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WEALTH MATTERS

How to Plan Your Succession and Wealth Transfer

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Foreword

When considering the future, the most important decisions are often the most complex. Ensuring that your family, your business, and your legacy are protected requires not only foresight, but a clear and structured path forward. In these moments, it becomes essential to map the road ahead and draw on the experience of those who understand the challenges and opportunities that lie along the way.

In today's increasingly global and interconnected environment, succession planning demands a pragmatic and well-informed approach. This guide is designed to help you navigate that complexity with confidence—supporting a seamless and well-structured transfer of your wealth, whether to future generations, philanthropic causes, or institutions aligned with your vision.

Throughout this guide, we explore modern and practical frameworks for family governance, digital asset management, and strategic philanthropy. We address the importance of open dialogue around wealth transfer, examine how your definition of family shapes your long-term legacy, and outline the essential steps and documentation required to begin planning effectively.

Our objective is clear: to equip you with the insight and structure needed to build a lasting legacy—one that reflects your values, priorities, and ambitions. Regardless of whether your family structure is traditional or evolving, this guide provides practical, actionable guidance to support your journey.

We trust you will find this both insightful and valuable.

Anaya Espian
Head of Wealth Planning Switzerland & Germany

How to get the most from your reading experience

This guide explores key aspects to consider when establishing a succession plan. Throughout the guide, we provide actionable takeaways. The guide concludes with a useful checklist to help you create a tailored succession plan that meets your unique needs.

As you think about your own situation, keep the following essential points in mind:

Reflect on your current position Do you have a comprehensive understanding of your personal, family, and business assets, liabilities, and cash flows? It's crucial to grasp your current position to develop an effective succession strategy.

Evaluate your business, family, and personal goals
Ask yourself: What are my objectives for the short term, mid-term, and long term?
When will I need to transfer wealth, ownership, or responsibilities?
What steps can I take now to ensure a seamless handover?
Align your succession strategy with these objectives.

Communicate openly with your successors and stakeholders Open and honest communication with the next generation, your partners, and your stakeholders is vital to ensure a smooth transition. Transparency fosters trust and is essential for creating a successful succession plan.

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Why succession planning is important

When passing on our hard-earned wealth, we all want to ensure that our loved ones are taken care of.

In today's increasingly inter- connected world, where individuals often have multiple residences, numerous business interests, and complex family relationships, effective succession planning has become a vital component of comprehensive wealth manage- ment. It requires careful considera- tion to ensure that the best-laid plans achieve their intended goals and to avoid unintended conse- quences. This is even more impor- tant because of the vast amount of wealth expected to change hands in the next several years.

The Great Wealth Transfer Experts anticipate that the largest intergenerational transfer of wealth in history will take place in the next decade. According to a report by Altrata, an estimated USD 30.9 trillion will pass from baby boomers to the rising gener- ation by 2033. This phenomenon is referred to as the Great Wealth Transfer. For more about succes- sion planning for global families, please see page 20.

Transferring significant wealth comprises many stages: from handing over the reins of family businesses or passing on prized possessions like real estate and luxury assets, to signing over legacies like charitable foundations and treasured art collections.

What's more, it has far-reaching implications for the financial industry, tax authorities, and, above all, for the families and recipients themselves.

However, according to recent surveys, around half of all ultra-high-net-worth (UHNW) families lack a proper succession plan, leaving them unprepared and vulnerable to potential disruptions and possible conflicts.

Without proper planning, good intentions can sometimes lead to unintended consequences. For instance, family members may disagree on how to manage inherited assets, leading to rivalry and tension. Younger generations may struggle with the responsibility of managing large sums of money, making poor investment decisions that erode the value of the inheritance.

Moreover, unexpected events such as emergencies or financial downturns can catch beneficiaries off guard, leaving them unpre- pared and financially vulnerable.

An increasingly complex picture It goes without saying, then, that succession planning today is far more complex than it was even a few decades ago. Not only do cross-cultural and international laws and norms need to be taken into consideration to ensure the smooth transfer of assets in our increasingly global world, but also alternative succession routes need to be made accessible for those who find themselves without conventional family ties, or with a desire to follow non-traditional succession routes. (You can read more about alternative succession plans on page 38.)

In addition, as human lifespan increases, incorporating longevity considerations into succession

> Around half of all ultra-high-net-worth families lack a proper succession plan, leaving them unprepared and vulnerable to potential disruptions and possible conflicts.

1.2 million individuals with USD 5 million or more will be passing on their wealth by 2033.

1.2m
Number of individuals with USD 5m+ passing on wealth

USD 30.9trn
Total wealth to be passed on

Note: According to Altrata, “The data is pre-taxation and any other regulatory requirements”
Source: Wealth-X an Altrata company, 2024

“As wealth managers, we play a crucial role, acting as a medium between our clients and the next generation and supporting them through the various stages of the wealth transfer journey.”

Rahul Malhotra, Region Head Emerging Markets

planning strategies is becoming ever more important, as more wealth may need to be consumed during these additional years
of life than had previously been expected.
That said, at the end of the day one thing remains clear: a succession plan is beneficial at every stage of life and under every individual circumstance. It provides peace of mind in case of unexpected events and ensures your wishes are followed. Whether you are single, a young family relying on one income, or a multi-generational family navigating inheritance and legacy, whether you are an employee or a business owner, a thoughtful succession plan can provide a safety net, both in the short and long term.

One step at a time
With so many elements to consider, though, how do you even begin to plan your succession?
First and foremost, it’s essential to start with a global wealth overview, assessing your assets, family situa- tion, and goals. Involve competent advisors who can guide you through the process. It helps to align your plan with stakeholders, such as family members and business partners, to avoid poten- tial conflicts. Regular reviews of your plan are also crucial to ensure it remains relevant and effective.
Although creating a comprehen- sive succession plan may seem daunting, even small steps can make a significant difference. Consider preparing an emergency folder, collecting vital information

and documentation such as powers of attorney, last wills, and insurance policies. This simple step can help your family navigate challenging situations. (See page 52 for further information about creating an emergency folder.)

When navigating complex decisions, such as succession planning, it's helpful to have experienced professionals who can provide valuable insights. "As wealth managers, we play a crucial role, acting as a medium between our clients and the next generation and supporting them through the various stages of the wealth transfer journey," explains Rahul Malhotra, Region Head Emerging Markets.

It's never too late to start planning, but the sooner you begin, the better equipped you'll be to face the uncertainties of the future.

