

UHNW Relocations to the Cayman Islands: A Q&A with Cline Glidden

Insights - 17/10/2019

What are the global trends that you're seeing in terms of UHNW relocations?

The key trend is that there are many, many more UHNW individuals and families looking to relocate to a jurisdiction that offers not just the right financial solution, but also the right solution in terms of lifestyle and, importantly, privacy. The recent Knight Frank Wealth Report 2018 showed the scale of the change - it reported that globally, the number of individuals with a net worth of more than \$5 million was expected to grow from 2.5 million in 2017, to 3.6 million by 2022. That is a significant increase. But digging deeper into the numbers it showed that those with a net worth of over \$50 million were forecast to rise from around 44,000 to 60,000 in North America, from 35,000 to 47,000 in Europe, and from 36,000 to 56,000 in Asia. There was some other variation in other regions, but those were the three key regions.

What trends can you see in the circumstances and choices of that growing group?

This is the most interesting area, and from a practitioner point of view, we have seen huge diversity in the client base and what they want. If you were to go back a decade, there were probably two key groups of clients: an older generation who were approaching retirement age, wanted a change of lifestyle and to step away from active management of family assets; and a younger group who had accumulated significant wealth through investment or tech businesses, and who wanted to shift to a jurisdiction, with their families, where they could continue to have some limited involvement in that work, but change their lifestyle to encompass more leisure opportunities. Those groups still exist, but they have been joined by a very diverse group with very disparate objectives. We are dealing with a wider variety of people from all over the world with very different backgrounds - you could say that the only thing that they have in common is

wealth, and a desire to live in a politically stable environment with high quality services and a more relaxed atmosphere and community.

Where does Cayman fit into that mix?

Cayman is known for its combination of Caribbean weather and lifestyle, coupled with the fact that many of the people that we are dealing with will be very familiar with Cayman's mature financial services sector, and in particular the offering as it relates to investment funds, company registration, and Cayman trusts and foundations. So that's the starting point but from there, there's also the availability of suitable residential property, excellent health and education services, and robust transport links to the US and to Europe.

And while the Cayman Islands are historically known to be a top destination for UHNW relocations, promotion of the jurisdiction has recently elevated, albeit it in a discreet and sophisticated way, primarily via a network of trusted professional service providers and advisors. The Cayman Islands leads the way in keeping pace with global regulatory changes while still retaining all the things that make it an attractive place for UHNWIs, their families and businesses.

How do the new economic substance regulations impact the decision for UHNWIs?

The substance regulations are effectively a level playing field across most of the offshore world, because every jurisdiction has had to enact economic substance rules. But the reality is that the majority of the UHNWIs that we deal with have no problem meeting the requirements placed on them by the substance rules, because many remain economically active and are using family office structures to manage their wealth. Cayman is well-placed to provide a venue for that kind of activity, and has the professional services infrastructure in terms of legal and trust professionals to support it. Over the medium to long term we expect substance rules (which are likely to evolve over time) to have a positive effect. Cayman offers opportunities to meet the requirements more easily than some less sophisticated international financial services centres.

Fundamentally, what are HNWIs and families who relocate looking to achieve?

Although there is diversity in terms of intended outcomes and objectives, the two fundamental points that we are always dealing with is a) finding a good investment that is likely to appreciate in value and b) a solution that offers a secure, sophisticated and private lifestyle. Beyond that, there are other lifestyle and social factors, including travel and proximity to family, sports and leisure opportunities, political stability, good climate and the right property. That final point

should not be overlooked, we often deal with individuals who, on the advice of family counsel, or tax advisers, are considering relocating to Cayman. If they find the perfect home here, that can end the jurisdiction/location debate quickly. Fortunately, Cayman has a lot of high quality real estate. When people relocate they are looking for a home that works not just in terms of their wealth, but also in terms of their and their families' other needs.

How does Ogier support relocations?

Effectively, we work together with the individual or family and their tax advisers, onshore counsel, realtors, personal assistants etc. and become part of the team. We advise on anything that relates to Cayman law, most commonly on the immigration and the residency process, as well as property law advice and advice on Cayman law relating to wills and estates. We also assist with wealth structuring and estate planning or company law for those who are remaining economically active. But the real added value comes from the concierge services that sit alongside legal advice - we're often the point of contact for introductions to realtors, to schools, to contractors and to other advisers, even to dog walkers and plumbers and other service providers which people need in order to settle and start life in Cayman. Those "settling in" connections are incredibly important, and because moving can feel like an onerous prospect, we want to reduce as much disruption and worry as we can to ensure a smooth, enjoyable transition. Ultimately what we offer is a single point of contact to a very joined-up, personally tailored service.

About Ogier

Ogier is a professional services firm with the knowledge and expertise to handle the most demanding and complex transactions and provide expert, efficient and cost-effective services to all our clients. We regularly win awards for the quality of our client service, our work and our people.

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