

The Prince and Count Who Promise to Protect Your Estate

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| von Claude Baumann



Count Francis von Seilern-Aspang (left) and Prince Michael of Liechtenstein

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Private wealth as an endangered species – this view may be a little surprising given the constant increase of seriously rich people across the globe. In an interview with *finews.ch*, Prince Michael of Liechtenstein and Count Francis von Seilern-Aspang nevertheless paint a picture where manifold attacks on wealth belonging to citizens create a need to protect those assets.

Gentlemen, talking about money usually means talking about how best to increase it. You said your emphasis was on «wealth preservation», on protecting your assets. Why are you so modest?

Prince Michael of Liechtenstein (PMoL): For us wealth doesn't just mean financial assets, it includes material and immaterial goods, real estate, yachts, stakes in companies, education of family members.

We advise wealthy families and entrepreneurs across the globe, people who want to preserve certain assets to achieve a specific goal. Increasing their wealth is thus only one aspect.

What do you protect private wealth from?

Count Francis von Seilern-Aspang (CFvSA): Assets belonging to private citizens are an important factor for the economy. They have always been at risk, be it through economic crises, wars or catastrophes, be it through dispossessions by the state or negligence.

«We can't prevent the flood, but we can contribute to building a dam.»

About 80 percent of German small and medium-sized companies have never spent a thought on how to pass on their estate. Forcibly, there's a high risk that such estates shrink or disappear entirely.

What is your role in this context?

(PMoL): We can't prevent the flood, but we can contribute to building a dam.

And put in more mundane words?

(CFvSA): Family assets force you to constantly think about a number of issues: Apart from planning the inheritance, family structures and values, the taxation in line with the relevant country's law, not least when assets are spread across the continents and maybe family members too.

«The House of Liechtenstein acts as proof that wealth and values can remain intact.»

At Industrie- und Finanzkontor we use wealth preservation as a concept involving a number of fields of expertise. Individually adjusted structures with trusts or foundations are core elements of wealth preservation.

Aren't the banks and family offices already doing exactly that?

(CFvSA): No. Banks and family offices put their focus on something else, primarily on «bankable assets». That's one aspect of wealth preservation.

And what are the qualifications of the almost unknown Industrie- und Finanzkontor for wealth preservation?

(PMoL): We look at the estate as a whole, and not only from a material point of view. Industrie- und Finanzkontor exists since 1948. Our roots are in the House of Liechtenstein, which exists since many centuries and acts as proof that wealth and values can remain intact in spite of a changing environment and passed on across generations.

What are the main hurdles you have to overcome in your job?

(PMoL): Customer demands change across the times, just as external conditions do. Today we have a tight regulatory network, restricting individuals to do what they want with their money.

A period of financial exaggeration has come to an end. Certain countries are giving their all to line the way to normality with a load of new laws.

What's wrong about that?

(PMoL): Honest people have serious problems with the complexity of liability issues, inheritance laws and taxation aspects. We need normality, a situation with a limited number of laws.

Without normality, respect for the law gets lost. People feel that the exaggerated political correctness and the flood of laws and regulation is leading nowhere. But hardly anybody is doing anything about it.

Why is Liechtenstein a good place to preserve wealth?

(CFvSA): Liechtenstein isn't the only place on earth to allow trusts or foundations. But there is a long tradition of wealth preservation. The foundations were laid when the legislator allowed such structures in 1926.

«Trusts weren't developed to evade taxes.»

Trusts and foundations developed out of charitable and family purposes. Liechtenstein is providing political stability, the rule of law and has no geopolitical interests.

The principality was rocked by a series of scandals and the financial market was put in doubt. Trusts have come under increased scrutiny. Don't you think that Liechtenstein as a special case will see its foundations erode much like Switzerland its banking secrecy laws?

(CFvSA): No, doubt, there is a lot of pressure on trusts and foundations from the media. But these legal instruments weren't originally developed to evade taxes but to protect wealth to achieve a certain longterm goal.

There's no reason to frown upon it. Even the often cited transparency can't sustain the argument, because that type of transparency violates your privacy.

But isn't there a danger that Liechtenstein gets under enormous international pressure due to its size?

(CFvSA): There are about 50 jurisdictions worldwide where trusts or foundations are on offer. It's not a privilege of Liechtenstein. These structures can't just be removed and there's no justifiable reason for this either.

Liechtenstein is also trying to establish itself as a place for data security: a meaningful perspective for a small country?

(PMoL): In that respect, we are only at the beginning of a process. But it is important. I recently read in a newspaper that data is the gold of the 21st century, underlining how important data security has become. The systematic protection of data will indeed become one of the major challenges of the century.

How's that?

(CFvSA): Haven't you ever asked yourself, how many countries behave in relation to citizens? Do they guarantee the rule of law, provide a reliable environment and conditions for citizens to live in freedom? Or are they merely driven by their own interests, by a mistrust about citizens?

«You can't prevent crises, but sometimes at least influence the way you deal with them.»

(PMoL): I can't exclude that countries with a substantial level of crime and corruption will abuse the planned international exchange of information as a market research tool. That way Liechtenstein is a promising place for data security – such abuse can be almost excluded here.

At your company, the principle of «never miss a crisis» occasionally is mentioned. What do you mean by that?

(PMoL): You can't prevent crises, but sometimes at least influence the way you deal with them. In an environment of change and insecurity you sometimes get the best chances. When everything works to perfection, nobody sees the need to change anything, to develop.

Therefore, in times of crisis, one shouldn't despair but see it as a chance to make things better, to develop and to retain the best.

*Wealth preservation as a concept is at the heart of a series of articles with representatives of **Industrie- und Finanzkontor Ets.**, Vaduz. **Industrie- und Finanzkontor Etablissement**, founded in 1948 und based in Vaduz, is an independent fiduciary with 50 employees. Its expertise is the long-term and generation-transcending preservation of wealth, especially of families and entrepreneurs.*

Prince Michael of Liechtenstein, is chairman of **Industrie- und Finanzkontor**, founder and chairman of **Geopolitical Information Service** as well as president of the foundation board of **European Center of Austrian Economics Foundation** in Vaduz, a liberal think tank.

Count Francis von Seilern-Aspang, is member of the board and CEO of **Industrie- und Finanzkontor**, member of the board of **Geopolitical Information Service** as well as **Seilern Investment Management**, London.

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