory landscape and legislative framework play crucial roles in this decision-making process, as family offices seek environments that can offer secure and efficient operations.

For example, recent changes in the UK following the 2024 election included the phasing out of the current 'non-domicile' scheme on top of an increase in National Insurance contributions which have combined to drive some families to relocate both their business and family residence. Several jurisdictions have benefited from this outflow by offering favourable conditions for these moves, such as the UAE, Portugal and Italy.

In the US, geopolitical uncertainty, including the ongoing negotiations of global trade tariffs, has prompted UHNW families to consider diversifying their investments internationally, exploring options to mitigate risks associated with local socio-political dynamics.

"Overall, the UK's Foreign Income and Gains (FIG) regime makes it less attractive to long-term investors, but short-term visitors will benefit from gains for the first four years of their tax residency. While there have been many headlines around the number of non-domiciles leaving the UK, it is important to note that there are other reasons for this besides the new tax regime, including completed work secondments and/or retirement." – Rachael Adcock, Head of Private Wealth & Family Office UK, TMF Group

There is a range of considerations for businesses supporting UHNW families when choosing the best jurisdiction to establish a presence. Some jurisdictions have clear objectives for attracting foreign direct investment (FDI), an example being the Kingdom of Saudi Arabia (KSA), which is creating an attractive environment conducive to business. KSA's substantial domestic economy and efforts to build an international business hub are proving attractive for professional advisors working with family offices. In the APAC region, Singapore and Hong Kong, SAR are working hard to position themselves as key locations for family offices by offering incentives to set up or relocate.

There is a perception that Hong Kong, SAR's attractiveness is waning due to political uncertainties, but this has not played out as yet, as clients continue to see culture, language capabilities and local expertise as increasingly important reasons to maintain a presence in the territory. Singapore continues to be a credible alternative due to its stability and established business connectivity, although the strict regulatory regime can be challenging for new entrants.

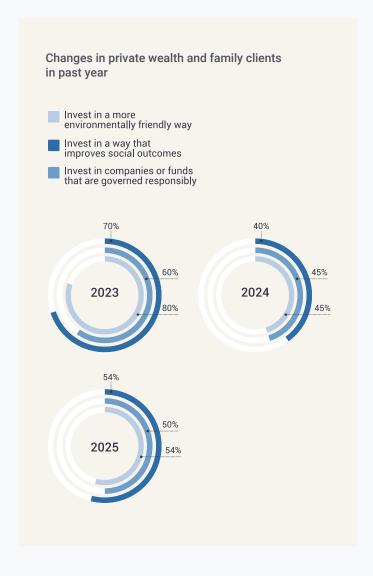
Although it is still very much a part of the decision-making process for where to establish a presence, tax considerations are just one component driving the investment decisions. Other key factors, including regulatory simplicity, local talent availability, market potential and overall lifestyle, are gaining prominence in families' investment and relocation decisions.

"Stricter but clearer guidelines were introduced to maintain enhanced AML compliance and transparency, portraying Singapore as a safe place for HNWIs to invest and administer their assets. The tax incentives have been enhanced as well. Four years ago, Singapore introduced the VCC structure as an attractive investment vehicle and continues to work on making the framework more flexible. Additionally, Singapore has provided upskilling and re-skilling opportunities and continues to offer a highly skilled workforce in the PWFO space." – Ivy Choa, Market Head of Private Wealth NA and Global Entity Management, TMF Group

## Next generation wealth and ethical investing

The next generation continues to look for ethical investments and hands-on philanthropy, with ethical, socially focused and responsibly governed investments increasing this year.

"HNWIs continue to invest in UAE real estate as it is relatively affordable compared to other major cities, like London and New York. However, after several years of strong growth, the market is showing signs of moderation, a trend that investors should monitor closely." – Farida Azarioh, Market Head of Financial Services IMEA, TMF Group



A continuing trend in the PWFO sector is the next generation's focus on ethical investments and hands-on philanthropy. These are expected to drive a shift towards investments that are ethically sound, socially responsible and governed in a way that considers both environmental and wider sustainability.

"There is a growing trend of establishing charitable trusts in Asia as families bond over making a meaningful impact with their wealth. However, they are concerned about governance and getting the right talent on board to manage them."

– Ivy Choa, Market Head of Private Wealth NA and Global Entity Management, TMF Group

Currently around half of PWFO jurisdictions have seen an increase in ethical investments in the last year, similar to 2024, but lower than in 2023. As this new generation of wealth holders becomes more influential in the sector, there is continued interest in investments that produce a positive social impact, including renewable energy projects, technology that addresses climate change and sustainable agriculture. While historically there was concern that ethically focused investments would not see a comparable level of return, this view is changing as investments have seen improved returns in recent years.

