

# Optimising Family Office Formation and Operations from the Rapidly Evolving UAE Wealth Market

Hubbis and exclusive partner for the event, Eton Solutions hosted a behind-closed-doors discussion amongst leading wealth management advisors in Dubai on March 14 on the market evolution around wealth planning and family offices for UHNW clients in the Middle East and beyond. In this review, Hubbis has extracted and distilled some of the key observations from the invited experts, presenting those on a non-attributable basis, and also from Eton Solutions, Satyen Patel, Executive Chairman as well as Bryan Henning, VP and Head of International, presenting their insights.

## GET IN TOUCH

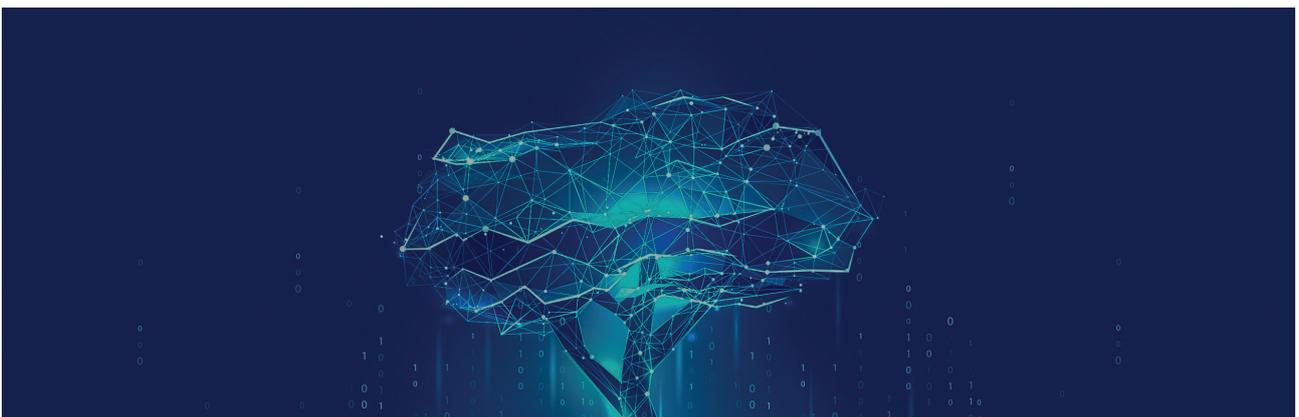
[View Satyen Patel's LinkedIn Profile](#)

[View Bryan Henning's LinkedIn Profile](#)

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**Exclusive Partner****These are some of the topics covered:**

- » What is the UAE doing to attract more Family Offices?
- » Where are these UHNW Families coming from? What are the typical differences between a family from different geographies and their expectations?
- » What will be the implications of the DIFC's 'Global Family Business and Private Wealth Centre'?
- » What are the key issues to consider when setting up a Family office in the UAE?
- » What steps do you need to take to create a modern and efficient, fit-for-purpose family office?
- » How do you structure the management team and the operations?
- » What technology do you need for a future-focused family office?
- » What should you manage in-house, and what can you, or should you outsource?
- » What are the typical challenges around working in a family office?
- » What do you need to do to get the right talent and retain them?
- » How do you find the right partners to make this a success?



## KEY SELECTED OBSERVATIONS FROM THE GUESTS

### The UAE's wealth management market has become much more diverse in recent years.

A guest observed how there are many more nationalities setting up more family offices in the UAE than ever before, and this is itself a reflection of the far greater diversification of HNW and UHNW wealth either now moving to the region full-time or bringing more of their AUM to the region for wealth and estate management purposes.

The Indian sub-continent is a key market from which there is a major influx of money, triggered in part by changes in the overseas direct investment regulations that now allows a far smoother and swifter movement of funds from India without so much red tape. "Significant money was leaking informally from India, but these changes recognise those flows will take place, and formalise things," she explained. "It is legitimised and therefore registered properly and transparent." She added that in some cases, it is advisable for

the money to flow from India to a family office, for example in the UAE, but that is not always the optimal route, by any means.

There is also more international wealth shifting to the UAE, often with principals moving their close family members to Dubai where there is stability, an increasingly welcoming environment, excellent and improving education, housing, lifestyle, facilities, medical capabilities, travel infrastructure, and so forth.

The 'professionalisation' of family wealth management and control, the thrust to digitisation, the need to work compliantly within a world of rising regulation, and the expanding financial and advisory capabilities in the region are all forces for the rise of the family office proposition in the UAE.

