

IPG

Family Office Services

IPG FAMILY OFFICE

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The Commonwealth of The Bahamas

The Bahamas is an archipelago comprising 700 islands lying off the coast of Florida with 30 of the islands being inhabited. Tourism and Finance are the two mainstays of the economy with much of the activity being focused on Nassau, the commercial centre and the nation's capital.

Financial institutions are licensed by the Central Bank and The Securities Commission of The Bahamas, the former of which is also responsible for the supervisory and regulatory framework as well as ensuring that parity of the Bahamian dollar is maintained against the U.S. Dollar.

The Bahamas achieved independence in 1973 and is a self-governing member of the Commonwealth. It is also a member of the United Nations, the Caribbean Community and the Organization of American States. Queen Elizabeth II is the Head of State.

Government Legislation

Over the years, the Government of The Bahamas has enacted a wide range of legislation to facilitate not only the operation of Family Offices, but also the numerous ancillary services required to support them. For instance, in 2007 The Bahamas passed new legislation with a specific focus on Private Trust Companies - The Banks and Trust Companies (Private Trust Companies) Regulations and 2012 saw the enactment of the Bahamas Executive Entities Bill in another pioneering step to augment the already comprehensive legislative platform that supports the burgeoning private wealth management industry.

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FAMILY OFFICES

A Family Office provides administrative, logistical and advisory support to families requiring assistance with their financial and business affairs. Many Family Offices start small, usually to address a pressing wealth management need, and over time they can grow to accommodate other services the family requires to optimise its affairs. The office with its administrative team can either be dedicated to the affairs of one family or certain duties and responsibilities can be outsourced to specialist providers and advisors.

Features

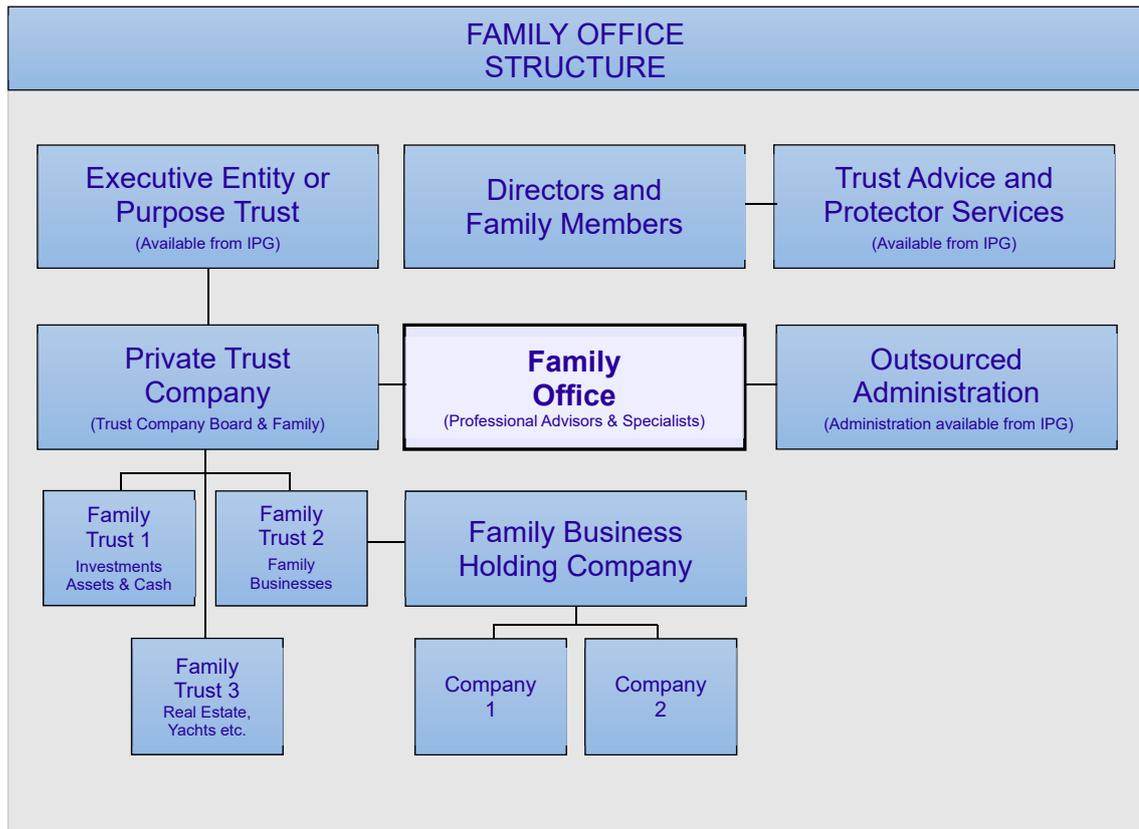
- ✦ Can comprise exclusively dedicated staff; otherwise some services can be outsourced; or the office and its facilities can be shared between two or more families
- ✦ A family's existing advisors, both personal and professional, can be involved to the desired degree in the management and deliberations of the Family Office
- ✦ Can address just one particular element of a family's affairs or can extend to a comprehensive solution dealing with all aspects of their wealth, both domestic and international
- ✦ Brings together a team of specialists and professionals able to attend to a family's wealth management needs both independently and objectively
- ✦ Can evolve from or embrace a Family Private Trust Company or other similar cross-border succession planning solutions
- ✦ In its legal form, a Family Office is usually a limited liability company incorporated in one of the major financial jurisdictions
- ✦ Provides a useful platform for planning for the family's succession needs and for introducing younger members to the family's interests and wealth management
- ✦ Attractive to families concerned about cross-border wealth management and addressing the complexities of tax and inheritance planning in one forum

