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A Practitioner's Guide

A pragmatic start: the minimum viable support structure

A practitioner's guide to building early foundations for family capital

Transitions in family capital – whether prompted by a business sale, a change in residence or a generational shift – often arrive with urgency. In these moments, attention is rightly focused on navigating change, not on building elaborate structures. Yet early decisions can have lasting consequences.

In times of transition, simplicity is a virtue. To that end, we suggest the concept of a minimum viable support structure (MVSS) – a practical framework for establishing the essential foundations for managing family capital while preserving flexibility for future evolution. It's not about solving everything at once but about starting well.

The MVSS rests on four core elements:

- Tax and legal advice
- Professional administration
- Custody
- Liquidity management

Step 1: tax advice

The first step is securing high-quality tax and legal advice. This guidance shapes how capital is generated, held, deployed and passed on. It ensures decisions made today embed flexibility, preserve optionality and avoid unintended consequences.

We strongly recommend engaging advisers early, even if it feels premature. Timely involvement allows structures to be shaped with foresight and access to a broader set of possibilities, including jurisdictional choices and ownership models that may otherwise be overlooked.

Legal advice extends beyond financial structuring. Wills, insurance arrangements and trust frameworks are not just technical instruments – they are essential tools for ensuring that wishes and objectives can be realised as circumstances evolve.

A common question is where best to access tax advice. Both private client lawyers and accountants bring deep expertise, and many issues can be addressed by either. However, most families will need both. Lawyers typically lead on legal architecture and documentation, while accountants run financial forecasts, manage filings and ensure compliance. Together, they provide a coordinated and comprehensive approach that supports both structure and execution.

Step 2: professional administration

Even the best advice remains theoretical until it is implemented. It outlines intentions, highlights options and provides a roadmap, but it cannot implement itself. Turning a plan into reality requires a different set of skills: operational, relational and deeply practical.

Where guidance recommends creating a structure – whether a trust, company or foundation – families need a partner to establish and operate it effectively.

This is the role of trust and corporate service providers (TCSPs). These firms specialise in supporting family capital, bringing expertise across the full range of administrative tasks required to make structures function smoothly. They provide governance, continuity and accountability, ensuring that strategy is translated into reliable and consistent execution.

Step 3: custody

Tax advice and professional administration inform how assets should be held. The next question is where. Families need a custodian that offers security, stability and capability – a trusted institution that can safeguard holdings while supporting execution.

The first consideration is **jurisdiction**. This may be shaped by tax planning, residence, time zone or personal preference. The relationship between your custodian and your other advisers is also important.

Next is **security**. A custodian's core responsibility is to protect client assets. Families should assess the institution's financial strength, operational resilience and the regulatory framework under which it operates. These are essential criteria that underpin long-term confidence and reliability.

Another important consideration is **business model**. Some custodians are built around private clients, with service models tailored to families and individuals. Others sit within universal banks, offering broader capabilities across corporate and investment banking. The right fit depends on the nature of your assets and the complexity of your activities.

Capability also matters. Can the custodian support access to a full range of asset classes, from equities and bonds to alternative strategies and structured products? Is their trading desk well connected and pricing competitive? Do they offer leverage at reasonable cost? These are practical questions that shape long-term investment flexibility.

Lastly, **digital infrastructure** plays an increasingly important role. Platforms that offer online reporting, payment tools and integrated record keeping reduce friction and improve transparency. In a world of increasing complexity, ease and functionality matters.

Step 4: liquidity management

Once assets are held securely, the final question is what to hold. Investment strategy will evolve over time, but effective liquidity management offers a sensible starting point. It allows families to park capital safely while considering next steps.

Liquidity management serves three core purposes:

- First, it ensures that capital remains productive, even if not yet fully invested.
- Second, it maintains access, allowing families to respond to obligations, opportunities or contingencies as they arise.
- Third, and increasingly important, it helps diversify counterparty risk.

By spreading holdings across institutions and instruments, families can reduce exposure to any single provider and strengthen overall resilience.

Liquidity solutions can be immediate, providing access to funds on demand, or timed, aligned with future liabilities or planned investments. Many family offices adopt tiered approaches, combining short-term instruments with structured solutions that match anticipated needs.

A thoughtful beginning

The MVSS is not a shortcut, but a practitioner's guide to a thoughtful beginning. By putting in place the essential elements – legal and tax advice, professional administration, custody and liquidity management – families create a foundation that is both practical and resilient. It's a way to begin well, stay flexible and remain prepared for what comes next.

To explore more of Saranac's thinking visit saranacpartners.com. There you'll find further articles, insights and practical guides designed to help you navigate the complexities of family capital.

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About Saranac Partners

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