By taking the time to prepare thoughtfully for the transfer of your assets to future generations, you can create a lasting legacy that brings joy, stability, and opportunity to those who matter most. Proper planning ensures a smooth transition, allowing your loved ones to build on your achievements and thrive long after you're gone.

On the following pages, we will guide you through the different elements of succession planning to help you find clarity.

What you can do

•**Define what you want:** Consider your needs, goals, and wishes.

•**Start planning now:** Begin planning your succession now, regardless of your age or circumstances.

•**Seek professional guidance:** Consult with wealth planners, investment consultants, lawyers, and other experts to help you create a comprehensive succession plan.

•**Review plans regularly:** Whether you're navigating a significant life milestone or simply going about your daily routine, periodic plan evaluations can help you stay focused and adapt to changing circumstances.

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Complexities of UHNW life

Running a UHNW family is a complicated process. From succession planning and wealth management to real estate, relocation, and education, wealthy families have complex needs.

Real estate
UHNW individuals own an average of approximately four homes globally, investing around 32 per cent of their wealth in primary and secondary residences.[1]

Relocation
More than 100,000 wealthy individuals are relocating each year, with countries such as UAE, USA, Singapore, Canada, and Australia seeing the largest inflows of millionaires.[2]

Philanthropy
Approximately 90 per cent of HNW households give to charity, with wealthy donors giving, on average, almost USD 30,000 in 2023.[3]

Geographical distribution
Around two-thirds of UHNW individuals own physical assets (including real estate, businesses, significant investments) in three or more countries.[4]

Succession
The Great Wealth Transfer will see an unprecedented volume of wealth pass from one generation to the next. Yet this shift brings significant challenges: approximately 70 per cent of UHNW families currently lack a formal succession plan.

Family business
Family businesses play a significant role in the global economy, with 500 of the largest businesses generating a total of USD 8.8 trillion in 2025, according to EY and the University of St Gallen Global 500 Family Business Index.

Getting governance right

Effective governance is crucial for securing a successful transition of wealth.

Governance is a structured system of principles, processes, and decision-making frameworks
that guides individuals and families in managing their wealth, businesses, and shared legacy.
For high-net-worth (HNW) and ultra-high-net-worth (UHNW) families, governance can be the foundation that ensures long-term success, stability, and unity.
Without clear governance, even the most successful families can face challenges – conflicts over inheritance, leadership disputes, or the dilution of wealth over generations. It is commonly said that 70 per cent of families lose a big part of their wealth by the second generation, and 90 per cent of families lose it by the third.

Thoughtful governance creates transparency, fosters trust, aligns family members around shared values and aspirations, and ensures that the intended planning is properly harmonised across all moving parts.

Why family governance matters For affluent families, wealth is more than financial capital – it represents heritage, influence, and responsibility. However, as families grow across generations, maintaining unity and preserving wealth requires structured decision-making. Family governance provides a roadmap to ensure continuity, prevent conflicts, promote responsible stewardship, and facilitate smooth transitions
of leadership in family businesses.

Without a clear strategy, families may experience conflict, reduced wealth, and compromised educational needs for the next generation. Maria Eugenia Mosquera, Head of Wealth Plan- ning Key Clients & Family Office Services, explains, “Many clients struggle to plan for the future of their family’s wealth and business due to increasing complexity and globalisation. With the younger generation set to inherit soon, it’s more important than ever to have a clear and organised approach to avoid potential conflicts.”

A values-based governance system can help families overcome these challenges. By recognising the importance of a common purpose, selecting a suitable governance structure, and ensuring that investments and charitable activities align with
the family’s values, families can develop a customised strategy that meets their unique needs.

Forms of family governance
Family governance can take various forms, depending on the specific needs and circumstances of each family. Some common instruments of family governance include family meetings, family councils, family committees, family policies, and constitutions, as well as family offices. Research by Aura shows that 64 per cent of HNW and UHNW families have an informal structure (occasional discussions), 31 per cent of
these families have a fully defined structure (meetings with agendas, etc.), while 5 per cent have no structure at all. Ultimately, the choice of governance structure depends on factors such as the family’s size, cultural background, geographic location, goals, and specific challenges.

> “With the younger generation set to inherit soon, it’s more important than ever to have a clear and organised approach to avoid potential conflicts.”
>
> Maria Eugenia Mosquera,
> Head of Wealth Planning Key Clients & Family Office Services

Six building blocks of good governance

At Aura, we support families in identifying their needs regarding governance. We usually group governance needs into six main building blocks. Taken together, these introduce good communication and transparency, and they define a decision- making system that integrates the next generation into the family's company and wealth effectively:

1.Family protocol or constitution
Defines the roles and rules to ensure effective organisation and conflict management and serves as a guideline for asset management and education for the next generations.

2.Family council and assembly
Strikes a balance between family, owners, and external specialists, and fosters communication between family members.

3.Family education
Promotes the skills family members need to fulfil their responsibilities relating to the family business or managing wealth.

4.Family or business succession
Supports the family in finding the right solutions and timing for ownership succession and management of the family business and wealth.

5.Family purpose
Designs a clear, values-based family strategy, e.g. for succession, philanthropy, investing, and wealth structuring.

6.Family office services needs
Helps families to set up a family office or find the right partners.

While a universal solution for all families may not exist, the six elements mentioned above can aid in the development of a customised strategy to cater to the specific requirements and needs of each family.

Governance for individuals

Governance is not just important for wealthy families. For HNW individuals without a family, establishing a personal governance structure is equally essential for protecting their assets, making informed decisions, and achieving their long-term goals.

Having a trusted group of advisors can make all the difference. An advisory board comprising experienced professionals such as financial experts, lawyers, business strategists, investment managers, and philanthropy consultants can offer valuable guidance and support. This team can help you navigate complex financial markets, optimise your investment portfolio, and make strategic decisions that align with your values and objectives.

In addition to expert advice, having a solid plan in place for the transfer of your wealth is vital. This could include suitable wealth structuring by means of foundations, life insurance, trusts, and other arrangements as may be appropriate in your circumstances to ensure that your assets are distributed according to your wishes. By taking control of your estate planning, you can protect your loved ones' financial security and peace of mind.

What you can do

- **Recognise the importance of governance:** Understand that effective governance is crucial for securing a successful transition of wealth.

- **Tailor governance to individual needs:** Each family or individual has unique characteristics and require- ments; customise governance structures accordingly.