Benefits

- ✦ A family can determine for itself how it wishes its Family Office to operate, who to involve and its scope of activities
- ✦ Whilst expensive in its purest form, Family Office services can be tailored, shared or outsourced to increase their affordability
- ✦ The location of a Family Office can be chosen to optimise its tax efficiency, its convenience for the family and for the availability of professional staff and support services
- ✦ Provides an excellent base from which the family organises and attends to its business and financial needs
- ✦ Solves the problem for successful families finding it increasingly difficult to keep track of all their investments and interests - either for reasons of their complexity or for their international and cultural diversity

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- ✦ Provides a focus and a platform where families can integrate their wealth management and from which they can launch strategies and initiatives for the future
- ✦ The cultural and religious priorities of a family can define the ethos, conduct and activities of the family office



IPG Services

IPG is an estate and inheritance planning consultancy, assisting professional intermediaries in the structuring and management of their clients' affairs.

IPG's services are bespoke, client-driven and confidential. From the outset of a new relationship, IPG likes to ensure it has a complete understanding of the client's circumstances and requirements. IPG also prides itself in ensuring that its services are tailored to each client's specific needs.

The IPG team has considerable multi-jurisdictional experience in the global estate and inheritance planning industry. The company and its team are independent of any institution, ruling out potential conflicts of interest.

IPG Services: Company Management, Protectorships, Foundations, Family Office, Private Trust Companies and Trust Consultancy. At IPG clients come first.



Family Offices Fact Sheet

✦ *Which families should consider establishing a family office?*

Traditionally, families with wealth in excess of USD100m would usually find the Family Office concept appealing and affordable. Each case needs to be examined on its own merits as family members can benefit financially by pooling their existing wealth management platforms and in the end the net cost can be considerably lower than the gross cost. Adopting a different model of Family Office (see below) can reduce the financial burden - and therefore the threshold - significantly too.

✦ *What are the three most common forms of Family Office?*

- (i) The Single Family Office: Set up, owned and managed for one family. The original and most expensive model, favoured by the most wealthy and globally active families
- (ii) The Multi-Family Office: Serves more than one family, with the families usually being linked commercially or by common values. Easier to attain economies of scale, so costs can therefore be shared more broadly and it may be easier to hire and retain top professionals
- (iii) Commercial Family Office Providers: Businesses specialising in the provision of Family Office services – usually private banks, wealth management firms and high calibre professionals.

