

# Seizing the opportunity: From tax consultancy to family office

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Private Client Holdings was one of the first financial advisory firms in South Africa to establish itself as a leading player in the specialised family office field.

In the world of finance, adaptation and evolution are key to staying relevant to meet the changing needs of clients. This is especially true for financial advisory firms. One such firm that has successfully navigated this path is Private Client Holdings. Starting as a corporate tax consultancy, the firm has evolved into a multifaceted financial institution, eventually establishing itself as a multi-family office in 2011.

"In the early days, South Africa had only a handful of companies that classified themselves as family offices," says one of the directors, Andrew Ratcliffe. "While some audit firms and financial institutions had divisions catering to affluent families, there was no dominant

player focused exclusively on providing comprehensive family office services. Sensing this gap, we saw an opportunity to use our existing framework to meet the complex demands of ultra-high-net-worth families."

## From tax consultancy to wealth management

"With a deep understanding of tax matters and an increasing line of sight into clients' balance sheets, we saw an opportunity to expand our services beyond tax advice," says Ratcliffe. Recognising the importance of a holistic approach to wealth management, the firm ventured into providing comprehensive financial advisory services, including structuring clients' affairs more efficiently. "By diversifying our offerings, we aimed to cover various aspects of clients' financial lives comprehensively," says Ratcliffe. "This approach allowed

us to address complex areas like estate planning and wills, ensuring a holistic wealth management experience."

## The birth of the family office

After years of accumulating expertise and a robust suite of services, the company took a significant step by establishing its own family office in 2011. "This marked the culmination of a long-term plan, where we recognised the need to provide an exclusive and tailored wealth management approach to multiple families," says Ratcliffe. While single-family offices cater to the needs of ultra-high-net-worth families, the firm identified a gap in the market for multi-family offices. By filling this space, the firm became a go-to destination for families seeking professional wealth management services, pooling resources and expertise to achieve economies of scale and offer specialised solutions.

## Attracting the right clients

As the company expanded its services and refined its approach, it started attracting ultra-high-net-worth families seeking a holistic and personalised wealth management experience. Recognising the unique needs of these families, the firm rolled out a wide range of services, including expert tax advice, fiduciary guidance, asset management, wealth management services, and cash management. By offering a comprehensive suite of services, they became a one-stop destination for affluent families, providing tailored solutions to address their intricate financial affairs.

## The shift to globalisation

One of the defining factors that transformed the firm's business outlook was the relaxation of exchange controls in South Africa. This change, occurring in the late 1990s, prompted a significant shift in investment and wealth management practices. South African families started diversifying their portfolios and seeking cross-border advice. Recognising the importance of global partnerships, the firm established relationships with international businesses to facilitate seamless cross-border services and provide clients with holistic, ongoing support.





### Navigating complexities

"Advisors had to adapt to changing regulations, such as double tax agreements, and navigate the complexities of cross-border wealth management. The firm's expertise became instrumental in assisting multi-generational families with estate planning, trust structures, tax implications, and asset management," says Ratcliffe. With an increasing number of clients having beneficiaries spread across different countries, the firm's ability to offer comprehensive, globally aware solutions became paramount.

### Building a formidable team

To effectively cater to the intricate needs of ultra-high-net-worth families, the company recognised the importance of assembling a team of professionals with diverse expertise. Currently boasting 118 professionals across various areas of specialisation, the firm has created a collaborative environment. A family office is a safe space where families can

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openly communicate and collaborate with various professionals, including accountants, lawyers and asset managers. This collective wisdom, coupled with the firm's deep understanding of family dynamics and complex financial landscapes, has positioned them as a formidable force in the industry.

### Navigating intergenerational wealth transfer

One of the significant challenges for wealthy families is ensuring smooth intergenerational wealth transfer. "Family offices excel in facilitating this transition by implementing effective family governance structures, ownership management, and succession planning. We understand the importance of mentorship and the transfer of wisdom across generations," says Ratcliffe. "We establish a relationship with a person in their lifetime – and when they are no longer around, we are there to ensure the family has a safe place to go. Our services have a unique impact on their lives. Additionally, we recognise each family member may have different aspirations, ventures, and tax considerations. We provide guidance and support tailored to individual family members' needs, helping them navigate personal tax obligations, business ventures, and philanthropic endeavours."

### Personalised care and understanding

When families engage with a family office, they become part of a personal and caring relationship. Family offices strive to deeply understand the family dynamics, their goals, and what matters most to them. They act as a personal chief financial officer (CFO), offering a safe and transparent environment for families to discuss their financial matters. Whether it's sitting in boardrooms or at dinner tables, family offices foster strong connections and build trust, providing comprehensive support and guidance tailored to the unique needs of each family member.

### Harnessing technology for enhanced services

Ratcliffe explains that technology is no longer a luxury but a necessity for delivering optimal outcomes to clients. Investing significantly in financial technology, family offices allocate substantial budgets to acquire subscriptions, software, and the talent required to develop cutting-edge solutions. "One critical aspect of technology adoption is providing clients with seamless access to accurate information," he says. Family offices consolidate and aggregate data from diverse geographical regions worldwide, collaborating with approximately 50 product and service providers. By integrating data feeds from various sources, Private Client Holdings empower clients to analyse asset allocation and make informed decisions.

"There is also people's concern around cybersecurity," says Ratcliffe, "and clients are always concerned about the protection of private information and data. So we must ensure this is taken into consideration."

There's no one silver bullet or asset class or magical outcome that is going to result in long-term sustainability of wealth. In the world of finance, finding a partner you trust to adapt and evolve with the markets is key to staying relevant and prospering.