- **Prioritise transparency and communication:** Foster open dialogue and build trust among family members or stakeholders to ensure effective decision-making.

- **Seek expert guidance:** Leverage the expertise of professionals, such as wealth planners, financial advisors, lawyers, and business strategists, to inform decision-making.

- **Review and update governance regularly:** Periodically assess and refine governance structures to ensure they remain aligned with changing dynamics and goals.

Wealth across borders

Home is where the heart is – but when loved ones and wealth span the globe, finding direction can be challenging.

Succession planning is part of the culture in many countries around the world. In Europe, the tradition of passing on wealth from generation to generation has existed for hundreds of years, and some families may only be able to trace the meandering path their family fortunes have taken with the aid of a family tree extending back over centuries.

In recent times, however, wealth management has become more complicated with the added challenge of international considerations. The Aura Family Barometer finds that roughly four out of ten ultra-high-net-worth individuals (UHNWIs) have family members in three or more countries. For those with family members, assets, and businesses scattered around the world, navigating succession decisions will require careful consideration of diverse legal and regulatory systems. These often pose complex challenges to traditional notions of inheritance.

For instance, it would be perfectly conceivable for a Belgian industrialist to marry a Swedish entrepreneur, set up home together in a residential arrondissement in Paris, and own businesses in Germany. Their children might study at a British university and they all may enjoy summer holidays together at their holiday home in Spain, while the parents dream of a retirement spent producing their own family wine from a vineyard in Tuscany.

The opportunities afforded to us by this more connected world are enticing. The free flow of talent,

ideas, and goods and services has benefited us as individuals, as families, and as economies. Few things are as alluring as the idea of relocating to somewhere with opportunities that better fit our private or business ambitions, or perhaps simply offer better weather and more inspiring landscapes.

Legal patchwork

When bequeathing wealth to our children and grandchildren, how- ever, this increasingly globalised nature of wealth brings with it many implications. Organisations that create the regulations for global trade and finance often overlook the special needs of families who operate internationally.

Gabriele Di Girolamo, Head of Wealth Planning Europe, explains, "Against this backdrop, the interplay between the succession laws in different countries – or 'jurisdictions' to use the legal term –requires proper assessment to minimise the risk of conflicting laws or ineffective wealth planning strategies. Put simply, the core objective of a succession plan should be to ensure that the fami- ly's wealth passes in line with the wishes of the wealth creators. Any aspects of the legal and regulatory regimes, in all jurisdictions where connections exist, which might bring about a different result should be identified, consciously anticipated, and reviewed regularly –particularly in case of any number of life events."

> "The core objective of a succession plan should be to ensure that the family's wealth passes in line with the wishes of the wealth creators."
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> Gabriele Di Girolamo, Head of Wealth Planning Europe

He continues, "Different jurisdic- tions have different legal principles when it comes to testamentary freedom, for example. Whereas in England people have the right to leave their estate to whomever they choose, subject to certain provisions for family and dependants, civil law in many other countries sets out rules for 'forced heirship'. These rules restrict the ability of testators to decide how their assets should be distributed after death and allocate specific portions of the estate to family members with varying degrees of 'closeness' to the deceased."

The European Union introduced a regulation in 2012 to simplify the process of dealing with international successions, providing rules for determining which country's law applies to a succession and introducing the concept of a European Certificate of Succession (ECS). The ECS serves as a 'passport' for inherit- ance rights, making it easier to

navigate cross-border inheritances.

These regulations also offer opportunities for proactive estate planning. With the help of an expert, individuals can choose to apply the inheritance law of their nationality rather than their country of residence, allowing them to tailor their succession according to their wishes.

Challenges across cultures

The complexity of dealing with cross-jurisdictional succession planning is not unique to European families, of course. Different needs and trends are apparent around the globe. Given the rapid growth of wealth in Asia over recent decades, many UHNW families are setting up single-family offices to manage their wealth professionally. In the Middle East, special focus is often placed on topics such as asset structuring and liquidity planning, while security and protection are traditionally a top priority for families in Latin America.

Given the different law and tax frameworks, some succession planning solutions are better established or offer clearer advantages in one part of the world over another. For example, trusts have a long history of facilitating wealth structuring across generations in many common-law countries, but they are now also being recognised in other jurisdictions. Illiquid assets, such as property or private companies, can pose a significant challenge during the administra- tion of the estate after someone dies. Forced heirship rules may demand a fair distribution of these assets, but extracting cash from them can be problematic.

By planning ahead, families can develop strategies to overcome these hurdles and honour both local laws and their own wishes.

Succession planning is the top priority for global families.

Global top three family topics:

Source: Aura

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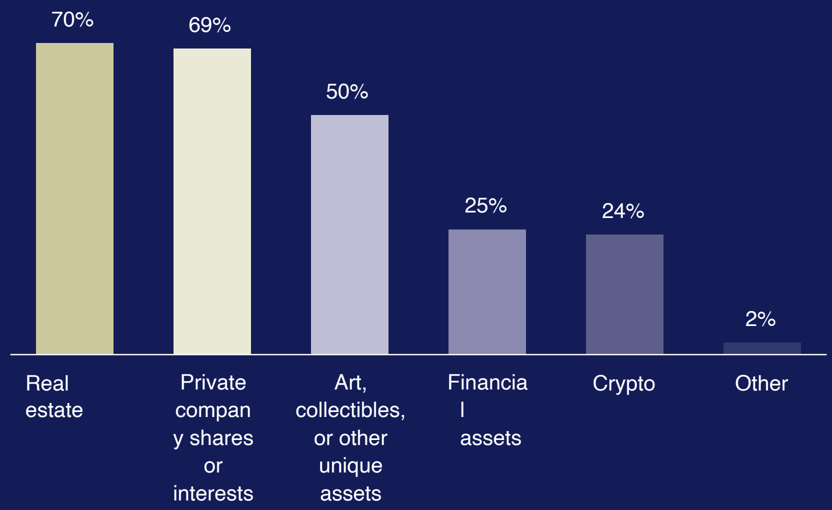
Illiquid assets such as real estate are most often cited by HNWIs as the most problematic when it comes to transference of inheritance.



Source: Aura and DIFC Innovation Hub (Navigating the Future of Inheritance)

Challenges across generations Different generations are likely to have different ways of interacting, upholding traditions or doing business not only because of their birth year but also the culture or society in which they grew up.