At the same time, more families within the Middle East are seeing the value of professionalisation of their wealth and also its segregation to formal controlling hubs such as a family office. These families realise the importance of professional advice, and see the family office as the vehicle for leveraging that advice and also

for a greater globalisation of their own footprints.

Another guest concurred, adding that in a world of increasing taxation, or rapidly changing tax rules and far greater surveillance, many wealthy families from around the world and in the Middle East are consolidating wealth and control and reporting, and preparing for more changes ahead, including within the historically no or low tax regimes of the Middle East. Moreover, with businesses and assets now spread so much wider internationally, these wealthy families need to ensure they are compliant in other jurisdictions, not just their own."

### A more vibrant market

He added that M&A activity has probably never been as fertile in the EMEA region as it has right now, with many family businesses becoming more acquisitive in the region, and internationally, and with disposals increasing as well, as families shift the emphasis of their holdings. The capital markets have expanded, and liquidity is more accessible through the public markets than ever before, adding another spur to the family office market.

Another guest added that there is also increasing connectivity between Asia and the Middle East, including dual listings of IPOs.

He also observed that there is rising digitalisation of businesses and also around family wealth, providing further momentum towards coordinated and controlled wealth management at the individual as well as the family levels.

### More 'onshorisation' of wealth management

Historically, wealth in and from the region had been managed



externally through centres such as Switzerland or increasingly Asia, but the local UAE capabilities and reputations have improved significantly in recent years and combined with the thrust towards professionalisation of family wealth, these are all driving forces for the creation of more family offices.

Another expert, a fiduciary firm head who has worked in the region for many years explained that this type of professionalisation is gradually taking grip in the Middle East, but that it is not happening overnight. He said that families with real wealth can do much more to convert their investment or coordination offices more into fully functioning family offices armed with the best processes, technology and potential for scale that Eton Solutions' type of offering can bring to the table.

### **Estate & legacy planning on the rise**

A legal expert concurred, adding that estate and legacy planning is also on the rise in the region but also growing slower than it could or should, as families are generally slow to embrace the need for or importance of deploying their family wealth to carefully devised vehicles and structures. But she said families here are becoming far more savvy, they are planning more robustly, they are devising more structures, they are including more family members and thinking about wealth transition, and they are working more with true legal and other professionals.

Some of this, she said, is driven by an increasingly regulated world that everyone now inhabits, an increasingly global asset base and more international families, and

partly by the increasing realisation amongst families that they need to get their houses in order.

### **The digital investment and custody platform offerings are expanding in the region to cater to the independent wealth providers and the family offices**

A guest representing a digital global trading, execution and custody bank explained how as the EAMs, MFOs and SFOs increase in number, scale and sophistication in the UAE, more of them are gravitating towards their type of execution and custody platform and away from multiple and often technologically low-grade relationships with the private banks.

The result is better and more comprehensive access to products in an entirely open architecture environment, better access to custody solutions aligned with outstanding reporting and technology, access to products and custody in the private assets markets, and far better real-time reporting technology and protocols. The custody can even be in the form of aggregating multiple

external private bank custody arrangements for a single client.

### **The fiduciary services offering in the UAE is more advanced and more diverse than ever in the region, now demand should escalate further, especially if everyone works hard to disseminate education and advice**

A fiduciary services expert with long experience in the region explained that as demand expands for more structuring and more robust estate and legacy planning, and more family offices, the fiduciary services business is in greater demand, and is improving in substance and diversity in a positive or virtuous circle of activity. Local demand across the region has been slow to build but is increasingly year on year amidst all these other positive developments.

Education of the principals and of the younger generations is vital for all professionals and the regulators to disseminate their expertise and advice.





**SATYEN PATEL**  
Eton Solutions

## KEY INSIGHTS FROM SATYEN PATEL AND BRYAN HENNING

### Eton Solutions and its missions for its forthcoming UAE regional base

Satyen Patel explained briefly about Eton Solutions' history and current offering and missions ahead (see box article below). He also noted that having established their international headquarters in Singapore on February 9 this year, they are also in the process of establishing a company in the UAE to service not just the GCC, Saudi Arabia, the Indian subcontinent, but also Africa.

### Each family office around the world shares some characteristics, but each is unique

Satyen observed that family offices are at different stages of evolution in general, but the needs of these family offices are very similar, including requirements with respect to corporate governance, privacy and security, the need to involve multiple generations, and to ensure smooth and effective transition of wealth between those generations so that family wealth

is not dissipated and so that the family cohesiveness and integrity can be maintained.

