



WHAT ARE THE CURRENT MIDDLE EAST PRIVATE CLIENT TRENDS?

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Artemis is excited at the opportunities in the Middle East as we invigorate our strong commitment to the region. From a personal perspective I am really excited by the growth of the Industry in the Middle East. Following my last visit to the region, and in contemplation of my next visit in November, here are my thoughts on the emerging trends in the region.



Exploring Structure Options

The growth in structuring demonstrates that families and UHNW individuals in the region have become increasingly aware of the need for asset protection and multi-generational planning. It is heartening to see the extent of the next generation stepping forward and taking part in planning for their family's financial security. From a cultural perspective they are really trying to minimise the opportunity of asset dilution after the patriarch passes away with the distribution of family wealth to multiple heirs and to negate issues arising amongst siblings as such instances inevitably result in further dilution due to legal costs to resolve. I am encouraged to see an increase in the recognition of structuring opportunities, hand in hand with the development of family governance by families in the region.

For many years regional UHNW families have structured their international assets by using nondomestic options often utilising trusts and private trust companies. However, these structures were not always the answer for the holding of real estate and operating businesses in the region. There is an emergence of domestic structuring options and UHNW families taking a more "blended" approach to structuring their assets through a combination of domestic and international structures.

Another key initiative has been the evolution of family business regulations issued in conjunction with the Global Family Business and Private Wealth Centre in the DIFC. These businesses have grown quickly, benefiting from a streamlined decision-making processes and minimal regulation, often many of these businesses have inadequate succession plans.



Key to the success of any family business is minimising conflicts and the innovative regulations authorise family trusts and other asset holding vehicles holding family businesses to incorporate binding arbitration procedures in the event of a dispute.

The purpose of the new regulations is to assist families to plan for succession and legacy planning, which leads to minimising the areas where disputes may arise. They also provide a framework for connected intermediaries, advisors etc to become "accredited" with a view to ensuring good governance and conduct. This is undoubtedly early days, but the vision is a progressive one and over time should provide a genuine long-term solution to ensuring an orderly succession in respect of UAE situs assets

Whatever the asset class, or jurisdiction of the structure, we at Artemis pride ourselves in our commitment to our clients so that they are reassured and have confidence that their assets are protected.

Impact Investing

A further area in which we have seen a distinct shift in focus is that of impact investing and ESG as the next generation take an increasing role in the management of family wealth. It is clear that the evolution of ESG investing not only helps protect the future but offers good investment opportunities.

The Middle East has it is accepted long been recognised for its dominance in traditional sectors such as oil, real estate, and finance, which have provided impressive returns and helped shape the skylines and bustling economic centres. The rise of impact investing signifies a departure from purely profit-driven motives to a more holistic approach that considers social and environmental impact alongside financial returns. This shift is evident in the region's sovereign wealth funds, which in 2023 is reported to have assets totalling \$4 trillion, with Saudi Arabia's Public Investment Fund surpassing Singapore's GIC in terms of deal activity. Particular interest is observed in the rotation from hydrocarbons to renewables.

Family Offices

My final thought for now, is the development and diversification of family offices in the Middle East. In recent times, a family office was primarily about investments and a vehicle for allocating capital. This has seen a landslide shift, as side by side with investments we are seeing family offices used for the protection of wealth, succession, and intergenerational planning and increasingly as a tool for family governance. International structures are becoming an integral part of the family office.

There are numerous trends coming out of the Middle East, some of which are highlighted above, which make it such an exciting time for all of us in the industry. We at Artemis are very committed to the Middle East as we continue to expand our commitment to the region for our existing clients and clients to come.



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