Generations place differing emphasis on topics like sustainabil- ity, for example. A granddaughter born to the millennial generation, with its strong ecological focus, might have very different opinions about managing the family business along sustainable lines from grandparents who built up their manufacturing business in a developing economy where environmental issues took second place to industrial advancement.

Bridging the succession gaps, one step at a time

The role of wealth planners is to help clients to develop a specific plan that considers how the individual families and societies work. A long-established wealthy family in Asia and a newly moneyed family in Latin America can have very different requirements, so every aspect of governance must be tailored to the individual situation.

Gabriele Di Girolamo explains, “I start by encouraging clients to take stock of their current situation by drawing up a global wealth over- view and getting a clear under- standing of the consequences if something unexpected happens. Then, with the help of experts, they can start an evaluation of the various options and prepare the appropriate plan. I then regularly encourage clients to review the plan when family members relo- cate, or other changes take place in the family, business, or wealth situation to ensure that their goals are achieved. Importantly, planning strategies are relevant not only to ensure smooth succession but also to provide for the needs of the family, and potentially for continuity, if the wealth creator becomes incapacitated.”

The spread of family members around the globe is likely to bring both new opportunities and new complexities.

Ultimately, when planning your succession strategy, the optimal approach is to consider the advantages and disadvantages that the different jurisdictions present to preserve your and your loved ones’ wealth for many years to come.

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What you can do

Five steps to address complexity in global families.

•**Have a plan and put it on paper:** Even if the plan is to have no plan, it's probably a good idea to make conscious decisions and better anticipate likely outcomes. It is this active focus that helps facilitate appropriate steps to ensure that the wealth creator's wishes in providing for dependants are properly reflected in the outcomes.

•**Select your advisors:** The territory that needs to be covered is extremely complex. No advisor can honestly say that they have all the answers. While a wealth planner's skill is to take a high-level, 30,000 feet helicopter view, the key is to select, harmonise and manage a professional service team around the family that can synthesise the various moving parts, and then to translate that into a message that is clearly understood.

•**Formalise:** As the complexity of the planning multiplies exponentially as more locations are involved, a careful harmonisation of the various regimes at play needs to be considered to achieve successful and lasting outcomes. The necessary formalities should be diligently followed and the 'i's dotted and the 't's crossed. This ensures a clear framework within which the planning can be communicated, implemented, and executed. Often the best-laid plans fail because of poor implementation!

•**Align:** Communicating the plan to all stakeholders and managing the moving parts while recognising that some dynamism is to be expected is key. Often the best made plans fail simply because the communication and related change management have been poor.

•**Review for life events:** 'Lasting outcomes' is perhaps a misnomer in a world where change is the only constant. That said, prudent and early focus on how planning might react to changes in life events will help ensure that ongoing success. Regular review is key.

Generations at work

Family-owned businesses drive the economy, but many lack a plan for the future.

Family-owned businesses are a vital part of the global economy. Census statistics in the USA, for example, reveal that 90 per cent of businesses there are family-owned. These enterprises contribute significantly to GDP and employment. However, only one
in three survives past the second generation of family control. Leadership transitions are a major cause of failure for family firms.
With the right planning, these businesses can thrive across generations, building on their strengths and legacy. By having a well-thought-out succession plan in place, family-owned businesses can capitalise on opportunities, minimise disruptions, and maintain their competitive edge.

Effective succession planning enables family-owned businesses to identify and develop future leaders, establish clear roles and responsibilities, and create a framework for informed decision- making. By prioritising succession planning, family-owned businesses can unlock their full potential, achieve long-term sustainability, and leave an enduring impact.

What you can do

•**Identify future leaders:** Create a comprehensive plan for leadership transitions to ensure the continued success of your family-owned business.

•**Start early:** Begin succession planning early, ideally 10–15 years before the planned transition date.

•**Involve all stakeholders:** Communicate openly and honestly with all stakeholders, including family
members, employees, and advisors, in the succession planning process.

•**Regularly review and update the plan:** Regularly review and update the succession plan to reflect changes in the business and family dynamics.

Family dynamics and communication

Inheritance is about passing on values, not just valuables.

Navigating family dynamics and communication can be a challeng- ing task, especially when discussing sensitive topics like wealth transfer. Findings from the Aura Family Barometer indicate that most families believe they are aligned on values and priorities, but the level of transparency in the wealth transfer process is only moderate.

Transforming conflict into connection

Family dynamics can be complex, and managing them requires empathy, understanding, and effective communication. One of the primary challenges families face is sibling rivalry, which can arise when discussing inheritance, business succession, or other family matters. Additionally, generational differences can lead to misunderstandings and conflict because differences in values, priorities, and communication styles among generations can make it difficult to find common ground.

The fear of conflict is often a significant barrier to open communication in many families. According to the Aura Family Barometer, 46 per cent of families cite fear of causing family conflicts as the primary reason for not addressing wealth transfer discussions. This high- lights the need for a structured and objective approach to navigating family dynamics.

Talking through tensions

Effective communication is key to resolving conflicts and building trust among family members. It is essential to practise active listening, and to encourage all family members to consider each other's perspectives and concerns. Asking open-ended questions can also facilitate discussion and exploration of thoughts and feelings, helping to identify areas of agreement and disagreement.

Approaching conversations with a non-judgemental attitude is also crucial because it allows family members to express themselves freely without fear of criticism or reprisal. By focusing on shared values and goals, families can build consensus and cooperation, even in the face of disagreement.

Meet, discuss, decide

Trust and collaboration are essential components of healthy family interactions. Regular family meetings can play a significant role in promoting open communication and building trust among family members. These meetings provide a crucial platform for discussing important family matters, including wealth transfer and succession planning.

Education and training pro- grammes can also help family members develop skills and knowl- edge related to wealth manage- ment, empowering them to take an active role in decision-making processes. By involving family members in decision-making, families can promote a sense of ownership and responsibility, ultimately leading to stronger relationships and better outcomes.

Conducting constructive conversations

Family meetings can be a powerful tool in promoting open communication and building trust. To conduct effective family meetings, it's essential to set clear agendas, defining the topics to be discussed and ensuring all family members are aware of the agenda.

Establishing ground rules for respectful communication and active listening can also help facilitate productive discussions.

Encouraging participation from all family members is vital, as it allows everyone to contribute to the discussion and feel invested in the outcome. Finally, following up on open items can help maintain momentum and ensure accountability, keeping the conversation moving forward.