### The importance of addressing the needs of family offices of all sizes

He explained that the Eton Solutions ERP platform, AtlasFive can be deployed in any market and jurisdiction by the larger family offices representing wealth of USD500 million and above.

In addition, on February 9th, they also launched the Eton Solutions AFO (Administrative Family Office). It is a new offering that democratizes access to their cutting-edge technology combined with their world class service suite that is normally restricted to clients with over USD1 billion in AUM and above.

This new offering of their cloud-native SaaS platform is a comprehensive, integrated, digitized, budget-friendly, friction-free, offering that combines the power of the SaaS platform and their world class service suite. It makes their cutting-edge platform affordable for smaller family offices starting at USD100M in AUM. All of this with Privacy, Security and Control in the palm of your hand. Currently the bulk of Eton's clients

are handling wealth in excess of USD1 billion. Their largest client is USD100 billion in AUM, their median AUM for clients is around USD2.2 billion and the smallest client has AUM of about USD230 million.

The global launch of the Eton Solutions AFO on Feb 9th allows for deeper penetration into the UHNWI market globally.

### The nuances of the emerging markets

Satyen also addressed a key issue for emerging economy family sponsors such as those from Asia and the Middle East, namely control. "It is quite ironic that sometimes family members assume that by going to a digitised platform, they lose control, but they do not," he stated. "This platform actually allows you more control, from the standpoint of providing privacy, superior cyber-security and better corporate governance, regulatory compliance, audit trails."

He explained that this is especially important for Asia and the Middle East, where often joint families are involved. Their platform allows for the configurations of separate authorisation levels for controlled access to information and approvals to individual employees and family members within a family office.



**BRYAN HENNING**  
Eton Solutions

## Taking the strain out of the middle and back offices and side-stepping the potential of talent shortage and drain through outsourced solutions

Bryan Henning added that Eton Solutions is offering a full suite of services, not just a technology platform, but also sophisticated and comprehensive outsourcing solutions for family office middle and back office functions. "Smaller family offices are facing a lot of challenges and costs, so we are now offering them the opportunity to operate with best practices in the most cost effective and efficient ways. We are at the same time solving a key issue over talent, which is in short supply and often difficult for small operations to retain."

## New wealth is often more digitally savvy wealth and that means the doors are open to new solutions

Satyen explained that across the world they work with families representing very long-established wealth and also increasingly with newer wealth, from example from emerging regions such as the Middle East, the Indian sub-continent and Africa, all of which will be served from the forthcoming Eton Solutions UAE hub.

Many of these new-to-wealth clients and families are more inclined to see the value of new solutions around technology and also more receptive to outsourcing away from the major traditional financial centres, which have become far too costly these days. He explained that Eton Solutions provides the quality, transparency, information management and operational expertise combined

## A Brief Note on Satyen Patel, Executive Chairman of Eton Solutions

Satyen has previously held senior management positions in several multinational companies and has worked all over the globe. He started his career with Grand Metropolitan PLC/The Pillsbury Company, based out of Minneapolis, MN, and served as their Director of Strategic Development.

He continued his business development work in the food and beverage industry when he joined Pepsi-Cola International in New York, where he worked as Director, International Business Development.

After his work with Pepsi-Cola, he relocated to Singapore to act as Managing Director for Nike Southeast Asia. He continued his career in Singapore as non-executive director at 3i PLC Asia-Pacific before setting off to found Cambridge Solutions Ltd. while being based in London.

In addition to his years of experience in senior management for business development, Satyen has held a variety of board positions in different global companies. He is currently a member of the board for Neilsoft Ltd, and Dharmalife. Formerly, he was a board member for ICON Aircraft Inc. He has also founded companies and was the co-founder and former Executive Chairman for Prescient Inc., and he was the co-founder and former Executive Vice Chairman for Cambridge Solutions Ltd., a publicly listed IT and BPO company in financial services.

with the privacy and security that family office clients require today.

## Information flows can be carefully managed to allow access to data on a need-to-know basis

While family offices represent family wealth, there is within any family the inner circle and the extended family, and Satyen explained that an important part of the Eton offering is the ability to control access to information amongst not only advisors and professional services providers but also amongst family members.

