

Iberian law firms' revenue from family office work set to grow

Formerly a highly specialised field of practice, advising family offices is expected to become more lucrative as the market proliferates in Spain and Portugal

Family office practices have, to date, been something of a niche in the Iberian legal market but this is starting to change as family-based investors look to increase their portfolio, manage their assets, and plan their succession. Eduardo Trigo, partner at Uría Menéndez in Madrid, says more family offices are being established in Iberia as a result of Spain's financial crisis and the property bubble of 2008 and 2013. "According to our data, there may be more than 160 family offices in Spain managing more than €15 billion," Trigo comments.

So-called single family offices have been a commonly used tool by family groups for some time as a way of managing and growing their wealth, according to Cuatrecasas, Gonçalves Pereira tax partner Alicia de Carlos. "Additionally, they are also a useful platform to manage and coordinate other issues related to the family," she says. "However, in recent years we have witnessed

€15bn

Total amount managed by the estimated 160 family offices in Spain

a proliferation of other type of family offices, the so-called 'multifamily office', which manage various families and have been well received by the market."

Isidro del Moral, a partner at Bird & Bird in Madrid, says there is a perception that the work lawyers do for family offices is mainly focused on tax matters, but he argues that this is a misconception. "It is usually believed that the legal

business is in the tax matters," he says. "I do not totally agree, the tax matters are an important part

What are family offices?

Family offices are defined as private wealth management advisory firms that serve ultra high-net-worth investors. They are different from more traditional wealth management firms in that they manage all the financial and investment interests of an affluent individual or family. For example, services offered by family offices often include budgeting, insurance, charitable giving, management of family-owned businesses, wealth transfer and tax services.

Family offices fall into two categories: single family offices and multi-family offices (MFOs). Single family offices advise one ultra affluent family while multi-family offices are more similar to traditional private wealth management practices as their business model involves advising many clients.

but, for me, the investment is the core matter – real estate, banking and finance, corporate, private equity. Del Moral continues: "To give complete advice, you cannot forget special investments like aeroplanes, yachts, or even more special assets like hunting grounds, paintings and pieces of art."

Lawyers in Portugal say that family offices are less prevalent than in Spain but such clients are expected to generate an increasing amount of work in future. Paulo Olavo Cunha, partner at Vieira de Almeida in Lisbon, comments: "We have dealt with some family offices – our main experience is in the organisation of the companies controlled by the family office, such as mergers, splits and sales, and in assisting in the negotiation of contracts related to the companies where a minority participation is held." He adds: "Further to company matters, family offices in general require a wide range of advice, including on matters related to real estate, day-to-day contracts and inheritance issues."

It is anticipated that the number of family offices in Portugal is expected to increase

as the country's tax framework is seen as being conducive to the establishment of such operations. José Maria Corrêa de Sampaio, partner at Abreu Advogados, says: "Conditions are favourable, investment has been rising and

there are advantages in tax and legal terms to domiciling assets and establishing tax residence in Portugal – these include the 'golden visa' programme and the Portuguese tax regime for non-habitual residents, which grants an exemption on foreign source income." He adds: "Considering the growth of the economy and the tax advantages that our legal framework offers to foreign



Eduardo Trigo, Uría Menéndez

people, a rise in the number of wealthy foreigners willing to come to Portugal can be expected so there is clearly a growth trend."