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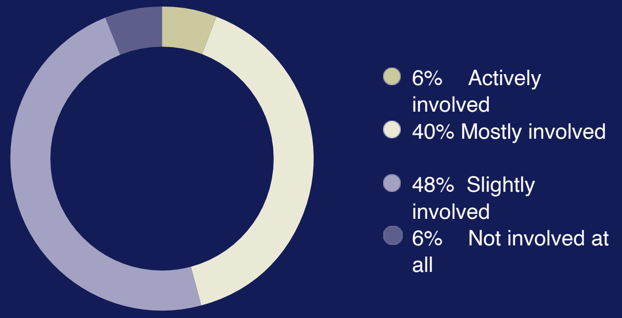
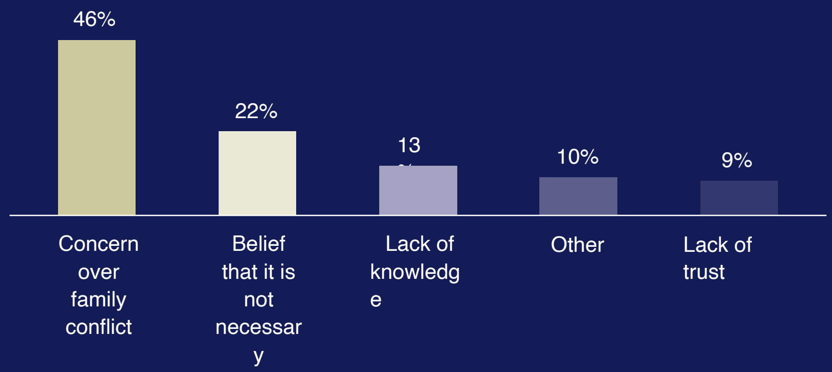
To what extent are the wealth receivers involved in strategic discussions about wealth management during the lifetime of wealth givers?



Engage wealth receivers early
Increase involvement of wealth receivers in the discussions to prepare them better for future wealth management responsibilities.

Source: Aura

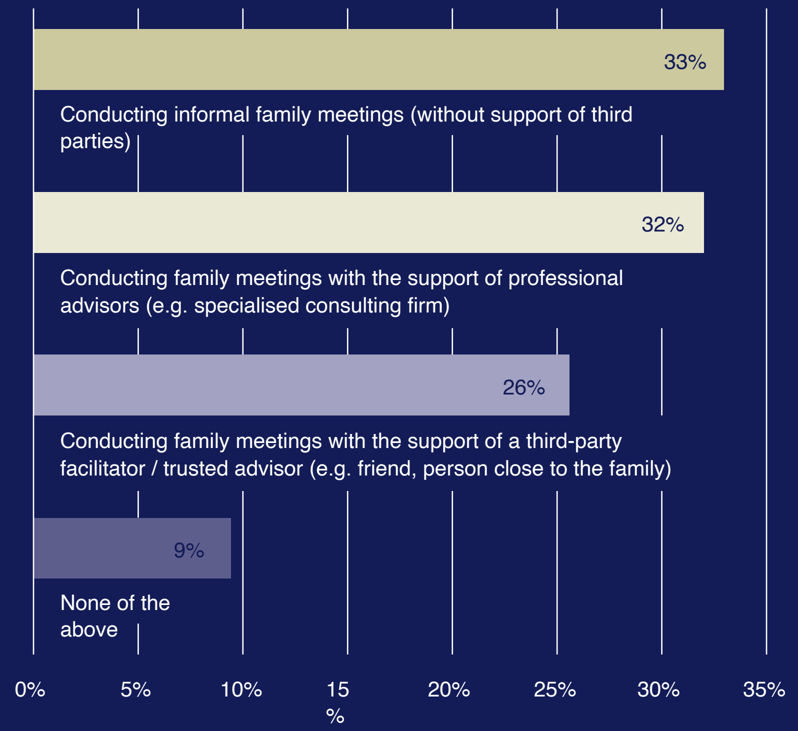
What is stopping families from having wealth transfer discussions with the wealth receivers?



Break the silence and unlock family potential
Include professional advisors and educate the giving generation to effectively facilitate crucial wealth transfer discussions.

Source: Aura

What measures do UHNW clients mainly implement to facilitate wealth transfer discussions?



Source: Aura

5 common mistakes families make when educating their heirs to assume greater responsibility:

1.Waiting too long
If you wait too long when planning for the future or before you involve the next generation, they might make mistakes that could have been avoided or not understand so quickly how to help carry on the purpose of the family wealth. Consciously plan ahead and adapt your plan if needed. Importantly, plan jointly with the next generation to get them more involved.

2.Missing learning opportunities
Obviously, your children must learn for themselves, but providing the right options will give them a head start. Apart from a solid educational base, there are many alternatives, such as dedicated courses at specialist institutes, incrementally increasing their involvement in managing the family's wealth, or letting them run particular projects.

3.Not listening to experience
Seek out experience. Many of your peers, both decision-makers and heirs, have gone through similar situations before. Ask them to share lessons learned and first-hand advice, e.g., in networks or clubs of peers.

4.Not involving advisors
Many professional advisors can help with practical expertise. However, someone must keep an eye on the big picture: the family and its dynamics. Here, dedicated family advisors can help you to nurture the different generations across all relevant areas.

5.Leaving heirs in the dark
It may sound obvious, but in many families the heirs are not prepared for the full extent and complexity of great wealth. Let them know what their future responsibilities will be and prepare them accordingly.

