TMF GROUP

Building a future-ready family wealth strategy

How wealthy families are navigating geopolitical uncertainty, global expansion and increasingly complex operating environments

Contents

Foreword

Wealthy families and family offices often share a common purpose: preserving and growing their wealth while protecting their legacy for future generations. No two families are the same, but many experience similar challenges. Whether navigating geopolitical uncertainty, expanding across borders or harnessing new technologies, today's families operate in an increasingly complex environment that demands both agility and careful planning.

To survive and thrive, family offices must evolve, embracing more flexible operating models, leveraging specialist expertise and remaining nimble in the face of change. Success depends on the ability to adapt with confidence as new risks and opportunities continue to emerge.

Winning against such complexity requires clarity and insight. TMF Group's annual Global Business Complexity Index (GBCI) is designed to provide both, offering a data-driven view of the challenges of establishing, operating and expanding businesses across the globe. This year's report explores the forces shaping a new era of cross-border business and the steps organisations are taking to remain resilient and competitive.

This white paper builds on the GBCI 2026, drawing on the perspectives of leading family office professionals to provide a deeper understanding of the trends and challenges impacting wealthy families today. It explores the strategies families are adopting to preserve wealth, while examining the regional nuances influencing families in the UK and Channel Islands, the Middle East, Latin America and Asia Pacific.

The findings reveal a sector in transition: families are increasingly making strategic moves to diversify across geographies, insuring themselves against local volatility and accessing new opportunities. A multi-jurisdictional approach helps families protect their interests by ensuring their operations are not dependent on one country alone.

International expansion brings new layers of complexity. As families expand across borders, they face an increasing number of regulatory and reporting requirements, making strong governance and coordinated support more important than ever.

The research also highlights a growing interest in AI and digital technologies, with family offices exploring how they can be employed to improve efficiency, support informed decision-making and streamline operations.

The challenges are significant, but so too are the opportunities. By understanding the headwinds shaping the global landscape, family offices can build resilience and safeguard their legacy for generations to come. We're pleased to share this essential white paper and trust it will offer the guidance and perspective needed to help you navigate the journey ahead.

Tim Houghton
Global Head, Private Wealth and Family Offices
TMF Group

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Family office trends 2026: global developments shaping private wealth and family office (PWFO) strategies

Geopolitics is driving diversification

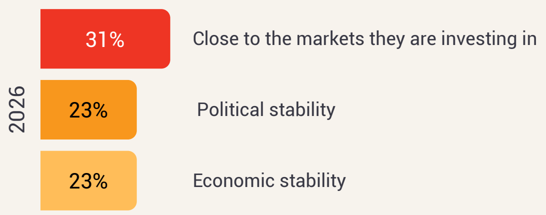
As geopolitical uncertainty persists, families are increasingly diversifying their investments, structures and operations across jurisdictions.

Wealthy families are increasingly using diversification as a key strategy to spread and, ultimately, minimise risk. By diversifying both into new industries and jurisdictions, they seek stability in a volatile and unpredictable geopolitical landscape. In the Middle East, for example, ongoing tensions are prompting some investors and wealthy families to diversify their investments across alternate jurisdictions and asset classes to reduce regional concentration risk.

Most wealthy families are not fully abandoning jurisdictions, with nearly a third (31%) remaining close to the markets they are investing in but expanding their operations further afield. Those who have chosen to fully relocate their offices away from jurisdictions they were dissatisfied with, such as the UK and US in reaction to their regulatory or political environment, have now completed these moves.

Those moving into new markets are often seeking political and economic stability. The shift away from a single/primary jurisdiction model provides the flexibility for families to shift their operations if something were to happen in one of the jurisdictions they are present in.

Reasons families choose jurisdictions



"Families are increasingly making strategic moves to diversify across geographies, insuring themselves against local volatility and accessing new opportunities." – Tim Houghton, Global Head, Private Wealth and Family Offices, TMF Group

Expansion is increasing complexity

International expansion is reshaping the operating environment for family offices, bringing greater regulatory scrutiny and more complex cross-border requirements.