"Different parties only get to see what they are supposed to see," he explained. "For example, in



some cases there may be multi-generation families within a single family office, where we have had to configure unique access approvals or privacy walls, not only from the external world but within the different families in the family office structure. It is a major appeal of our proposition, namely balancing optimised data with optimised privacy and control." A guest agreed that in the context of the Middle Eastern families, this would indeed be an important selling point.

Bryan Henning agreed, noting also that similar characteristics and requirements are seen across Asia's markets, whether Singapore or Thailand or Indonesia, but might perhaps be even more acute in the Middle East, especially Saudi Arabia.

### **Decision making amongst the smaller family offices in the US is more often driven by the principals compared to Asia (and anecdotally in the Middle East) the principals are almost always hands-on, regardless of the size of the family office**

Satyen remarked that in many of the billion dollars plus family offices they work with in the US, they often never meet the principals, as decision making is handled by the CEOs, CFOs, CTOs and CIOs. Whereas in Asia, and amongst the smaller family offices in the US, the family patriarch or matriarch or seniors are leading the way and take much more of an active role in day-to-day decision making.

"Working with principals in the family offices in the sub-billion-dollar category in the US, what we often find is that the transaction

### **And a short note on Bryan Henning**

Bryan Henning is SVP and Head of International for Eton Solutions' new international HQ in Singapore, that opened on February 9.

Bryan is a wealth management specialist with over 30 years of experience. He represents Eton Solutions as Senior Vice President of International Sales. Bryan is based in Singapore, where he leads Sales, Marketing and Business Development efforts across the Asia Pacific, Middle East and Europe.

As Senior VP of International Sales, he leads client interactions, sales, implementation, and services internationally and supports all company operations in Singapore. Throughout his multi-decade career, Bryan has worked in banking and wealth management, leading divisions for Standard Chartered Bank, Barclays Wealth, and HSBC, where he developed and managed all aspects of wealth management offerings to retail, mass affluent, HNW, and UHNW clients. While Bryan has successfully built and run wealth management and investment product and services businesses in Africa, the Middle East, and Europe, the majority of his experience is based in Asia. He is a Permanent Resident of Singapore, where he currently resides, and has Canadian and Australian roots.

time and decision-making time is often significantly reduced, and that helps us get the family office up and running rapidly, sometimes within 30 days incredibly," he reported. "And we are finding that in Asia, and most probably here in the Middle East from what we understand so far, the principals are involved in almost any size of family office."

### **Opening the doors to both an expanded ecosystem of partners and huge growth potential**

Satyen also remarked that by targeting family offices of USD100M in AUM and above, they are opening up the potential for growth. "By launching our new offering, we are dramatically expanding our potential market, from roughly 8000 billionaire families worldwide to an estimated 165,000 potential clients

from USD100 million and above," he explained. "We are also expanding and working with our ecosystem partners in different jurisdictions i.e. law firms, accounting firms, trust firms, advisory firms, custodians, all the experts and service providers who will in turn provide advice and capabilities to those family offices."

He explained that Eton Solutions remains a non-advisory, agnostic and independent player in the family office ecosystem, and therefore is completely non-conflicted and entirely open to collaborate with the extensive wealth management, and professional and fiduciary services experts and thereby build strong partner networks to collaboratively help Family Office clients grow and scale up. "As a unified platform, we are a catalyst to support partners in helping family offices achieve operational efficiency, cost savings and sustainable growth," he stated.

## Everyone must keep learning and expanding knowledge and understanding are vital to empathy...and also business generation

Satyen explained that the value of a forum such as this particular March 14 private discussion event was to exchange information and ideas in a convivial atmosphere.

He added that since expanding internationally they have been able

to successfully sell the AtlasFive platform in several markets including Singapore, Taiwan, New Zealand and Australia with active conversations presently underway in Hong Kong, Thailand and Dubai. During the sales process he explained that Eton Solutions is refining their approach to local clients in Asia and the Middle East as they obtain a better grasp of the cultural nuances specific to these different markets and different countries.

