



Fidnam Group Worldwide  
**Newsletter**

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Doing business in Asia:  
how to?

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Trust Services: how to get  
your wealth protected

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BUD FTA Programme:  
how the Hong Kong  
Government supports  
companies towards  
their expansion in South  
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## DOING BUSINESS IN ASIA: HOW TO?

Accessing Asian market is key for most international companies. Using Hong Kong or Singapore as springboards is a good strategy and offers numerous advantages including prime locations, developed infrastructures, free circulation of goods, simple tax systems, and business friendly environments. Direct investments in specific jurisdictions are also becoming more frequent, often targeting Australia, mainland China, or Vietnam.

Still, accessing the Asian market from Europe comes with some challenges.

Entrepreneurs should seek proper advice and bear in mind cultural, tax, and legal factors.

**Choose the most appropriate country**  
“Doing business in Asia”: yes but where? Hong Kong and Singapore certainly remains key hubs in Asia, the first one to access North East Asia and mainland China, the second one to tackle South East Asia. Both have solid grounds to attract international companies. While Hong Kong ranks as the world’s third easiest place to do business according to the World Bank’s Doing Business

2020 Report, Singapore remains well known for the abundance of skilled resources, efficient and open economy and a strong intellectual property rights system. Both enable companies to set-up regional strategies in Asia.

As for direct investments, Australia mostly attracts entrepreneurs willing to deploy services, while Vietnam and China both offer solid options for production. In fact, Australia relies on a strong serviced based economy, with recognised knowledge in financial and insurance, education, construction, healthcare, professional, scientific

and technical services. China is of course the dream target in terms of market potential. And its growing middle class and strong internal consumption attracts more and more international businesses for distribution. Human resources is however coming at higher costs, and China is therefore not anymore the only option for production. Instead, many companies consider alternative strategies in Asia including Vietnam, where production quality has increased drastically while labour costs remain on the lower range.

Fidinam has direct presence in all these markets, where it supports entrepreneurs and SMEs with their local growth.

#### **Don't underestimate time to market**

What is successful in Europe may not be successful in Asia. Hence, sticking to your existing strategy, no matter how effective it proved in Europe, may not be the best plan. You will need a tailor-made approach. Entrepreneurs should not underestimate the time needed to understand the local market and adjust their business model accordingly.

#### **Entrust the right professionals**

Having strategic decisions taken at the level of Western headquarters may not always work, especially in Asia where pace of doing business is faster and decisions need to adapt local factors. Besides, the recent pandemic has proven that a "glocal" approach is key to success when physical barriers emerges. Hence, devolving key decisions to local managers having a global vision ("glocal") is now crucial. Empowering the right people, having the required expertise, market knowledge, and Asian contacts, is often the best investment headquarters can make.

Thanks to its wide network of professionals, Fidinam can liaise entrepreneurs with the right local partners. By no means finding the right banker or custom broker is merely a Google click away, and this is why Fidinam has supported so many entrepreneurs over the past 60 years. Fidinam can help you spotting the right place, connect you with the right people, and provide you with tailor-made solutions for you and your business worldwide.



**ANNE DE ROULHAC**

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## TRUST SERVICES: HOW TO GET YOUR WEALTH PROTECTED

Trusts, private foundations, foreign investment companies, residency and citizenship planning, stand-alone or combined together represent possible solutions to get your wealth protected against the growing threats affecting these tough times. Nonetheless and from case to case, trusts may have an edge over.

In a rapidly changing world, it is normal to pursue extra-coverage and be as much prepared as possible for future threats: trusts created for asset protection and estate planning ensure that wealth is preserved and passed onto next generations in a tax efficient way. Wealth planning services are more and more important, also due to “black swans” events, such as Covid-19 arise.

### Threats

Threats to wealth are numerous and may derive from everywhere: from professional mistakes, wrong investments, family disputes; unless properly protected, the assets could be frozen creating instability, economic risks and downturns. These threats are to be taken into serious account.