For families and family offices, cross-border expansion can lead to increased operational complexity related to regulatory compliance differences across jurisdictions. For example, both Jersey and Guernsey have recently updated company and trust laws to modernise corporate frameworks and reduce the administrative burden. These changes require family offices to stay ahead of evolving legal and regulatory requirements. Meanwhile, in Hong Kong, SAR, family offices are preparing for the introduction of CRS 2.0 in 2028, which is expected to drive greater transparency and increase compliance obligations in the private wealth sector.

Cross-border operations introduce additional reporting and regulatory requirements, particularly if families expand into unfamiliar or more highly regulated markets. This adds layers of administration, increases the potential for error and sometimes creates ambiguity over the most appropriate compliance approach. The risks associated with not meeting obligations can be high, both reputationally and legally. PWFOs often engage with knowledgeable partners or local experts to ensure professionalism and reduce the risks associated with complex reporting and regulations.

In addition, the regulatory environment is evolving, with some regulators seeking to increase oversight of PWFOs that are primarily based in their jurisdiction but have operations in other jurisdictions. This ensures that overall compliance with regulatory requirements is maintained in their jurisdiction. The introduction of cross-border reporting or regulations would further increase complexity for family offices with global operations.

"CRS 2.0 will be a positive development for Hong Kong, SAR, strengthening transparency around client tax residency and driving a more robust, well-regulated industry." – Ivy Choa, Head of Private Wealth and Family Offices North Asia, TMF Group

Operating models are evolving

Family offices are evolving their operating models and talent strategies to meet the demands of a more complex and competitive environment.

The push for family office professionalisation continues, resulting in some outsourcing functions to ensure reliability. Others are exploring different family office models such as multifamily office arrangements, virtual family offices and co-investment opportunities. These models offer family offices resources or expertise in particular geographies, providing access to opportunities previously not available to them. It is expected that this trend will continue in coming years.

Acquiring and retaining talent is a growing focus, with family offices adopting more creative incentive plans to attract and retain talent. A number of jurisdictions are facilitating business ownership structures that support wider employee share ownership. For PWFOs in particular, there has been a move towards offering more equity-based incentives, tied to the performance of the family office, as opposed to salary-only packages.

These overall benefits packages are designed to be competitive in the market, compared to traditional private equity or asset management firms and aim to retain talent for longer periods, maintaining stability in key roles. Deferred shares, virtual shares and phantom shares are some of the approaches that family offices hope will align employees with their long-term family strategies. Unlike in the US and Europe, carried interest arrangements remain relatively uncommon in many family offices in the UAE and Asia, although other benefits can be offered to attract and retain talent.

"While carried interest and performance-based incentives remain limited in many UAE family offices, we are seeing a clear shift: the growing investment in HR and human capital functions signals a recognition that more structured and competitive incentive frameworks will be critical to attract and retain top talent." – Farida Azarioh, Market Head of Financial Services IMEA, TMF Group

Family offices are exploring AI and technology

The rise of AI and digital technologies is creating new opportunities for family offices to modernise operations and improve efficiency.

Family offices' interest in AI has increased significantly in the last year. While understanding and adoption have, to this point, been lower compared with larger organisations, family offices are exploring the potential benefits it can bring. AI is being considered to support the research stage ahead of investments or market entry, as well as for improving operational efficiency. For example, family offices in Jersey and Guernsey are increasingly exploring AI and digital tools to optimise workflows and modernise operations. In the UK, technology adoption and digitalisation across tax and compliance processes is moving at pace, including the recent Making Tax Digital (MTD) for Income Tax rollout.