✦ *Is there a correct time for a family to establish their own Family Office?*

There are two main avenues by which families arrive at having a Family Office. One is by graduation: developing over time their international legal and tax planning structures; building a private trust company platform; augmenting the private trust company and merging it with a new family office. The other is usually triggered by a major event, such as the sale of some or all of the family business, by the need to emigrate or by having to conduct a major business reconstruction. Generally though, the correct time is sooner rather than later.

✦ *How is the viability of a Family Office calculated for a family?*

Family Offices are not generally profit centres, therefore the costs have to be weighed against the benefits. “Protection” usually features in a family's immediate driving needs to establish the office - protection from taxes, the effects of the patriarch's eventual demise, dissipation of wealth by family members or from political and external threats. The absolute costs of maintaining an office can also be mitigated by other savings and services which the family office will deliver. The viability is therefore determined more by the family and the value it attaches to the solutions for the immediate problems it faces.



✦ *What are some key considerations when setting out the framework for the Family Office?*

Firstly, it is necessary to list clearly the objectives the family is trying to achieve. It can be useful to articulate this in a “mission statement”, which helps encapsulate the core essentials that will define the family office. A business plan needs to be drawn up, which will include the legal structure, the activities, services handled (in-house and outsourced), budget, recruitment, allocation of costs to family members, governance and oversight. The family patriarch needs to consider roles family members can play, which of them will be involved in future deliberations and which not. Finally, a “family charter” document should be agreed and adopted by the core family members.

✦ *The Family Office charter and mission statements are important ingredients – but what should they address?*

A mission statement will embrace the objectives and values the family is seeking to achieve and to maintain by establishing a family office. All core family members should participate in its creation, particularly if the mission is to cater for succession planning for many generations. It should in effect define an ethos for the family to adhere to.

A family charter will govern the operations of the office, the guidelines and rules for investing, distributing, voting, reporting, outsourcing, inclusion and exclusion of family members on the family “council” and finally if and how the charter can be amended in the future.

✦ *For most Family Offices, outsourcing of certain services is inevitable – but what needs to be considered by the family when outsourcing?*

Abiding factors will be privacy and trust. One of the key benefits of a family office is being able to limit personal and financial information to a highly trusted few. However, there need to be certain compromises to enjoy all the advantages of localised or specialised advice, tax optimisation, trust administration platforms, cross border investment and so on. Expense and complexity will escalate quickly without having the correct - and careful - approach to outsourcing. A line needs to be drawn between what can be compromised and never compromised as far as the family's privacy is concerned and this will define the outsourcing framework for a particular family office.

✦ *Which factors need to be borne in mind when considering where to locate a Family Office?*

Once family offices were always located close to where the family lived. Today, families themselves are more widespread as indeed are their investment interests and commercial pursuits. Tax planning can dictate where companies locate their head offices and the same applies to family offices. However, it does make sense for the family office to be accessible and in a convenient time zone. Infrastructural support and the availability of competent qualified staff are also key considerations. If the family office is run in conjunction with the family's private trust company, this can be a strong influencing factor too.



✦ *How does a Family Office work in conjunction with a Family Private Trust Company?*

The family private trust company is the core legal structure containing much of the family's wealth and its personal and commercial interests. As such it is a vehicle packaging all these elements together incorporating the necessary governance and does not provide services as such. A family office is essentially a service provider and therefore the two together are completely complementary. It is therefore possible for the two to co-exist under the same roof or for them equally to be in different time zones, if absolutely necessary.

✦ *Finally, which are the ten most common activities family offices carry out?*

Family offices range in size and scope with many services being outsourced to some degree, but the ten most common are:

- Investment / portfolio management
- Family business investment
- Document and data management
- Compliance and risk management
- Induction of younger generations
- Accounting, reporting and consolidation
- Tax planning and insurance
- Succession planning and trust administration
- Philanthropy
- Family logistical support and education

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IPG Services: Company Management, Protectorships, Foundations, Family Offices, Private Trust Companies and Trust Consultancy.

At IPG clients come first.