## How to efficiently protect your wealth

While there is no one-size-fits-all approach, nor the absolute certainty the assets will be preserved, the implementation of wealth planning solutions such as trusts, private foundations, foreign investment companies, residency and citizenship planning can help to elaborate, mitigate and minimize the risks and safeguard the family assets. In details:

- Trust: generally, a trust is the legal relationship created during the lifetime or on the death of a person, the settlor, whereby assets are placed under the control of a trustee, for the benefit of beneficiaries or for a specified purpose. It is important to note that (i) the assets constitute a separate fund and are not a part of the trustee's own estate; (ii) title to the trust assets stands in the name of the trustee or in the name of another person on behalf of the trustee; (iii) the trustee has the power and the duty, in respect of which it is accountable, to manage, employ or dispose of the assets in accordance with the terms of the trust and the special duties imposed upon it by law. The reservation by the settlor of certain rights and powers, and the fact that the trustee may himself have rights as a beneficiary, are not necessarily inconsistent with the existence of a trust. A trust will be governed by the law chosen by the settlor. The choice of law may be express or be implied in the terms of the instrument creating the trust.
- Private Foundation: always perceived as alternative to trusts,

private foundations are different in many aspects including and foremost for legal personality. In common they have the possibility to segregate the family wealth in view of asset protection and estate planning.

- Foreign investment companies: set up in countries eligible to benefit of corporate, legal and tax advantages to hold different types of assets and undertake financial activities. Typically designed to own shares in other companies; financial assets, other investments such as real estates, artworks, luxury goods and much more.
- Residency and citizenship planning: these solutions are designed to take advantage from legal and tax system of the country of destination while to abandon such system of the country of origin. The factors that influence the choice of residency and citizenship are many, and different for each individual and may range from fiscal aspects to economic scenarios.

### Fidinam Group

Fidinam provides wealth planning solutions through holistic approach since 1960. As of 2007 and 2018 respectively, the fully-fledged trustee companies in New Zealand and Hong Kong are operated. As common law countries, both New Zealand and Hong Kong represent solid, reliable and reputable jurisdictions for establishing trusts. The Fidinam New Zealand and Fidinam Hong Kong trustees belong to the Fidinam Group.



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## BUD FTA PROGRAMME: HOW THE HONG KONG GOVERNMENT SUPPORTS COMPANIES TOWARDS THEIR EXPANSION IN SOUTH EAST ASIA

Set up in June 2012 by the Hong Kong Government, the “Dedicated Fund on Branding, Upgrading and Domestic Sales” (“BUD Fund”) originally aimed at supporting Hong Kong enterprises in exploring and developing the Mainland market through (i) brand development, (ii) upgrade and restructure of operation and (iii) promotion of domestic sales.

### Recent updates – Year 2020

In order to further support local enterprises during their expansion

plan towards new markets, the Trade and Industry Department (TID) decided to extend the geographical scope of the BUD Fund to include all economies with which Hong Kong has signed Free Trade Agreements (FTAs).

### Covering Markets

In January 2020, these enhancement measures have been implemented; hence the new BUD “FTA Programme” is now available for HK companies

looking to undertake development projects in countries that signed a Free Trade Agreement with Hong Kong, including:

- ASEAN Markets: Singapore, Thailand, Indonesia, Brunei, Malaysia, Cambodia, Laos, Vietnam, the Philippines and Myanmar.
- FTA Markets: the four member states of the European Free Trade Association (i.e. Iceland,

Liechtenstein, Norway and Switzerland), Australia, New Zealand, Chile, Macao and Georgia.

#### Available Funding

Since April 2020, Hong Kong enterprises can make use of a total funding up to HKD 4 Mio to undertake projects in the Mainland or other economies which have signed FTAs with Hong Kong. Funding would be provided on a matching basis, meaning the Hong Kong Government will cover a maximum of 50% of the total approved project cost.

#### Eligibility and Objective

Irrespective of whether the applicants belong to the manufacturing or service sector and whether they already have any business operations in the FTA markets, all non-listed enterprises registered in Hong Kong under the Business Registration Ordinance with substantive business operations in Hong Kong are eligible to apply. The program's objective is to provide funding support to Hong Kong enterprises to undertake projects to develop brands, upgrade and restructure their business operations and promote sales in the FTA markets, in order to enhance their competitiveness and facilitate their business development in these areas. Expenses that can be covered by the Hong Kong Government's BUD fund are:

- Operating costs for setting up a new business entity in FTA markets (including business registration, rental/renovation expenses, utility expenses and the expenses for engaging professional services for setting up the new business entity);
- Cost for travelling and accommodation between Hong Kong and the FTA economies;
- Cost for branding, advertisement, marketing and enhancing company website;
- Costs related to trademark/patent registration in Hong Kong or the FTA economies;
- Direct cost for producing or procuring sample/prototype;
- Cost for procuring/leasing additional machinery/equipment;
- Cost for establishing online sales channels, organizing/participating in other promotional events/activities in FTA economies or Hong Kong.