As adoption grows, family offices are placing greater emphasis on governance, cybersecurity and risk management. Family offices are still exploring the best ways to use and implement AI in their organisations. They are actively collaborating and learning from each other about best practices in technology adoption, often sharing experiences openly due to the non-competitive nature of their operations. Predictably, the use of AI in family offices is expected to grow rapidly in the coming year. While the benefits may be clear, there are obvious risks associated with early adoption, both in terms of the validation of research and information sourced using AI and the potential privacy, data and cybersecurity risks. Family offices are keen to work with institutional partners who have adopted AI practices with strong controls and governance designed to mitigate these inherent risks.

"Regulated trust company businesses in Jersey are actively embracing AI as a strategic necessity, while recognising that this is a risk area that requires discipline. Jersey firms are already using or piloting AI to improve operational efficiency, streamline KYC/AML/due diligence processes and assist with risk and compliance analysis." – Kim Luce, Head of Private Wealth and Family Offices Jersey, TMF Group

Investment priorities are shifting

Investment strategies are changing, with private markets and ESG considerations becoming increasingly important.

Family offices are increasingly favouring private credit and direct investments, with families seeking better returns and greater control over their assets compared to traditional fund investments. Diversification is also a primary motivation for these investment shifts, with governments in some jurisdictions encouraging private investment due to high government debt levels.

At the same time, a generational transfer of wealth continues to influence investment priorities. Younger family members are more actively involved in decision-making and have increased the focus on sustainability and environmental, social and governance (ESG) standards in recent years.

Despite government policies in many jurisdictions having a reduced focus on ESG, for many PWFOs these considerations are now viewed as standard operating practice rather than just a trend, although the pressure on the energy market due to global supply chain challenges has driven families to soften their approach to ESG. This short-term issue is expected to dissipate over time and ESG will likely remain a key consideration as younger family members' influence continues to grow.

"Younger family members are more actively involved in decision-making and have been bringing an increased focus on sustainability and ESG standards in recent years, despite government policies in many jurisdictions having a reduced focus on ESG. For many PWFOs, sustainability and ESG are embedded in the standard operating practice and are expected to continue to be key considerations as younger family members' influence increases." – Rachael Adcock, Head of Private Wealth and Family Offices UK, TMF Group

Changes in private wealth and family clients in the past year

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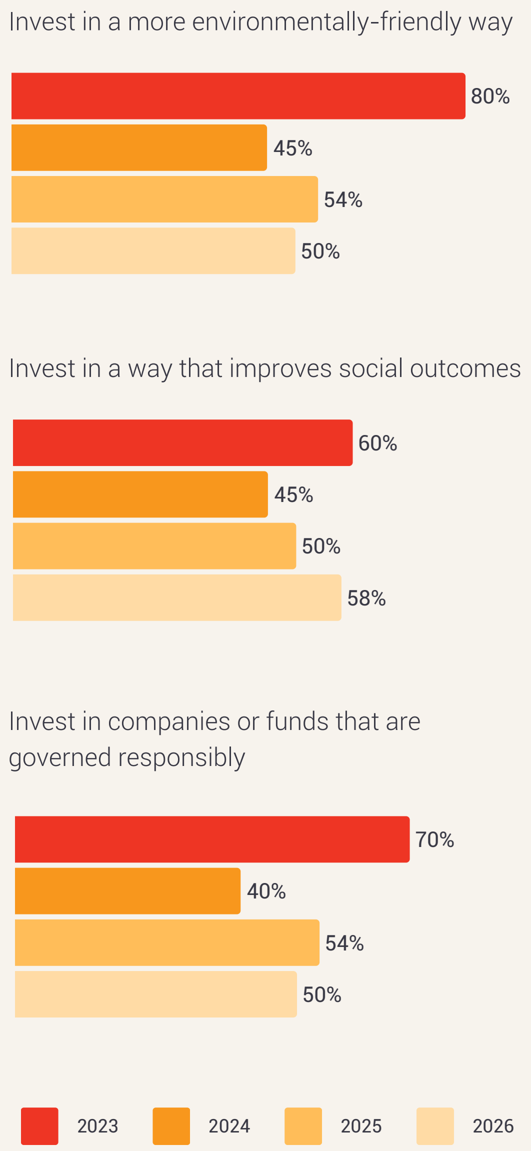


