



BUSINESS CONTINUITY PLANNING – WHAT FAMILIES CAN LEARN FROM BUSINESSES

Business Continuity and Disaster Recovery Planning (BCP/DRP) is good practice for businesses, sometimes even imposed by law or the regulator. The coronavirus crisis currently exposes businesses around the world to a very real stress test and weaknesses in the planning are quickly uncovered. What is expected from businesses is however far less common in the private environment.

Wealth in families may not be a commercial activity in itself, but careful advance planning for the unexpected is as important as it is in the business environment. BCP/DRP are specific to their organisation and up to now rarely had to be actioned. The setting up of such plan was often considered a nuisance, even though a necessary one. Exactly the same is true for families. The planning may simply involve the drafting of a will, the granting of a precautionary power and emergency directives, or it may involve the use of trusts. In essence, it is a matter of ensuring continuity by organising the administration of your personal matters and wealth. The objective of continuity is achieved when the ability to act is maintained and your intentions secured, when the unanticipated hits.

Unfortunately, over the last couple of years governments, supported by a number of international organisations, seem to have identified trusts and such other similar structures as the source of all evil. As a consequence many families have shied away from using them. Trusts have been mistaken as being instruments primarily driven by tax goals or for the illicit protection from creditors. While trusts may sometimes have been abused for this in the past, today the rules of tax transparency make such abuses virtually impossible. In fact, when one looks back at the very origin of the trust it becomes clear that trusts have always been and still are a perfect instrument for private continuity planning and disaster recovery.

Trusts are indeed good family governance and an effective insurance against situations that may cause an incapacity to act. Such incapacity can be the consequence of personal illnesses, death, when a person is lost, but not yet officially declared presumed dead, political upheaval, or situations as the one we are currently living.



The reason for trusts to exist is the fact that the unexpected should be expected. Similarly as in the business environment such a private BCP/DRP needs careful planning and must be tailored to a family's situation. It also needs amendment from time to time and sufficient flexibility.

Very few of us considered the current pandemic disaster to be a real threat that is waiting around the corner. Businesses such as Mandaris were however obliged to plan for continuity and luckily activating our emergency plans worked surprisingly swiftly. The trust is the perfect instrument to apply this concept to your private environment and Mandaris can help you to tailor it to your needs.

Please do not hesitate to contact the author if you have any questions or queries.

Our office locations

Mandaris Ltd.
St. Alban-Anlage 46
CH-4052 Basel
Tel. +41 61 285 17 17
Fax +41 61 285 17 77

Mandaris Ltd.
Beethovenstrasse 49
CH-8002 Zurich
Tel. +41 43 344 33 55
Fax +41 43 344 33 66

Mandaris Ltd.
Baarerstrasse 112
CH-6300 Zug
Tel. +41 41 500 01 15
Fax +41 41 500 01 16

Mandaris Group (Malta)
Ltd.
Forni Complex 1E, Level 2,
Pinto Wharf,
Valletta Waterfront
Floriana, FRN 1913
Malta
Tel. +356 2779 1900
Fax +356 2713 2410



The author:

Alexandre von Heeren

Managing Partner, Chairman of the Board of Directors

alexandre.vonheeren@mandaris.com

Phone: +41 (0) 61 285 1717