“This is a great learning exercise, and part of building our expertise as well as conveying our capabilities,” he said. “We are here to learn, to build relationships, to build an ecosystem of expertise and partners, and hopefully this is a two-way street. We never stray into advisory, that is your area of collective expertise as bankers, asset managers, lawyers, accountants, consultants, trustees and so forth.” ■

## Future-Focused Family Offices - Creating and Operating a Modern, Efficient and Fit-for-Purpose Family Office

*Satyen Patel, Executive Chairman of Eton Solutions in the US, recently highlighted some of the key history and evolution of Eton Solutions. This is a short summary of his remarks and the Eton proposition, including the new international HQ of Eton Solutions in Singapore that opened in February, which will cover Asia, the Middle East and Europe, the forthcoming Dubai office that will cover the region more directly, and the ‘democratised’ Administrative Family Office platform the firm is now offering family office clients in the USD100 million AUM range and above.*

### USD425 billion of AUA

Satyen offered a brief snapshot of Eton Solutions, explaining that Eton had over the past 10 years developed a highly sophisticated ERP platform that was originally built by and for Eton Advisors, a multi-family office that today manages some USD10 billion of AUM. Eton Solutions was spun out of Eton Advisors into a separate market-facing company. Eton Solutions is sold extensively to larger global family offices in North America, generally with USD1 billion of AUM and above, and now internationally.

“Eton Solutions has been around for over 10 years, we now have over USD425 billion of assets under administration on our platform, we serve about 400 families, with some 1100 users,” he reported. “In the last two years alone, we’ve spent over USD40 million in product development on the platform, and we continue to do so. We have 300 plus employees, 75 of them in the United States, 225 of them around the world. And we are growing at home and internationally.” He explained that on February 9 this year, Eton had announced that it was establishing an international headquarters in Singapore, covering the world outside of the Americas.”

### A unique offering

Satyen reported that as part of the firm’s new international thrust, they had in early February also launched their brand new Eton Solutions Administrative Family Office (AFO), which creates access to all sizes of family offices from USD100 million and up, helping them to achieve highly cost-effective operations, to adopt the right technologies and to exercise proper governance while meeting all their reporting requirements.

He said this type of platform is ideally suited to the UAE and Middle East market, where they are soon to open their new regional office for the GCC, the Indian sub-continent and Africa.

### **Democratising access and delivering on 6 key features**

Satyen explained: “Administrative Family Office, or AFO, really is a milestone in Eton’s evolution, designed to democratise access to the technology being used by family offices, as well as provide top-notch Middle and Back Office Services to enhance efficiency and operating leverage.”

AFO thereby combines the best of both the Eton AtlasFive® Proprietary Platform and Eton Services Suite to deliver what are essentially six key features.

Number one is Family-level governance, whereby sponsors institutionalize family objectives and comply with regulatory requirements. Secondly, AFO offers what they call ‘Full control at your fingertips’ to initiate, authorise and manage all tasks and operations. Thirdly, get a holistic view of total assets and capture the family’s total net worth for risk management and seize market opportunities.

Number four is to seamlessly manage complex investments, from Securities to Private Equity, Trusts and Funds, with number five having the ability to track all alternative assets such as art, wine, real estate, yachts, aircraft, cars, etc., and finally the AFO provides for a digitised, secure cloud-native data infrastructure, simplifying the family office’s data operations.

### **Privacy, control and security**

Satyen added that there are three fundamental features incorporated within – privacy, security, and control.

“We are a cloud-based, actually cloud-native offering on Microsoft Azure. Communications on our platform take place between your family office, your family members and your advisors through encrypted communications behind the firewall, whether from PC, laptop, tablet or smartphone.”

Satyen explained that AFO was born partly out of the reality that an ERP installation is quite a heavy undertaking requiring what he called “significant amount of horsepower” to implement it and therefore ideal for the larger family offices of USD1 billion and above to fully institutionalize their operations and practices.

“We realised we needed a new and different solution, and AFO is different and unique, and are rolling it out worldwide,” he said. “We provide a platform solution that is all encompassing and inclusive of the SaaS license fee, implementation and services, running 100% of an FO’s middle and back office. The AFO one-stop solution was therefore designed and created to provide the offices with a cutting-edge, friction-free, budget-friendly, fast-track and integrated solution to get any family office from USD100 million in assets and above, up and running within 30 days from contract signing.”

### **A revolutionary offering**

Bryan Henning, Eton Solutions’ Head of International, also explained that there are many key challenges to address around establishing and operating family offices. He said a key mission is to make expensive talent such as CIOs, CFOs and others more productive and efficient and therefore control headcount by reducing manual, mundane tasks through digitization and automation that also provides better governance, control and regulatory compliance.

He added that AFO had been designed to help FOs manage headcount, perhaps replacing or supplementing with a fully outsourced middle and back office, which he said can save up to 30% to 40% of operating costs. “As Satyen told you, this is a combination of our world class Atlas Five propriety platform used by billionaires, and our Eton Services Suite, in other words our services team,” he said.