

FAMILY BUSINESS SUCCESSION

Can your family wealth last more than 3 generations?
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Planning helps a family to chart a roadmap to attain its ultimate financial goal. Similarly, wealth succession planning enables the business owner to utilize the estate planning instruments such as will, trust, foundation, and holding companies to achieve the wealth succession objectives.

Below are some questions you may ponder over:



1. Can your family wealth last more than 3 generations?



2. Do your heirs know how to manage wealth?

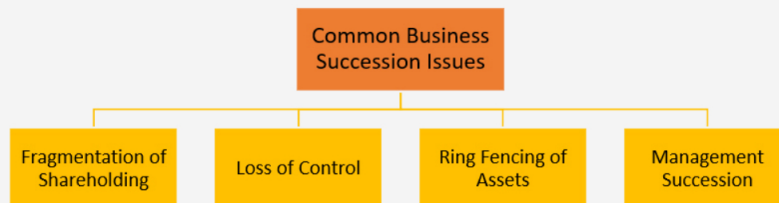


3. Do you have a succession plan for your spouse and children upon your demise?



4. Do you know that overseas assets in certain countries may be subject to wealth, gift, capital gains or inheritance tax upon demise?

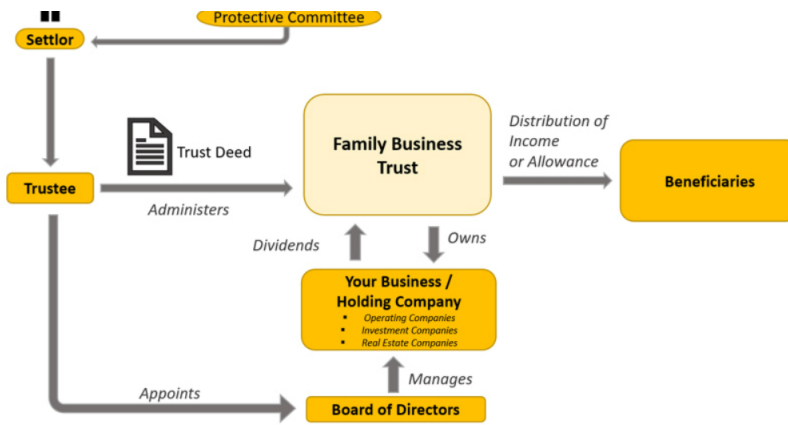
Most of the family businesses face common challenges in business succession, but how to break the myth of family business failure?



Solution 1: Family Business Trust

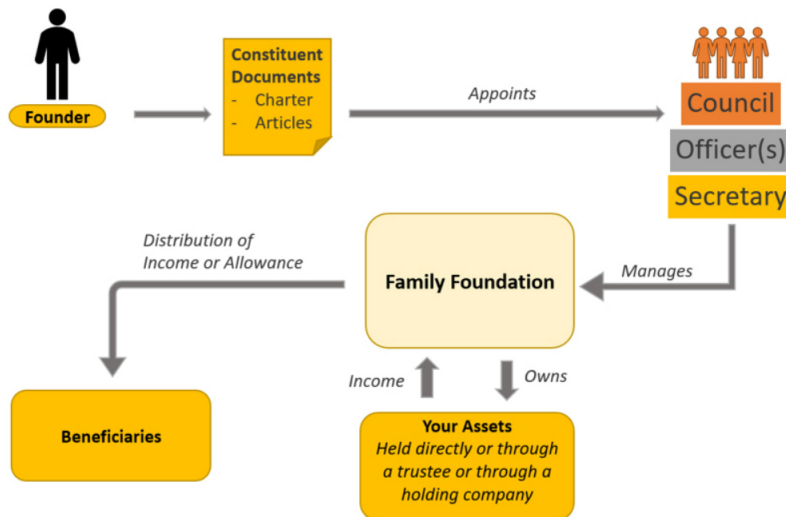
The objective of setting up a family business trust is to protect and preserve the Family Business over multiple generations while keeping the shareholding within family. This trust may last for a period of 80 years. Under the Malaysian laws, there is a rule against perpetuity.





Solution 2: Family Foundation

A foundation is an independent legal entity, usually established to hold assets with the objective of managing the assets for the benefit of a class of persons on a contractual basis. It is typically used for private wealth management and charitable purposes. It provides both the benefits of a trust and the structure of an independent corporation. It looks like a company and works like a trust. It is set up in Labuan and is governed under the Labuan Foundation Act 2010.



Before you set up a trust,
you need to be aware of anti-money laundering regulations.