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Client Information Form

Please complete each section of this form in BLOCK CAPITALS

1. Name and Personal Details

✓ If there is more than one Proposer, please photocopy this Client Information Form and complete accordingly

Proposer									
Title (Mr/Mrs/Ms/Other)									
Family Name									
First Name									
Full Residential Address									
City						Post/Zip Code			
Country									
Date of Birth DAY / MONTH / YEAR									
Place of Birth									
Nationality(ies)*									
Domicile									
Telephone / Telefax / Email		Phone		Fax		Email			
Preferred Method(s) of Correspondence		Phone	YES NO	Fax	YES NO	Email	YES NO	Courier / Letter	YES NO

* Please ensure that all nationalities (if more than one) are stated

2. Background and US Connections

Professional Background (qualifications, career etc.)													
Employment		Salaried employment		YES NO		Self-employed		YES NO		Non-employed		YES NO	
Name of Company						Nature of Business							
Occupation						Position or rank							
If retired, date of retirement DAY / MONTH / YEAR													
Annual income		<input type="checkbox"/> \$0-\$150,000 <input type="checkbox"/> \$150,000-\$500,000 <input type="checkbox"/> more than \$500,000		Source(s)									
Estimated overall net worth		<input type="checkbox"/> \$0-\$2.5 million			<input type="checkbox"/> \$2.5 million-\$10 million			<input type="checkbox"/> more than \$10 million					
Political / PEP activities* (at any time)													

* A politically exposed person (PEP) is a senior official in the executive, legislative, administrative, military of a government (whether elected or not), a senior official of a political party, or a senior executive of a government-owned corporation. In addition, a senior political figure includes any corporation, business, or other entity that has been formed by, or for the benefit of, a senior political person. If you are related to such a person, please state such and complete accordingly.

Have you any US connections? Please check wherever applicable. If No to all of these, please check the box:	<input type="checkbox"/> US citizen (wherever resident) <input type="checkbox"/> Resident Alien in the USA (green card holder) <input type="checkbox"/> US residence or correspondence address <input type="checkbox"/> US hold mail or c/o address <input type="checkbox"/> Habitual visitor to the US <input type="checkbox"/> Power of attorney granted to US resident	<input type="checkbox"/> US real estate owner <input type="checkbox"/> Born in the USA <input type="checkbox"/> US tax payer <input type="checkbox"/> Spouse of a US person <input type="checkbox"/> Other (please explain here)
	<input type="checkbox"/> No, I do not have - and never have had - a US connection I hereby agree to notify IPG in writing within thirty (30) days of my taking actions which may result in me having a US connection.	



3. Assets being transferred to IPG managed entity(ies)

Origin of assets	<input type="checkbox"/> Gift / inheritance	<input type="checkbox"/> Investment profits	<input type="checkbox"/> Sale of real estate
	<input type="checkbox"/> Sale of business	<input type="checkbox"/> Professional earnings	<input type="checkbox"/> Other, please describe below:
Please also describe how and where the above assets were acquired and from whom			
Description or form in which assets are being transferred to the entity(ies) managed by IPG			
Proposer will remain solvent following transfer of assets to IPG	YES / NO		
Envisaged level of financial activity	Assets in and out	AMOUNT / ASSET VALUE	Frequency
			<input type="checkbox"/> Weekly <input type="checkbox"/> Monthly <input type="checkbox"/> Annually <input type="checkbox"/> Other:

(if more space is required, please photocopy this page and complete accordingly)

4. Communication

Please state the preferred means of communication	Email	Mail	Fax	Courier
Additional communication preferences				
Should IPG always telephone prior to sending above?	YES / NO			
In the normal course of events, is direct contact with the Client permitted? (Section 1 details apply)	YES / NO			
If NO, please state name of the contact person (and supply their details as below)	1.			
Full Residential Address				
City		Post/Zip Code		Country
Telephone / Telefax	Phone		Fax	Email
Nationality(ies)				
Date of Birth	DD / MM / YYYY			
Passport / ID Number(s)		Passport / ID Document expiry date(s)		
Passport / ID Issuing Country(ies)				
If NO, please state the person's relationship (e.g. lawyer, tax advisor etc.) to the Proposer		Specimen signature of the contact person		

If Box 1. above has been completed, please ensure that legible photocopies of all valid passport(s) or ID cards(s) of the contact person, independently certified as true copies of the originals, are included with this Form. Please also attach the original or an independently certified true copy of a utility bill, a credit card statement or some other document that verifies the contact person's residential address and which is dated within the last three months.