02

Spotlight on key PWFO regions

UK & Channel Islands: navigating an increasingly complex landscape

The regulatory environment continues to evolve at pace across the UK, Jersey and Guernsey, creating both challenges and opportunities for families. In contrast to last year, the focus has shifted from preparing for change to navigating the realities of a reconfigured regulatory landscape.

Several new measures have come into effect in the UK, including changes to business property relief and inheritance tax rules. The introduction of Making Tax Digital for Income Tax, a mandatory digital record-keeping regime that came into force in April 2026, is also increasing compliance requirements and impacting some taxpayers operationally.

The abolition of the non-UK domicile regime continues to shape mobility patterns, with some individuals exploring how to structure their tax affairs given they will no longer be entitled to the tax benefits their former non-UK domicile status afforded them. Others are waiting for greater certainty before making long-term decisions. Fiduciary structures remain vital, with growing interest in trusts and family investment companies as vehicles for succession and wealth planning. Despite these changes, the UK's business environment became slightly less complex over the past year, dropping one place to 69th in the GBCI 2026 rankings.

In Jersey, the pace of legislative and regulatory change has accelerated significantly over the past 18 months. The jurisdiction has amended company and trust laws to modernise governance and simplify administrative processes.

Jersey is firmly positioning itself as "open for business" following highly successful MONEYVALevaluations, reinforcing its reputation as a secure jurisdiction. AI and digital technologies are driving innovation across the financial services sector, with a focus on responsible adoption. Jersey dropped to 79th place in the GBCI 2026, making it the third least complex jurisdiction for foreign businesses.

Guernsey saw an increase in business complexity over the past year, moving up six places to 61st in the GBCI rankings. Guernsey's strong regulatory environment and well-established legal framework provide certainty for families, international businesses and investors alike.

Positive MONEYVAL assessment outcomes, updates to trust and company laws and enhancements to beneficial ownership frameworks have reinforced the jurisdiction's attractiveness to PWFO clients. Recent changes to Guernsey's Private Investment Fund regime, including the introduction of the Family PIF, have made the jurisdiction more accessible to family offices.

Helen Bougourd, Director, Trust and Corporate Services, TMF Group, says: "The Channel Islands continue to evolve in line with global best practice, while preserving the flexibility and discretion that international families require. For example, the introduction of the Family Private Investment Fund, with its much lighter regulatory burden, clearly demonstrates the commitment of the Guernsey Financial Services Commission to reducing regulatory barriers and enabling innovation in private wealth service provision."

Asia Pacific (APAC): unlocking growth amid regulatory change

Demand for PWFO structures is rising across the Asia Pacific region, amid increasing regulatory requirements and evolving client needs. Hong Kong, SAR, Singapore and Malaysia/Labuan each play critical roles in helping families navigate wealth preservation and succession planning.

In Hong Kong, SAR, the upcoming implementation of CRS 2.0 (the OECD's updated Common Reporting Standard) is expected to increase transparency in the private wealth sector, particularly around client tax residency. The number of family office setups in Hong Kong, SAR continues to grow, underscoring strong demand and confidence in the jurisdiction. Ivy Choa, Head of Private Wealth and Family Offices North Asia, TMF Group, says: "We are seeing continued demand, with a growing number of family offices being established in Hong Kong, SAR, which is a very encouraging sign for the market."