INTERESTED IN OBTAINING FINANCING FOR YOUR BUSINESS THROUGH THE BUD FUND BUT NOT SURE WHERE TO START?

Speak with one of our Fidnam consultants in Hong Kong to learn more about it!



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## WHAT'S NEW IN FIDINAM GROUP WORLDWIDE

### NEW HEAD OF FRENCH DESK IN HONG KONG

Anne De Roulhac takes the position of Head of French Desk in Fidinam (Hong Kong) Limited.

Anne De Roulhac is Head of French Desk at Fidinam (Hong Kong) Ltd. With more than 8 years of experience, Anne has acquired extensive knowledge in Corporate

Advice, Legal Expertise and Business Development. Before joining Fidinam, she was in charge of Business Development and provided legal assistance in several Law firms in Sydney, Paris, Beijing, Shanghai and Hong Kong. Master specialized in Tax and Business Law at Sorbonne University in France, Anne is fluent in English and Italian.

#### ANNE DE ROULHAC HEAD OF FRENCH DESK

“

VISION WITHOUT  
EXECUTION IS  
HALLUCINATION

”



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## FIDINAM GROUP WORLDWIDE IS GROWING!

Fidinam is opening in mainland China and will be soon operating in Shanghai. Alexandra Ge, Swiss Desk Manager and Senior China Corporate and Tax Law expert, is already part of our team and will develop this new project. This initiative will reinforce Fidinam's regional presence in Asia Pacific (i.e. Shanghai, Hong Kong, Ho Chi Minh City, Singapore and Sydney), and allow it to do what the group cares about most: staying close to its clients.

Alexandra Ge possesses 10 years of tax compliance and advisory experience on the Mainland and in Hong Kong with various companies including Hang Lung Properties,

PwC Hong Kong, Kering China and EY Shanghai. She has the exposure of various tax practices including tax compliance, tax due diligence review, tax advice on corporate reorganization, cross-border taxation advisory, and transfer pricing initiatives. Alexandra holds a Master of Science Degree in Finance from City University of Hong Kong, a Bachelor of Management Degree in Accounting and a Bachelor of Law Degree from Fudan University. She is a Certified Public Accountant of The Chinese Institute of Certified Public Accountants. Alexandra speaks Mandarin, English and Cantonese.

### ALEXANDRA GE CHINA DESK MANAGER

“

START BY DOING  
WHAT IS NECESSARY,  
THEN WHAT IS POSSIBLE,  
AND SUDDENLY YOU ARE  
DOING THE IMPOSSIBLE

”



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## INVESTING IN AUSTRALIA

Since 2011 Fidinam Clients have invested in Australian commercial real estate. In 2013 Fidinam opened its Australian office in Sydney, and since that time has worked with its clients in building a robust commercial property portfolio, with a current value of circa \$500m AUD. The Australian office is unique to other Fidinam offices in the region, as we are the only office to provide a complete real estate advisory and management offering.

Australia over all is resilient economy, with strong governance and a Western based legal system. It is the 14<sup>th</sup> largest economy in the World and current AAA rated with a stable outlook by all three global rating agencies. Geographically placed within the growing Asian region

will continue to support long term growth and development of Sydney and Melbourne as Asiapac financial centres. Apart for our position in the global economy, more granular reasons to consider investing in Australia are:

- Historically **strong income returns** on investment of between 5% and 8% per annum over the past 10 years.
- **Growing population-** Immigration plays a large part in the success of Australia, while the current boarder closures have impacted on this growth, this is only short term, with net overseas migration the largest growth factor for population growth.
- **Stable political system-** having

enjoyed over 28 years of economic growth, over all good fiscal management, the increases in government spending and infrastructure investment will be positive for Australia's long-term outlook.