5. Documentation Required, Certifications and Check List

Topic	Action Required	Checked
1. Communication (Client Information Form - Section 4)	If Box 1 has been completed, please enclose the following: <ul style="list-style-type: none"> legible photocopies of all valid passport(s) or ID cards(s) of the contact person, independently notarised as true copies of the originals the original of a utility bill, a credit card statement or some other document that verifies the contact person's residential address and which is dated within the last three months 	<input type="checkbox"/> <input type="checkbox"/>



Topic	Action Required	Checked
2. Proposer's own identity verification documents	<p>The Proposer needs to:</p> <ul style="list-style-type: none"> attach a notarised copy of their passport(s) or other permanent government issued ID document showing (i) discernible photo (ii) number (iii) country of issuance (iv) issue date and expiry date (v) signature of the Proposer. attach the original of a very recent utility bill or bank / credit card statement or other document verifying the home address stated in Section 1 above. (Numbers on bank or card statements may be concealed) 	<input type="checkbox"/> <input type="checkbox"/>
<p>Certifications must be made by an IPG officer, a bank officer, embassy official, or other professional, e.g. an accountant, attorney at law, corporate service provider in a FATF approved country or a Notary Public. The copy must bear the stamp of the individual or entity confirming the document, his credentials and address, the date and the following statement (adapted accordingly) "I certify this to be a true copy of the original document which I have before me (and that the photograph is a true likeness of the person being identified)".</p>		

6. Individual Tax Residency Self-Certification Form

Part 1 - Individual Information			
Name of Individual			
Residential Address (list all addresses, attaching an extra sheet of paper, if needed)			
Mailing Address (if different from above)			
Date of Birth (DD / MM / YY)	DD / MM / YY		
Part 2 – United States Tax Status Declaration			
<p>Under the Internal Revenue Code of 1986 of the United States (US), as amended, and the relevant Treasury Regulations a US Person includes – US citizens (including dual citizens and anyone born in the US or a US territory who did not renounce US citizenship), Lawful Permanent Residents (green card holder regardless of residency or expiration date), individuals satisfying the Substantial Presence Test (see notes below), and / or for any other reason (see notes below).</p>			
Select One:	<input type="checkbox"/> I hereby confirm that I am not a United States Person for income tax purposes, or <input type="checkbox"/> I hereby confirm that I am a United States Person for income tax purposes and have provided a signed Form W-9 and will submit my TIN / SSN to IPG.		
Part 3 - Tax Residency			
Primary Income Tax Residency		Tax Identification Number (see notes below):	
Additional Income Tax Residency		Tax Identification Number (see notes below):	
Additional Income Tax Residency		Tax Identification Number (see notes below):	
If a Tax Identification Number is not available, please specify the reason			



Part 4 – Change of Circumstances Certification	
I hereby confirm that the information and confirmations given above are true, accurate and correct. I undertake to notify IPG within 30 days where any change in circumstances occurs that results in any information contained within this form to be inaccurate or incomplete and I agree to submit an updated form reflecting such changes and/or provide further necessary forms and documentation within 60 days of such change in circumstances, or risk that IPG may terminate the relationship at its own discretion.	
Place and Date	
Signature	
Name	