On 24 July 2026, China's Mainland issued detailed implementation rules for the taxation of offshore trusts held by Chinese tax residents. The new rules do not abolish offshore trusts or introduce a new trust tax. Rather, they clarify how existing individual income tax rules apply to offshore trusts. Offshore family trusts continue to play an important role in succession planning, asset protection and family governance and tax residents should seek professional advice to understand the implications of the new rules. Hong Kong, SAR ranked 78th in the GBCI 2026 and remains one of the least complex jurisdictions in which to do business.

Singapore remains a leading financial hub in Asia, particularly for South Asian clients. PWFO clients are seeking ongoing support beyond initial structuring, particularly in areas such as succession planning, wealth transfer, family constitutions and family office development. Client needs are becoming more sophisticated, with many opting for multi-jurisdictional solutions and deeper strategic advice rather than standalone services. Despite the positive momentum, Singapore became marginally more complex over the past year, moving up one place to 47th in the GBCI 2026.

In Malaysia and Labuan, the relaxation of rules governing Malaysian assets within Labuan trusts and foundations has made these structures more attractive, combining access to Malaysian assets with the advantages of the Labuan tax regime. Interest in family office structures is increasing among self-made wealthy individuals and families focused on succession planning, though many are at an early stage in their journeys.

Labuan offers a cost-effective, flexible structure that can be self-managed, while Malaysia's mix of onshore and offshore capabilities makes it an attractive choice for wealth planning. Malaysia ranked 28th in the GBCI 2026, reflecting a recovery from last year's 25th place.

Middle East: wealth preservation remains a key priority

The Middle East, led by markets such as the UAE and Saudi Arabia, remains a leading destination for private wealth and family offices, despite its complex regulatory landscape. At the same time, geopolitical risk continues to influence wealth management decisions across the region, prompting families to diversify assets across global wealth centres.

In the UAE, recent reforms, including the introduction of mandatory corporate tax, enhanced AML requirements and greater transparency obligations have increased compliance demands. Additionally, evolving reporting requirements, global tax developments and e-invoicing initiatives are encouraging family offices to strengthen governance and operational frameworks. This increasing complexity is reflected in the UAE's GBCI 2026 ranking, where the country moved up 21 places to 18th position.

Even with these changes, the UAE has emerged as a compelling destination for private wealth due to its favourable tax regime, strong governance structures and removal from the FATF grey list. As a result, demand for sophisticated structuring, succession planning and family office solutions remains strong. Farida Azarioh, Market Head of Financial Services IMEA, TMF Group, says: "Across the Middle East, family offices are navigating a more complex operating environment, but the fundamentals remain highly attractive. The UAE continues to stand out as a destination for private wealth, offering strong governance frameworks, sophisticated structuring options and access to global wealth centres. For families looking to preserve wealth across generations, the priority is no longer simply where to establish a structure, but how to build one that is resilient, compliant and adaptable in a changing world."

Abu Dhabi is playing an increasingly prominent role in the region's private wealth and family office landscape. Through the Abu Dhabi Global Market (ADGM), which offers a sophisticated legal and regulatory framework, the emirate is attracting internationally mobile families seeking stability and long-term growth.

Established under the legal frameworks of international finance centres such as the ADGM and the Dubai International Financial Centre (DIFC), UAE foundations offer a flexible and effective way to hold and manage wealth. They are widely used for succession planning, ownership of cross-border assets and philanthropic activities, making them a popular choice for international families.

In Saudi Arabia, stronger governance and succession planning frameworks, along with economic reforms, are attracting ultra-high-net-worth families and supporting family office growth. Family businesses play a major role in Saudi Arabia's economy, accounting for nearly 60% of the private sector's contribution to the economy while supporting GDP growth, employment and social development.

To remain competitive, many Saudi family businesses are diversifying into new sectors and adopting digital technologies. Supported by Saudi Arabia's Vision 2030 initiative, families are increasingly investing beyond oil in areas such as technology, tourism, renewable energy and financial services. Saudi Arabia ranked 40th in the GBCI 2026, a two-place improvement from 2025.