There is also a growing inclination towards establishing and actively managing philanthropic ventures instead of traditional, passive charitable donations, as the younger generation wants to be personally involved, ensuring their contributions make a tangible difference.

## Professionalisation and diversification of family offices

PWFO clients are seeking professionalism, alongside knowledge and partnerships that support their diversification.

"As Saudi Arabia accelerates its transformation into a competitive finance hub, the effects are spilling over into the private wealth space. Family offices - both domestic and international - are increasingly drawn to the Kingdom's regulatory reforms, co-investment opportunities and rapidly growing pool of UHNWIs. The need for institutional-grade structuring, governance and cross-border solutions has never been more relevant." – Farida Azarioh, Market Head of Financial Services IMEA, TMF Group

PWFO clients are increasingly expecting higher levels of professionalism within their operations. In the past, families have often had a loose affiliation of trusted advisors - perhaps a family lawyer or long-standing investment advisor. They are increasingly seeking knowledgeable partners experienced in a range of activities who can support their ambitious diversification strategies, particularly in new or unfamiliar markets where external expertise is needed.

The desire for professional operations is resulting in some clients outsourcing core governance and compliance functions to ensure robustness in new markets. Family offices are leveraging professional services, helping to build sufficient infrastructure, tax reporting, compliance and local oversight. In addition, they are increasingly looking for opportunities for joint ventures with other families who have established expertise in targeted industries.

The need for a professional approach is underscored by the complexities around legislative variations and the requirement for local knowledge in tax and regulatory matters. Engaging experts in these areas not only mitigates risk but also positions family offices to seize new opportunities with confidence.



#### Middle East

PWFO investment strategies in the Middle East, particularly in the Kingdom of Saudi Arabia and the United Arab Emirates (UAE), are becoming more sophisticated. This evolution is driven by the professionalisation of family offices, which are hiring C-Suite staff to manage their investments more effectively.

As family offices seek to employ top talent, including CFOs, tax advisors and transaction lawyers, they must consider offering incentives and benefits to retain them.

Farida Azarioh, Market Head of Financial Services IMEA, TMF Group, says: "The fight for talent in KSA and the UAE is fierce. Family offices may need to consider developing increasingly appealing incentives for their C-suite hires - for example, plans that allow these executives to benefit directly from the success of the family office, ensuring that their rewards are closely tied to their contributions."

In terms of investment structures, foundations are still the most relevant in the region for private wealth, particularly in the field of local real estate, as families feel most confident in a foundation's ability to smoothly transfer assets from one generation to the next.

Despite increasing infrastructure challenges brought about by rapid economic growth, the UAE remains the leading financial hub in the Middle East. Meanwhile, Saudi Arabia is looking to position itself as a key financial centre, creating opportunities for new business investments. KSA features in the 2025 GBCI rankings for the second year, placing in the midfield of business complexity at 38th. The UAE has dropped to 39th, compared to 40th in 2024, due to rising regulatory complexity.

#### Asia Pacific (APAC)

Hong Kong, SAR and Singapore continue to be favoured jurisdictions for private wealth investments due to their political stability and ongoing economic growth. However, in recent years, the investment landscape in Hong Kong, SAR has increased in complexity. The extensive AML and KYC requirements imposed by international banks have created a significant administrative burden for PWFO clients. While the banks' primary objective is to mitigate risk, there remains a cultural gap in understanding the necessity of aligning with international standards and the compliance obligations that this entails.

Despite these regulatory challenges, Hong Kong, SAR's culture, language capabilities and access to international markets make it the preferred APAC jurisdiction for private wealth structuring. This is especially true for the Chinese market, where the economic boom is fostering growing affluence. Hong Kong, SAR remains a stable market for investments, which is reflected in its GBCI 2025 ranking of 76th – the fourth least complex region in which to do business. Meanwhile, Singapore's strong reputation and broader distribution strategy continue to attract international investment. The jurisdiction remains stable in the GBCI rankings at 48th, up one spot from 47th in 2024.

As family offices professionalise their operations, there is a rising demand in the APAC region for employees with knowledge of international markets and proven experience in managing charitable investments.

Ivy Choa, Market Head of Private Wealth NA and Global Entity Management, TMF Group, says: "Private wealth clients in Asia are especially focused on succession planning. This is driven by strong family values and the desire to transfer wealth with a purpose to the next generation. As families seek to cement their legacy, we're seeing an increase in charitable trusts to initiate these opportunities."

#### The Americas

Geopolitical uncertainty is the primary factor affecting private wealth investments in the North American region. Continuing trade tariffs have had a significant impact on private equity (PE) funds that rely on international supply chains, resulting in increased costs and operational challenges.