Notes for the Individual Tax Residency Self-Certification Form

Part 1 – Individual Information
<p>Name of Individual: Enter the full name of the Individual completing this Form</p> <p>Date of Birth: Enter date in the following format DD / MM / YY.</p> <p>Residential Address: Enter your residential address where you ordinarily reside. If this is more than one location, please include all locations.</p> <p>Mailing Address: Enter your regular mailing address or “same as above”.</p>
Part 2 – United States Tax Status Declaration
<p>You must confirm whether you are or are not a US Person and ensure none of the following criteria applies to you:</p> <p>United States Citizen: Means birth in the US, birth to two US citizen parents, birth to one US citizen parent who meets physical presence test (5 years physical presence in the US and 2 of the 5 are after age 15) or naturalized persons.</p> <p>Lawful Permanent Resident: Means “Greencard” holders (not visa holders and applies even if residency is outside the US. Lawful Permanent Resident status only applies to the person holding that status and not to family members.</p> <p>Individuals Satisfying Substantial Presence Test: Means 183 days during the past 3 years (prior years subject to reduction). The exceptions are the Closer Connection Test, diplomat, teacher, trainee, student (5 year limitation) and Tax Treaty. An individual satisfies the Substantial Presence Test with respect to any calendar year if (a) the individual is physically present in the US on at least 31 days during the current calendar year and (b) the sum of the number of days on which the individual is considered to be present in the US in the current calendar year plus 1/3 of the days present in the preceding year and 1/6 of the days present in the second preceding year equals or exceeds 183 days.</p> <p>Other Reasons for being treated as a US resident for US income tax purposes are e.g. dual residency, being a non-US spouse filing jointly a US tax return with a US spouse or relinquishing US citizenship or long-term permanent residency in the US.</p>
Part 3 – Tax Residency (all clients)
<p>Legislation requires Financial Institutions to collect certain information about each client’s tax residence(s), and to determine whether they are obliged to submit certain account information to relevant tax authorities.</p> <p>Tax Identification Number (TIN): Please enter your social security number or TIN for all territories which apply to you.</p> <p>TIN Unavailable: Only complete this section of the self-certification if you do not have a tax identification number or your country does not issue such numbers and provide a description for the reason in the space provided.</p>



7. Declarations and Undertakings

1. **Encumbrances.** I confirm and declare that:
 - I am the beneficial owner of the assets to be transferred to IPG and / or the trust / company structure, and that I am not acting on behalf of any other person.
 - I am not bound by a marital contract or other agreement that inhibits in any way my freedom to transfer assets to a trust / company as described herein
 - inheritance and forced heirship rules to which I am subject do not inhibit my desire to dispose of my assets as described herein
 - all these assets are free from any other restrictions or encumbrances
 - these assets are not derived from criminal acts.
2. **Solvency.** I hereby declare that I am solvent and remain able, after funding the trust / company with the assets described herein, to meet any current or foreseeable financial obligations and that I have no intention hereby to reduce my creditors' rightful claims.
3. **Independent Advice.** I hereby confirm that IPG has recommended that I consult an independent professional legal and/or tax counsellor concerning the proposed arrangements and the documentation relating to such arrangements. I further confirm that I am not relying on any representations made by IPG as to the tax and/or legal aspects which may result from the business proposed or as to any activities that may be undertaken as a consequence. I understand that I have an obligation to comply with the laws and regulations of my country of citizenship or residence.
4. **Independent Verification.** I hereby authorise IPG, its nominees, affiliates, and / or its directors and officers to obtain independent verification of any information that I have provided with respect to my application to open an account and/or to carry out any business transaction or other business with IPG.
5. **Correct Information.** I declare that the information provided in this form and the documentation attached is true and correct and further I undertake to inform IPG immediately of any changes to this information for the duration of the relationship as defined in the Terms and Conditions of Business.
6. **Fees.** I have reviewed and initialled the Schedule of Fees and am agreeable to the rates chargeable.
7. **Terms and Conditions of Business.** I have read, understood and initialled the Terms and Conditions of Business
8. **Request to proceed.** Upon receipt of satisfactory references, I request that IPG proceeds with the formation of the trust / company as described herein, although I fully accept that IPG is under no obligation to do so. I hereby confirm that the undertakings and comments given herein to IPG shall be irrevocable and remain valid and correct until IPG terminates its involvement with the trust / company as described herein or with such entities that may be subsequently established at my behest.

8. Proposer's Signature

Proposer	
Signature	
Place	Date DAY / MONTH / YEAR