- **Supply and Demand-** In the most of major capital cities there are constraints on developable land, Sydney, Melbourne, and Brisbane have become geologically constrained within their central business districts. This may be some what alleviated by the large infrastructure spend on public transport, and a more flexible working environment as a result of the COVID pandemic.
- **Lower risk profile-** while all



markets have cycles of positive and negative returns, on a risk adjusted basis cities like Sydney and Melbourne experience lower vacancy rates that other global cities like New York, Singapore and Seoul.

- **Asset types-** investing in Australian property is closely correlated to the economy. Currently we have boom in logistics due to the move from brick and mortar retail to online retail distribution. Retail as an asset class have underperformed, due to reduced foot traffic and lower spending patterns. Commercial relies on white collar growth and to date has been resilient, however the effects of changing work practices may place some short-term risk on this asset class. Hotels will perform well once the borders have reopened. Australia over all has a shortage of quality hotel accommodation.

Fidinam Australia provides a wide range of real estate services to its clients, including the following:

- **Capital Transactions-** Source relevant real estate investment opportunities, across multiple asset classes (Office, Industrial, retail, hotels and residential) across all major Australia states. Typically, we work on a client-based mandate with a strict criteria, assets values start from \$5m AUD.
- **Market Research and Feasibility Studies-** we provide market-based research on various real estate markets in Australia, as well as the development of robust financial models on potential acquisition targets.
- **Real Estate Strategy-** Development of real estate strategy to suit the investment objectives of the client(s), including but not limited to, major building upgrades, highest and best use

analysis, income and capital growth, and market positioning.

- **Advisory-** We advise a broad range of clients on identifying the right location for there business, lease negotiation, financial modelling, market research and project management of fit outs and or building upgrades.
- **Asset Management-** We are part of the life cycle of the asset, from the date of acquisition to the date of disposal, we mange every aspect of the building, including income and cost management, property accounting, tenant lease negotiations, tenant relationship management, management of external service providers, building compliance, financial and commentary reporting, tax management and debt services.
- **Project management-** We provide project management services, for capital expenditure upgrades, tenant fit out, base building refurbishment, and tenant make goods.

Investing in Australia, like with most international markets, requires on the ground expertise, to understand local dynamics, ensure you have good data and research, extensive networks of real estate brokers and building owners to access opportunities and service provides to ensure you have the best possible opportunity to secure the right investment. Key markets Fidinam focus on include:

- **Sydney**- A well established and the largest overall real estate market in Australia. Sydney is a favorite for global investors, who are looking for a safe relative high yielding investment. Key asset classes to invest in Sydney are Industrial/logistics, commercial office, and high end residential.
- **Melbourne**- Like Sydney it is a well-established real estate market, and its central business district is likely to overtake Sydney over the next 5 years. Over the past 15 years Melbourne has dominated population growth, and this is forecast to continue, with jobs growth once the COVID period ends outstripping the rest of Australia by a substantial margin. Key asset classes to invest in include industrial/logistics and CBD office buildings.
- **Brisbane**- The river city, is Australia's third largest CBD, and one of Australia most livable cities. A constant investment in public transport, tourism and access to mining provides for a strong economy. Attractive investment returns and lower cost of living make this city one to consider for long term investment. Key asset classes to invest in are industrial/logistics, high end residential and hotels/reports.

- **Canberra**- The Capital of Australia, and closely correlated to government. This city has the highest percentage of Government tenants across Australia. Canberra is located between Sydney and Melbourne, and like other major Australian cities has invested greatly in public transport infrastructure. Key asset classes to invest in are CBD commercial office and residential.
- **Perth**- Australia's most Western located city, and the closest major city to Asia. Perth is closely aligned to the resources sector and prospers from booming resource markets. Over building in the last development cycle has kept rents lower and vacancy rates higher, however this is expected to change over the next few years. Key asset classes to invest in are CBD office, hotels and residential.