Passing the torch

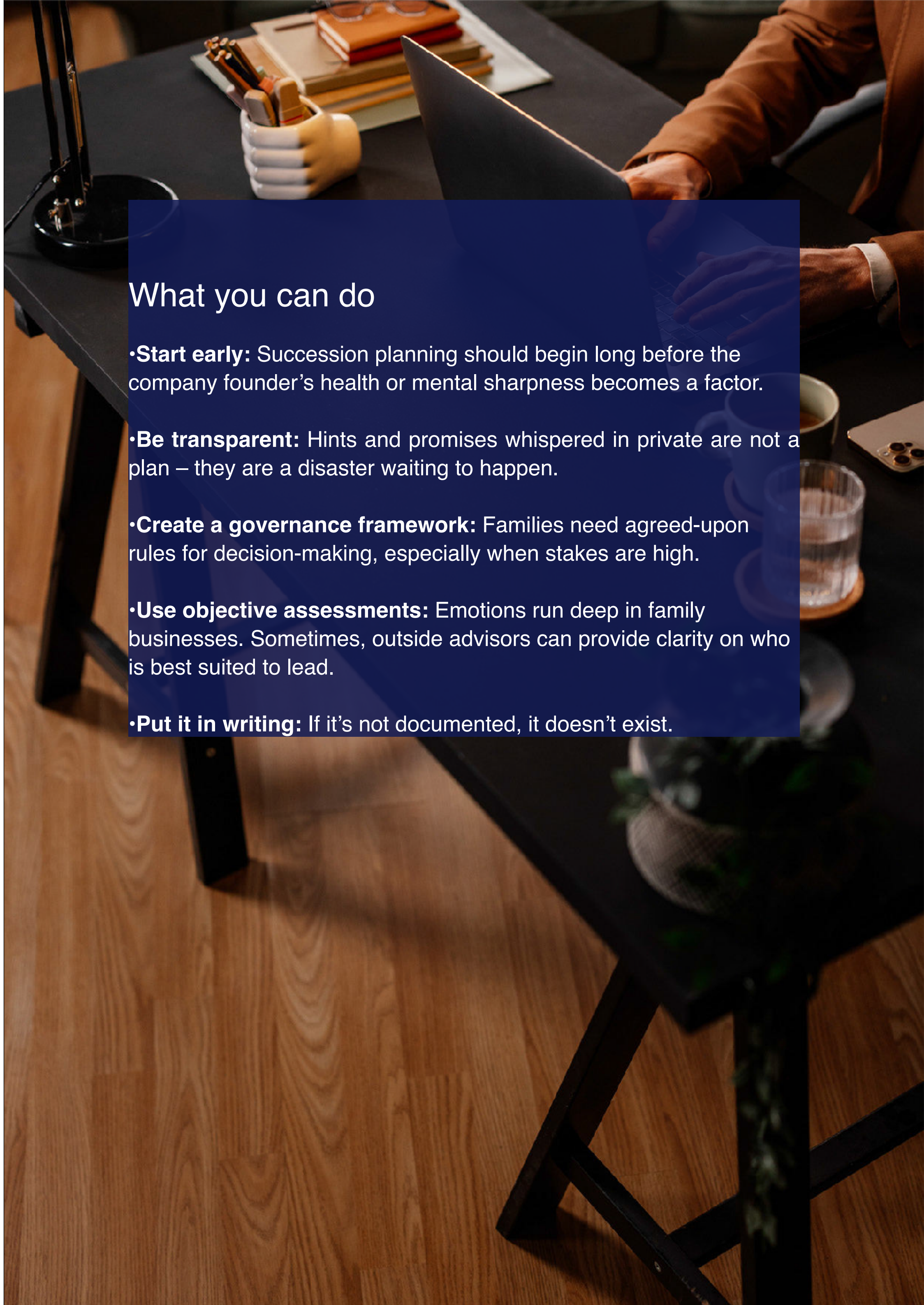
As you consider the future of your family's wealth, remember that effective communication is key to successful succession. Don't wait too long to prepare for the future. Instead, take a systematic approach to developing the rising generation by gradually giving them responsibility and involving them in decision-making processes. This can start with small steps, such as discussing the family's wealth and purpose, and seeking input from external advisors.

David Durlacher, CEO, Aura International Limited, notes, "The fundamental objective for both clients and their wealth manager is to understand the real purpose of wealth." By doing so, you'll create a common understanding of values and goals, binding your family together and preparing the next generation to inherit not only wealth but also a shared family purpose and legacy.

Expert guidance for smooth transitions

Expert guidance can help harmonise family values and goals. The experts at Aura offer bespoke solutions to help families navigate complex wealth transfer challenges.

According to Marco Sella-Rolando, Head of Wealth Planning Interna- tional at Aura, "It's essential that wealthy families collaborate with trusted advisors to ensure both the hard-won experience of the wealth creators and the fresh insights of youth are integrated prudently into the family's wealth planning." By working with experienced professionals, families can develop a comprehensive wealth plan that addresses their unique needs and goals, ensuring a smooth transition of wealth and power to the next generation. Balancing family expectations and needs is a complex task that requires empathy, understanding, and effective communication. By identifying potential hurdles and acting proactively, families can promote open communication and build strong relationships.



What you can do

•**Start early:** Succession planning should begin long before the company founder's health or mental sharpness becomes a factor.

•**Be transparent:** Hints and promises whispered in private are not a plan – they are a disaster waiting to happen.

•**Create a governance framework:** Families need agreed-upon rules for decision-making, especially when stakes are high.

•**Use objective assessments:** Emotions run deep in family businesses. Sometimes, outside advisors can provide clarity on who is best suited to lead.

•**Put it in writing:** If it's not documented, it doesn't exist.

Estate planning without heirs

Alternative succession plans can create a meaningful impact that reflects your values and passions.

As we grow older, many of us begin to think about what we will leave behind. While traditional notions of legacy often focus on family and biological heirs, there are alternative paths to creating a lasting impact. For those without biological children or legal heirs, and indeed those who choose to bypass the traditional family inheritance path, there are numerous ways to leave a lasting legacy that reflects their values, passions, and priorities. By exploring these alternative routes, individuals can forge their own unique path to legacy, one that is authentic and fulfilling and contributes to the greater good.
To start, consider taking a few key steps. Make a will that outlines how you want your estate to be distributed and appoint an executor who can ensure your wishes are carried out. You may also want to establish a power of attorney, which gives someone you trust the authority to manage your affairs if you are unable to do so yourself.

Beyond bloodlines

Horizontal wealth transfer offers a solution by allowing individuals to distribute their assets among a broader network of loved ones and close relationships. This approach recognises that wealth is not just about passing down assets to the next generation, but also about creating a lasting impact that enriches the lives of those closest to the giver or in need of help.

Naming non-family members as the beneficiaries of your estate or business is one viable option.
These recipients could include close friends, colleagues, or even loyal employees who have made significant contributions to your success.
If you choose this route, it is essential to plan carefully to ensure a smooth transition.
Developing a clear vision statement that outlines your goals and objectives is a crucial first step.
By allocating a portion of their estate to charitable causes, individuals can leave a legacy that extends beyond their personal network, making a positive impact on their community and society at large.
This approach allows individuals to combine their desire to help those closest to them with their passion for giving back, creating a more holistic and mean- ingful wealth transfer strategy.
Trusted professionals, such as lawyers, financial planners, and tax experts, can help ensure that your plan is executed effectively. These trusted advisors can provide valuable insights and help you navigate complex legal and financial considerations.

