

Interview given by **Frederick Bjørn, Private Client Partner at Payne Hicks Beach** first published at Citywealth online on 29 September 2017 and is reproduced with kind permission https://www.citywealthmag.com/news/clients-rarely-make-money-overnight?utm_source=Sign-Up.to&utm_medium=email&utm_campaign=37085-228253-Global+trust+brands



“Clients rarely make money overnight”

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Marcela Kunova

Frederick Bjørn tells Citywealth about the peculiarities of the Scandinavian private client market, opportunities arising from the UK non-dom changes, and what he enjoys and worries about being a judge at the upcoming Citywealth Future Leaders Awards.



Tell me about your role at Payne Hicks Beach.

I am a partner in the private client department focusing on tax and estate planning for both UK entrepreneurial families and non-domiciliaries. This includes strategic succession planning for family businesses, which I find particularly interesting. My practice also involves advising UK res non-dom Scandinavians and I spearhead the firm’s Scandinavian initiative.

What differences do you see between the Scandinavian market and the UK?

The Scandinavian market is more straightforward from a tax perspective and as a result, clients tend to be surprised by the complexities of our legislation and frustrated by the uncertainties. They are often not used to requiring such detailed advice on their affairs and this can be tricky at the outset, particularly if they are appropriately structured in their home country and have to revisit everything.

Also, being civil law countries, trusts are not recognised, so clients do not necessarily feel comfortable with the concept of giving their assets away to a third party and are conscious of the adverse implications of these structures on their return. We, therefore, need to be creative and consider alternatives when planning for future generations.

Has the UK private client industry changed?

Changes take place much faster than even ten years ago, especially changes impacting non-dom clients. It used to be the case that clients could rely on legislation to evolve over a period of a few years, whereas at the moment we are seeing significant announcements every six months or so. Whilst this can be frustrating for both clients and advisers alike, it also offers up excellent opportunities.

What lessons did you learn from working with private clients?

It has shown me that many clichés are not true. Notably, my entrepreneurial clients did not 'make it' overnight; money does not necessarily bring families happiness and retaining wealth down the generations and motivating the inheritors of wealth can be a real challenge. Particularly with highly successful family businesses, our aim is to work with families to prevent 'boom to bust in three generations'.

You are a judge at the Citywealth Future Leaders Awards. Are you enjoying the judging?

I am enjoying hearing about the breadth of experience and the skills that so many nominees have built up in a relatively short time. There are some fantastic applicants. I do not enjoy ploughing through multiple page essays flagging the successes of an applicant's firm whilst the individual's story and achievements are harder to find.

What are the main challenges your clients are facing at the moment?

The April 2017 tax changes have been a real challenge for a number of my clients. The difference between what was announced in August 2016 and the 'final' legislation, and the lack of reliefs for those wishing to unravel existing structures, has meant that clients were left with some no-win decisions, often being caught between a rock and a hard place.

Over the past year or so analysing and advising on offshore trust and company structures have been the main reason people have come to see me. The most common request is that I simplify their affairs. They are generally not interested in the complexities that lie behind the advice. They want to know how they can achieve their aims with the minimum of fuss and they want a pragmatic solution.

Tell me about an achievement you are most proud of?

Eventually passing my driving test. The first one was, I quote, "terminated in the interest of public safety."

What trends do you see?

More disclosure, more regulation and more legislation. As for the clients, an increasing reluctance to give too much to next generations too young, which can be very demotivating, whilst at the same time wanting to involve children in wealth early enough that they understand the responsibility that wealth brings. It is a delicate balance.

What do you do to unwind?

I love sports, particularly tennis, cricket, windsurfing and skiing. I also love music, especially drum & bass and I'm trying to encourage my children to enjoy these too.