Latin America: economic and political uncertainties are reshaping wealth structuring

Across Latin America, regulatory reform and political transitions are influencing how wealthy families structure and protect their assets. Evolving tax, transparency and regulatory requirements in countries such as Brazil, Colombia, Mexico, Panama and Uruguay are creating a complex environment that requires careful navigation.

Brazil has reintroduced a tax on dividend distributions for the first time since 1996 – as of 1 January 2026, a 10% withholding tax will be applied on all dividends paid to non-resident shareholders. With an election scheduled for October 2026, some families and investors may be prompted to review existing structures. Brazil moved from 6th to 3rd in this year's GBCI rankings, reflecting rising regulatory complexity despite ongoing digitalisation efforts.

In Colombia, political change is influencing wealth planning decisions. Capital outflows have risen amid political shifts and further tax reforms are expected under the new government. Colombia ranked 6th in the GBCI 2026, a slight improvement from 5th place in 2025. It remains a complex jurisdiction to do business, due to ongoing regulatory, tax, labour and compliance challenges.

Mexico is moving towards digitalising incorporation and corporate tasks, but a physical presence and wet ink signatures are still required for many procedures, meaning overall progress may be inconsistent. Mexico moved into 2nd place in the GBCI rankings, up from 3rd in 2025, reinforcing its reputation as one of the world's most challenging jurisdictions for foreign businesses.

Meanwhile, Panama is introducing stricter substance and reporting requirements, which may change how wealth structures are established and managed. These reforms support greater transparency and strengthen Panama's international reputation. Panama's business complexity remained unchanged this year, as it maintained 42nd place in the GBCI 2026 rankings.

Common structures in Latin America include US limited liability companies, Canadian limited partnerships and offshore structures in jurisdictions such as the British Virgin Islands and the Cayman Islands, particularly among Brazilian clients. Due to its political and economic stability, Uruguay is attracting growing interest as an intra-regional structuring jurisdiction. The country has grown in business complexity over the past year, however, moving from 27th to 24th in the GBCI 2026 rankings. Marcela Pino, Market Head of Financial Services Latam, TMF Group, says: "Uruguay is probably one of the most stable countries in Latin America, which is why clients are very interested in understanding how to operate there."

03

The Global Business Complexity Index 2026 rankings

This year's **10 most complex** jurisdictions

Jurisdiction		2026 ranking
Greece	—	1
Mexico	↑	2
Brazil	↑	3
France	↓	4
Türkiye	↓	5
Colombia	↓	6
Bolivia	↑	7
Italy	↓	8
Argentina	↑	9
Peru	↑	10