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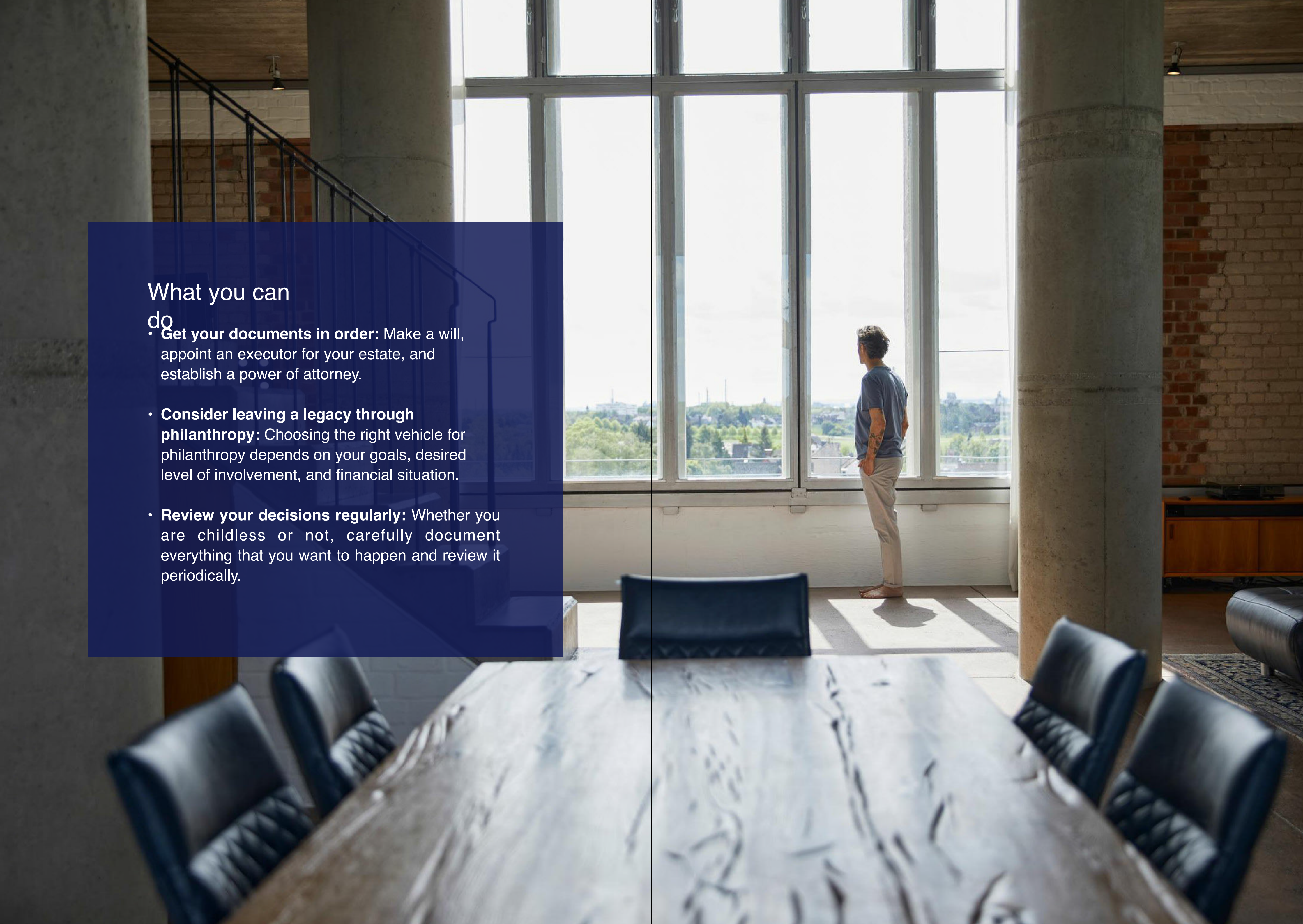

What you can do

- **Get your documents in order:** Make a will, appoint an executor for your estate, and establish a power of attorney.
- **Consider leaving a legacy through philanthropy:** Choosing the right vehicle for philanthropy depends on your goals, desired level of involvement, and financial situation.
- **Review your decisions regularly:** Whether you are childless or not, carefully document everything that you want to happen and review it periodically.

Estate planning in the digital age

As the world becomes increasingly digital, our reliance on technology grows. How does this affect inheritance?

We use email, cloud storage, and two-factor authentication daily, and many of us even own digital assets. But have you ever stopped to think about what happens to these digital assets when we pass away?

Tokenising wealth transfer

Transferring wealth can be slow, complicated, and prone to errors, resulting in lost time and money. However, innovative technologies such as artificial intelligence (AI), blockchain, and digital tokens are set to revolutionise the way we manage assets, keep track of information, and invest securely. One key development is tokenisation, which creates a digital system that speeds up and safeguards the transfer of wealth.

Industry leaders recognise the immense potential of these technologies and are already testing them. To make them mainstream, we still need clear regulations, standards, and collaboration among key players. The financial sector is addressing issues such as regulatory approval, integration with existing systems, automation, and widespread adoption of digital tokens.

For (U)HNW individuals, the digitisation of inheritance can offer a game-changing opportunity to streamline and safeguard the transfer of wealth. By embracing these cutting-edge technologies, you can reduce administrative burdens and costs associated with traditional wealth transfer methods, enhance security, and minimise the risk of errors or disputes. This enables you to ensure a smoother, more efficient passage of your legacy to future generations.

Securing your digital assets

If you own digital assets, you will want to think about how they will be managed when you are no longer around. Digital assets are stored in virtual 'wallets' that require a code (called a private key) to access. If the code is lost, the assets are locked for ever.

To avoid this risk, it is essential to inform your loved ones about your digital assets and leave instruc- tions on how to access them.

There are two main types of wallets: those you manage yourself (self-custodial) and those managed by a service provider (third-party custodial). If you use a third-party custodial wallet, the provider will usually need proof of inheritance to release the assets.

Self-custodial wallets are trickier. You will need to share the access codes with your heirs, either in your will or in a separate document. As Senior Wealth Planner Nathalie Eser Wolfer advises, "Forward-thinking estate planning is crucial. Make sure your loved ones know what digital assets you have and how to access them."