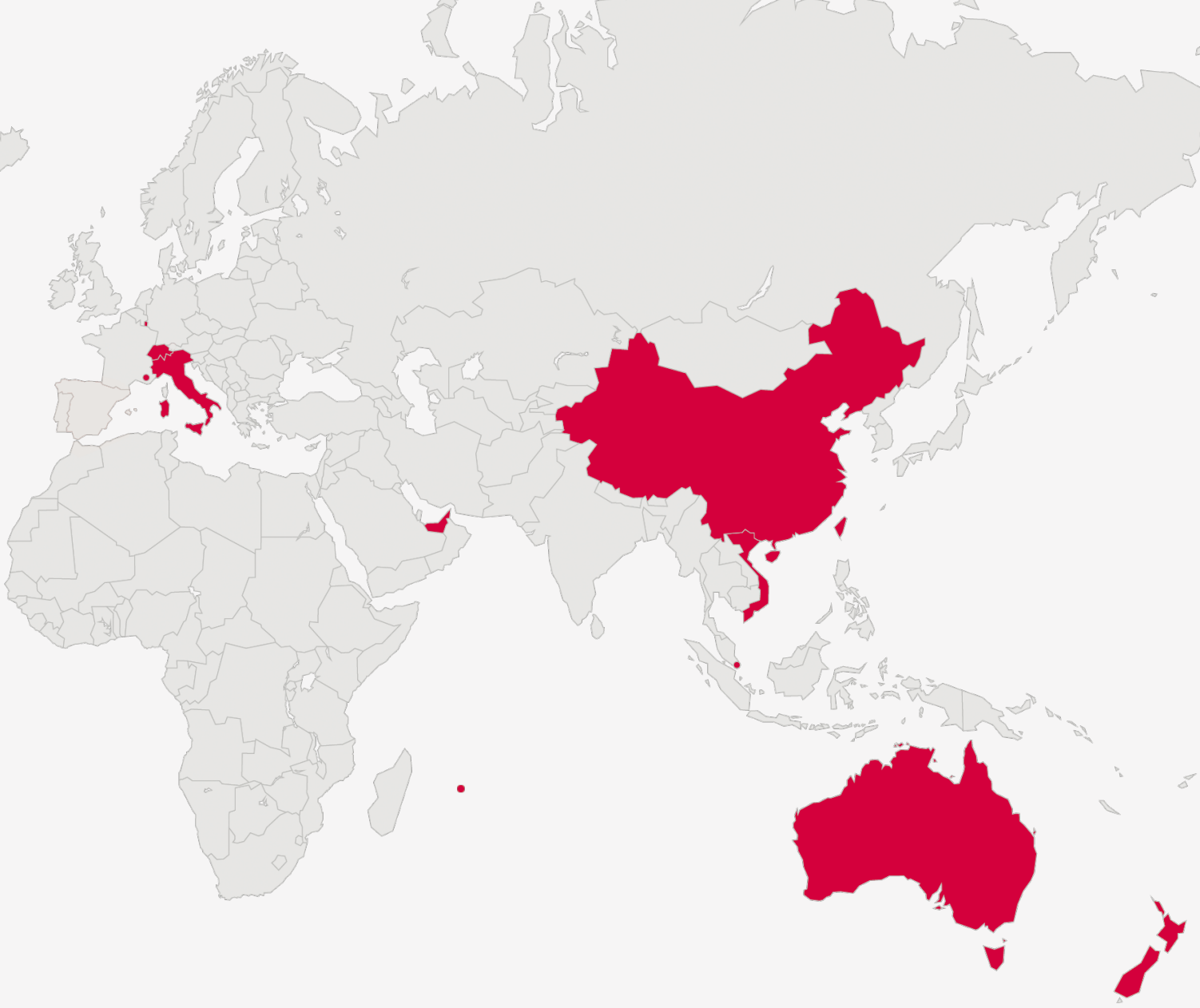
Australia has a deep and fully transparent real estate market across all sectors of residential, commercial, industrial, retail hotels, aged care, student accommodation and multifamily assets. However, timing on entry is important. The recent Pandemic has created a polarized outlook, and while there is dislocation there creates opportunity. It is expected that there will be a surge in opportunities over the next 6-12 months, providing quality investment opportunities for those looking to invest for the longer term. Fidinam's local team can assist with setting your Australian real estate strategy. However, prior to undertaking your investment search, it is important that you are aware of the need for Foreign Investment Review Board Approval (currently taking 30 to 180 days), the correct investment structure, tax treatment, and borrowing money in Australia.



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## OUR GLOBAL PRESENCE

### SWITZERLAND/EUROPE

Lugano  
Bellinzona  
Mendrisio  
Geneva

Zurich  
Milan  
Luxembourg  
Monte Carlo

### OUTSIDE EUROPE

Hong Kong  
Dubai  
Singapore  
Sydney  
Ho Chi Minh City  
Mauritius



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