Despite ongoing market shifts, the US remains consistent in the GBCI 2025 rankings at 64th, up one spot from 63rd in 2024. In contrast, the Cayman Islands and British Virgin Islands remain stable within the top 10 least complex jurisdictions for doing business.

As economic stability plays a crucial role in fundraising for PE and hedge funds, this period of uncertainty in the US is causing investors to stockpile their cash, giving rise to complexities in fundraising and investment decisions. The fluctuating economy impacts the establishment of these funds and their ability to operate effectively, leading to reduced business activity.

Kim Tran, Business Development, Fund Services and Financial Clients, TMF Group, says: "The primary service supplied to family offices in the US is tailored accounting and reporting, which provides each family member with detailed financial information to create a clear understanding of their wealth and investments. There is a growing need for family offices to professionalise their operations."

Family offices in North America continue to focus on ethical investments and philanthropy, emphasising the desire of families to be associated with impactful and sustainable investments.

#### **UK & Channel Islands**

The UK and Jersey have historically attracted private wealth investments from across the world, given their wide international appeal and relatively straightforward regulatory environment, making them an ideal base for families looking to diversify their international investments. This is evidenced by their GBCI 2025 rankings, which see Jersey climbing up to 75th from 72nd and the UK placing 68th, just missing out on the top 10 least complex jurisdictions after ranking 73rd in 2024.

However, the post-election landscape has brought changes, with the UK abolishing its non-domicile scheme as of 6 April 2025. This has been replaced by the new tax residence-based Foreign Income and Gains (FIG) regime, which offers 100% relief on non-UK income and gains for new arrivals during their first four years of UK tax residency.

These tax changes have prompted some resident UHNWI to leave the UK and relocate their investments elsewhere. However, they have also created opportunities for new, shorter-term visitors. Previous UK tax resident individuals must be non-UK tax resident for 10 UK tax years before they can benefit from the FIG regime.

Additionally, changes to inheritance tax (IHT) relief on business and agricultural assets, effective from April 2026, and the pension IHT exemption, effective from April 2027, will significantly impact family businesses and HNWIs, necessitating a review of their succession and retirement planning.

As with other key jurisdictions, professionalisation is a key driver of change in the UK's PWFO landscape. Kim Luce, Client Director, Private Wealth, Global Entity Management, TMF Group, says: "There is a notable trend towards increased professionalism in family offices and more established structures, particularly in the Channel Islands, where support services for family offices are readily available. In the UK, easy access to talent and expertise makes it a popular jurisdiction for securely establishing multinational foundations and trusts."

Jersey has seen an increase in UHNWIs looking to establish a presence or relocate there for several reasons. Most notable are its business-friendly environment, strong infrastructure, tax neutrality, stability - both politically and economically - and connectivity to other major finance centres, along with access to a wide range of professionals.



## This year's 10 most complex jurisdictions

Jurisdiction	2025 ranking	
Greece (0)	_	1
France (0)	_	2
Mexico (-1)	$\uparrow$	3
Turkey (-2)	$\uparrow$	4
Colombia (+2)	$\downarrow$	5
Brazil (-1)	$\uparrow$	6
Italy (-1)	<b>↑</b>	7
Bolivia (+3)	$\downarrow$	8
Kazakhstan (-1)	$\uparrow$	9
China's Mainland (-1)	$\uparrow$	10

## This year's 10 least complex jurisdictions

Jurisdiction	2025	2025 ranking	
Czech Republic (+1)	$\downarrow$	70	
Curacao (-7)	$\uparrow$	71	
British Virgin Islands (+1)	$\downarrow$	72	
Jamaica (+3)	$\downarrow$	73	
The Netherlands (0)	_	74	
Jersey (+3)	$\downarrow$	75	
Hong Kong, SAR (0)	_	76	
New Zealand (+2)	$\downarrow$	77	
Denmark (+1)	$\downarrow$	78	
The Cayman Islands (0)		79	

#### **Summary**

The insights in this report align closely with the trends identified in the latest GBCI, particularly the continuing influence of geopolitics as the primary driver of decision-making at both individual and organisational levels. As market volatility increases, so does the trend toward diversification, with families looking to establish investments in more stable jurisdictions.

Other considerations for family offices expanding into new markets include economic and political stability, the regulatory and legislative framework and access to skilled professionals.

The next generation of investors continues to prioritise socially conscious and responsibly governed investment opportunities, reflecting the desire of UHNWIs and families to cement their legacy through philanthropic initiatives. Finally, the continued professionalisation of family offices is prompting a growing trend toward appointing professional executives or outsourced service providers to enhance operational efficiency in new markets.

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