

ENGLAND AND WALES

Forsters' Corporate Newsletter

Family offices – nimble, forward-thinking and increasingly sophisticated – are playing an ever-more important role in the investment landscape. Beholden to neither shareholders nor (usually) third party investors, family offices are able to seize opportunities quickly and invest for the long-term, untroubled by monthly or quarterly reporting requirements in the way that corporates or private equity firms may be. Here at Forsters, where we act for a variety of both single-family and multi-family offices, we are seeing family offices at the forefront of the investment opportunities that are presenting themselves as the world begins to recover from the economic downturn caused by COVID-19. We are seeing them invest in a wide variety of assets in a multitude of different ways, sometimes acquiring a minority or strategic stake in a target company, and sometimes acquiring entire businesses.

In this newsletter we consider a number of issues that may be of interest both to our clients and the advisory firms we work with who also advise family offices. A number of the articles will also be of interest to our corporate clients and we finish with a more light-hearted summary of an old English case. We wish you all a very happy Christmas and a restful break over the festive period.



THE FUTURE OF THE FAMILY OFFICE AND THE FAMILY OFFICE ADVISOR

The traditional family office has been focussed on wealth management, family governance and philanthropy. The family office of the future will serve single or multiple families and, alongside exercising the traditional role of wealth preservation, will continue to expand its reach into ever broader areas usually reserved for larger corporates, private equity or investment houses. In this article we predict how these trends will affect both the family office and family office advisors of the future.

[Read the full article here](#)

“THEY ARE VERY PROACTIVE AND COME UP WITH SOLUTIONS RATHER THAN JUST PROBLEMS”

Chambers UK



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FAMILY GOVERNANCE – ENFORCEABILITY AND SUSTAINABILITY IN PRIVATE WEALTH STRUCTURES

Any legal structure incorporating family governance principles will be a hybrid of elements from corporate governance but with flexibility that is not possible in a truly commercial context; rigid structures and families rarely go together.

This article covers the following factors:

- What is family governance?
- Structures
- Enforceable elements
- Limits of enforceability in the family context
- Sustainability.

[Read the full article here](#)

LOOKING TO THE FUTURE - BUSINESS CONTINUITY

While COVID-19 continues to challenge many businesses, financially, practically and logistically, a recent case reminds us that business continuity issues can also be created by a company's own constitution and that companies need to keep their constitutions under frequent review to ensure that they are fit for purpose and actually work, especially during the current turbulent times.

[Read the full article here](#)

“THE QUALITY OF THE ADVICE IS SUPERB; IT BALANCES THE PERSONAL TOUCH OF A SMALL TEAM WITH THE SKILLS OF A LARGE FIRM”

Chambers UK



DUTCH STAK FOUNDATIONS – AN OVERVIEW

The Dutch STAK foundation can be used for a variety of both charitable and commercial purposes, including by family offices to assist with estate planning and asset protection. This summary explains their key characteristics, including what they are, how they are used and their core advantages.

[Read the full article here](#)



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COVID-19: HMRC GUIDANCE ON COMPANY RESIDENCE, PERMANENT ESTABLISHMENT AND RELATED ISSUES REGARDING THE ECONOMIC SUBSTANCE TEST

HMRC published guidance on 9 April on the implications of COVID-19-related travel restrictions on a company's residence status. This situation raises concerns as to whether a foreign company may become resident for tax purposes in the UK because the central management and control (CMC) of the company might be considered to have moved here. In this article, we suggest practical ways to reduce this potential risk.

[Read the full article here](#)



SHARE REGISTERS ARE VITAL FOR TITLE – BUT WHAT IF YOU FIND A MISTAKE?

If you've just completed a stellar transaction your attention is probably turning to the rewards – new business, growth and returns. But first make sure you have properly dealt with those dry if all-important post-completion matters, including updating your share registers.

Here we set out examples of some common mistakes and how to correct them. We have focused on the registers of private limited companies but advise on all entity types.

[Read the full article here](#)

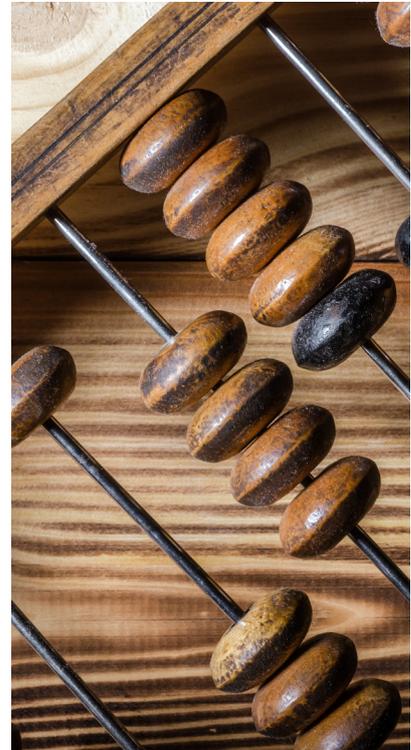
SHAREHOLDERS BEWARE: OSTENSIBLE AUTHORITY AND THE DUOMATIC PRINCIPLE

A recent BVI case has shown that the Duomatic principle, which allows shareholders to informally approve a company's actions provided they act unanimously, can apply even where actual authority has not been granted and where the ensuing action by the company is against the best interests of the shareholders. This article seeks to explain the principle and its application, whilst highlighting its limitations and the practical points shareholders should consider.

[Read the full article here](#)

“HIGHLY RECOMMENDED... A HIGH-END BOUTIQUE OFFERING WITH AN INTERNATIONAL FLAVOUR”

Legal 500 UK



BIT AT THE BOTTOM

Losers Weepers?

Back in the 19th century, a bureau was put up for auction. Unbeknown to the seller or the buyer, the bureau contained a secret drawer secreted in which was a purse of money. When the money was discovered, the obvious question arose – who did it belong to? Unfortunately for the buyer, the court held that the money was owned by the seller even though, at the time of sale, he'd been completely oblivious of its existence; the bureau hadn't been sold with its contents and delivery of the bureau to the buyer did not constitute delivery of the money. That said, do please remember to check any bank accounts, balance sheets, drawers, cupboards, pockets... before disposing of any item! (Merry v Green (1841) 7 M. & W. 623).

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Please contact Forsters' Corporate team if you would like further advice.



ALASTAIR LAING

Partner
Corporate

T: +44 (0)20 7399 4873

M: +44 (0)7800 587 161

E: alastair.laing@forsters.co.uk

Please note this checklist does not cover the law or procedures in Scotland or Northern Ireland, that may well in certain instances be different to those in England and Wales.

This briefing offers general guidance and reflects the law as at December 2020. The circumstances of each case vary and this note should not be relied upon in place of specific legal advice.



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