Transferring your online assets Beyond digital assets, there are many other aspects of your online life that require consideration in estate planning. Passwords, social media accounts, email, and cloud storage all pose unique challenges when it comes to accessing and transferring them after someone passes away.

Password management:
Consider using a password manager for the secure storage of login credentials for various online accounts. This can help heirs access important

information and avoid being locked out of accounts due to forgotten passwords.

Social media and email accounts: Many people maintain multiple social media profiles and email accounts. It is essential to include instructions on how to access and manage these accounts in the event of one's passing.
Cloud storage: Cloud storage services such as Google Drive, Dropbox, or iCloud may contain important documents, photos, or other files. Make sure to include access information for these accounts in your estate plan.
Two-factor authentication (2FA): 2FA adds an extra layer of security to online accounts. However, it can also create obstacles for heirs trying to access these accounts. Consider providing alternative contact information or backup codes to facilitate access to accounts with 2FA.
To ensure the smooth transfer of digital assets, it is essential to consider all aspects of handling digital assets. Don't forget to address passwords, social media accounts, email, and cloud storage in your estate plan to ensure your loved ones can access and manage your online presence after you're gone.

What you can do

•**Identify, organise, and disclose digital assets:** Make a list of all digital assets, including financial accounts, social media, and online storage.

•**Securely store access information:** Use a password manager or encrypted document to store login credentials. Consider alternative contact information or backup codes for accounts with two-factor authentication.

•**Include digital assets in legal documents:** Work with an attorney to add digital assets to your estate plan.

•**Regularly update and share the plan:** Keep the plan current and ensure trusted individuals know how to access it.

The power of philanthropy

It is possible to create a lasting impact through thoughtful and strategic philanthropy.

Philanthropy is the act of giving time, money, or resources to support a good cause or improve the lives of others. It's a powerful way to make a positive impact on society.
"Philanthropy offers a unique opportunity to pursue our life's purpose, express our values, and create a personal legacy," explains Caroline Piraud, Global Head of Philanthropy. Our comprehensive approach is built on our blended model that combines dedicated philanthropy advisory from our Wealth Planning department with the Aura Foundation's close collaboration with project partners worldwide. Our dual approach is designed to empower you to drive meaningful change that reflects your values while ensuring you receive guidance at every stage of your philanthropic journey.

There are many ways to do this. Establishing a donor-advised fund, for example, allows you to contribute a lump sum upfront and then recommend grants to your favourite organisations over time. Setting up a private charitable foundation, while requiring more effort and resources, provides an opportunity to offer ongoing support to specific charities or initiatives and to engage the next generation in your ambitions.
When starting out, consider making modest gifts or donations to test the waters, build trust
and confidence, and refine your strategy over time. As you become more comfortable with the

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process, you may adjust your approach and increase your commitment. To ensure your giving has maximum effect, focus on the issues that matter most
to you. Research organisations and initiatives addressing these concerns, and consider seeking guidance from experts in estate planning, taxation, and
philanthropy. They can help you navigate the complexities and identify opportunities that align with your goals.

Finding your focus

Embarking on legacy planning can feel daunting, especially if you are unsure where to start.
To begin, take time to reflect on your values and passions. What matters most to you? How do you want to make an impact?
One approach to exploring your goals and priorities is to use visual aids, such as cards with thought- provoking images. This can help stimulate discussion and reflection, allowing you to gain new insights and perspectives on your wealth, succession, and philanthropic plans. It is also advisable to include your heirs in the discussions, to find alignment allowing for a smooth wealth transfer.

A lasting impact

Whatever your personal circum- stances, you can create an endur- ing legacy. By exploring alternative options and staying focused on your values, you can build a meaningful impact that extends far beyond your immediate circle. With careful planning, open communication, and a willingness to learn, you can craft a legacy that truly reflects your personal vision.
Above all, remember that philanthropy is a journey, not a destination. Be patient, stay flexible, and be willing to adapt as circumstances evolve.

What you can do

- **Start now:** Begin engaging philanthropically during your lifetime.

- **Define your philanthropic approach:** Find a focus for your giving, based on your family's core values. This will enable you to create impact and build a lasting legacy reflecting what is important to you.

- **Foster trust with charities:** Test organisations with small donations; then grow your engagement based on this experience.

- **Engage your family:** Involve family members in the decision-making process and explore ways to experience the impact of your giving together. For instance, you could plan a family holiday to visit the charity or project you are supporting, creating a unique opportunity for hands-on engagement and shared learning.

Conclusion

In today's complex world, planning for the future is more important than ever. With vast amounts of wealth set to change hands in the coming years, everyone needs to think ahead to secure their assets and protect their loved ones. Effective succession planning starts with a tailored plan that considers your unique circumstances, values, and goals. Such a plan helps prevent conflicts and ensures that your assets are passed down according to your wishes. A well-structured approach and the establishment of clear governance promotes responsible stewardship and safeguards your legacy.

As our lives become more digital, it is vital to factor online assets into your long-term plans. Staying organised is also vital. Creating an emergency folder with all your important documents and reviewing it regularly can help ensure a smooth transfer of assets and minimise stress for your loved ones. You can find our recommendations for documents to include in your emergency folder on page 52. At Aura, our team provides personalised guidance and support to help you achieve your goals. We will work closely with you to develop a customised succession plan that gives you peace of mind, knowing your loved ones are protected.

Emergency folder

Safeguard your interests and ease potential burdens on your loved ones.

An easy first step in succession planning is to create an emergency folder to collect important documents and information. This folder can be incredibly helpful to your successors, no matter where in the world they are located.
Our team is here to answer any questions you might have as you begin your succession journey.

Checklist
We suggest you gather the documents below in a safe place, inform the people you trust, and regularly review and update your emergency folder.

- ☐ Personal documents
- ☐ Wishes and provisions
- ☐ Banking relationships
- ☐ Real estate details
- ☐ Investments
- ☐ Debts and commitments
- ☐ Digital assets
- ☐ information Public offices held
- ☐ Management details of family business in
- ☐ emergency Financial provisions
- ☐ (trusts, insurances, etc.) Ongoing contracts, memberships, subscriptions, standing orders, etc.

Aura

75 Wichita Road
P.O. Box 83000 Phuket
Thailand
Telephone +66 8241 88 111
www.aura.co.th