This year's **10 least complex** jurisdictions

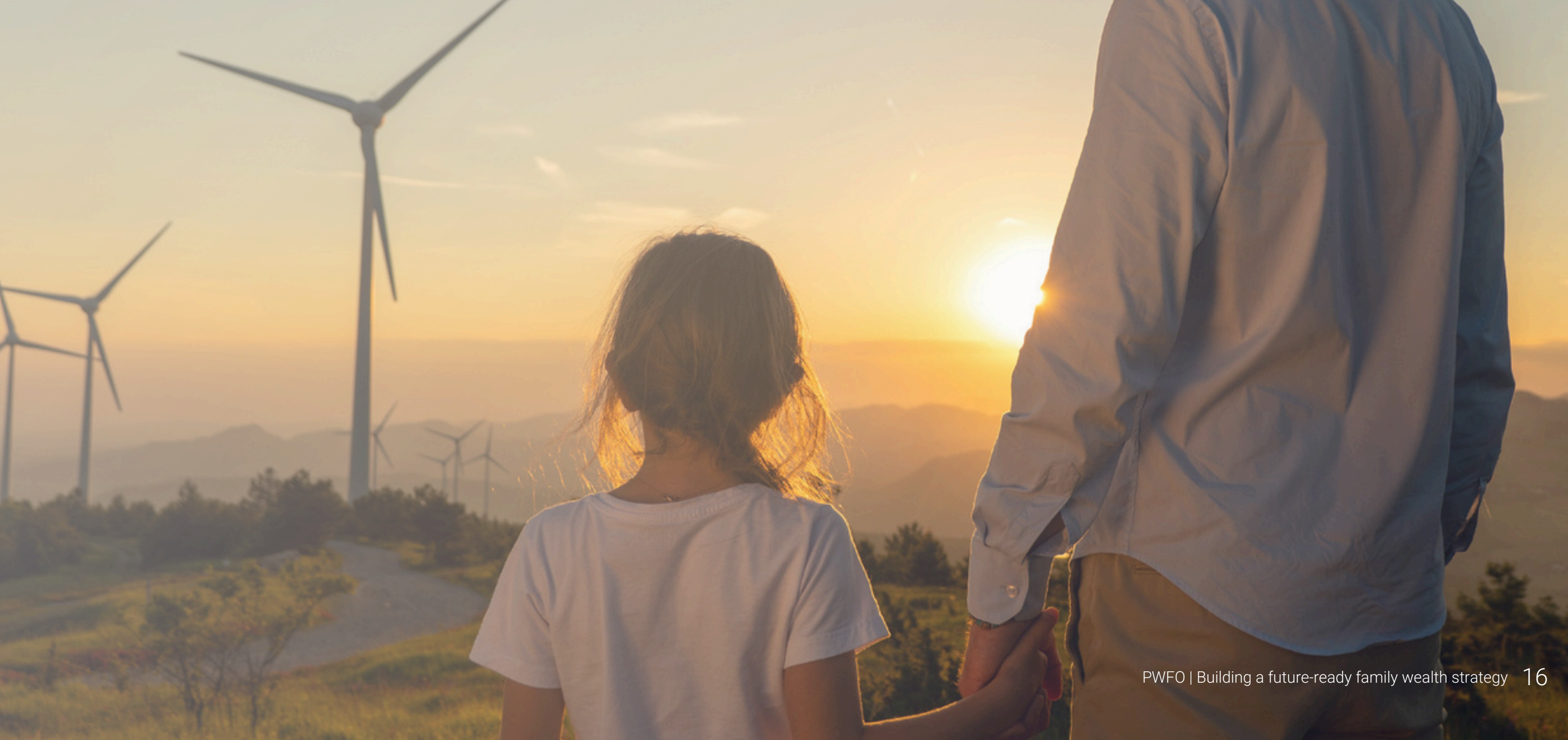
Jurisdiction		2026 ranking
Curaçao	↓	72
Malta	↓	73
British Virgin Islands	↓	74
Czech Republic	↓	75
New Zealand	↑	76
The Netherlands	↓	77
Hong Kong, SAR	↓	78
Jersey	↓	79
Denmark	↓	80
The Cayman Islands	↓	81

Summary

A clear theme has emerged from the research: today's families are being challenged to rethink how they operate in an increasingly complex world. Geopolitical risk is prompting many families to review their private wealth management strategy and diversify across jurisdictions and asset classes. Expanding cross-border operations and increasing regulatory demands are changing the ways families preserve, grow and manage wealth. While diversification remains a key priority, it also creates new challenges that require careful planning and specialist support.

The findings also show that family offices are entering a new phase of evolution. Operating models are becoming more sophisticated; technology and AI are emerging as important tools for improving efficiency; and investment priorities are shifting in response to changing market dynamics. Together, these trends reflect a growing focus on building future-ready family offices that are agile and well-equipped to navigate economic and geopolitical headwinds.

Ultimately, the findings demonstrate that success in today's environment requires a future-focused approach – one that embraces innovation, adapts readily to change and is supported by trusted partners with the right expertise.



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TMF Group is a trusted and reliable partner, in strong financial health and focused on providing flawless service to our clients.

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