



PHILANTHROPY 2.0

From 'social engineer' millennials to traditional religious almsgivers, philanthropists from across the world are attracted to Jersey. Two local experts explain why



Keith Dixon
Partner, Carey Olsen



Zillah Howard
Partner, Bedell Cristin

Philanthropy is now a core consideration in many wealth management strategies. That has brought a steep rise in demand for specialist, professional expertise. Jersey, as an innovative IFC, has stayed close to this uptick in philanthropic activity around the globe, and has adapted its regulatory environment and product offering accordingly – in particular through the introduction of the *Charities (Jersey) Law 2014*.

We spoke to two Jersey-based experts – Zillah Howard, Partner at Bedell Cristin, and Keith Dixon, Partner at Carey Olsen – to find out more about how Jersey is shaping the future of professional philanthropy.

HOW HAS PHILANTHROPY EVOLVED IN JERSEY OVER THE PAST DECADE?

Zillah Howard (ZH): Recognising the importance of philanthropy for many international families, the last ten years have seen a marked enhancement of the professional services available in Jersey to support this movement. Those services have focused on the particular needs of philanthropists, while the government has also recognised the importance of developing Jersey as a centre of excellence for philanthropic wealth structuring.

Keith Dixon (KD): The *Charities (Jersey) Law 2014* has completely revised this area of law and brought it in line with modern practices and regulatory requirements. This includes the appointment of a Charity Commissioner, who has been working on the creation of Jersey's first charities register, as well as a 'charity test', which will make it clear what does, and does not, count as a charitable arrangement.

ZH: Each family's approach to philanthropy is very personal, with some being keen

to publicise their giving, and others preferring anonymity. The charities register is well suited to this, with the option to register on the restricted section, so that only limited information will be accessible – such as the charity number, as opposed to name.

The Charity Commissioner can also withhold information from the public register where there may be concerns in relation to safety or security.

WHAT INNOVATIONS DO YOU ADMIRE AS MODELS FOR THE FUTURE?

KD: Although traditional structures such as trusts and companies limited by guarantee continue to work well for most charitable and philanthropic structures, many clients now wish to use a Jersey foundation. Approximately one-third of all Jersey foundations are incorporated for philanthropic purposes.

A Jersey foundation can be established with virtually any combination of objects or purposes in its constitution. This makes

it ideal for entrepreneurial benefactors or founders who wish to combine a bespoke investment strategy and/or particular commercial activities with their philanthropic objectives.

ZH: Many entrepreneurs have a clear idea of how they would like to make a difference. Having identified a particular cause, they are keen to use their skills to make a visible impact. Models for philanthropy which recognise this and are sufficiently flexible to allow for continued innovation are clearly the way forward.

LOOKING AHEAD TEN YEARS, WHAT MIGHT A FUTURE PHILANTHROPY STRATEGY LOOK LIKE?

ZH: Reasons for engaging with philanthropy, and methods of doing so, can vary greatly from one family to the next, and these drivers will define how philanthropy evolves in the coming years.

For some, a philanthropic structure might be tailored so that an entrepreneur's business skills can be used to champion a particular cause. For others, philanthropy might be seen as a means of uniting members of an extended family around a shared set of values, or as a means of educating the next generation in relation to the family's wealth and sense of responsibility.

KD: Absolutely. Philanthropy can help to promote a sense of cohesion and common purpose, and increase trust and mutual respect among family members, reducing the risk of division and discord. It can also enhance their reputation and 'brand'.

WHAT ARE 'GENERATION Y' CLIENTS LOOKING FOR IN THEIR WEALTH MANAGEMENT STRATEGIES?

KD: Without wishing to generalise, young, wealthy entrepreneurs tend to regard themselves as active 'social engineers' rather than passive 'benefactors' or 'donors'. They make the most of modern technology and social media, as well as their cash, in order to shape public opinion and thereby advance their chosen cause.

ZH: Trusts and foundations are popular for this cohort of clients. They can be technically charitable, or more broadly philanthropic, in order to pursue a particular chosen cause.

For those keen to have an ongoing role, there are a number of different options. For example, they might be one of the council members of a foundation, or a member of its distributions committee, or they could be the foundation's guardian, with a supervisory role to ensure that the council discharges its functions as envisaged.

HOW DO APPROACHES TO PHILANTHROPY DIFFER ACROSS GEOGRAPHICAL MARKETS?

ZH: They vary considerably across the globe, with families from different countries, cultures and religions having their own particular requirements.

For some, there will be a focus on particular causes. For others, there will be obligatory requirements in relation to the level of giving. Sometimes, there will be a desire to publicise an individual's association with philanthropy, whereas, on other occasions, a lower profile or anonymity may be preferred.

KD: In the main, donors from all parts of the world tend to pick philanthropic projects with which they have some personal connection or long-held interest; this seems to be a universal trait.

That said, there is a long-standing practice of almsgiving in Islamic culture, *zakat*, whereby those who meet a certain criterion of wealth must give alms to the poor. Consequently, most private clients from the Middle East are familiar with charitable and philanthropic structures, and they often ask that their wealth holding structures be tailored with this in mind.

HAVE PROFESSIONAL SUPPORT AND ADVICE IN JERSEY KEPT UP WITH CHANGING PHILANTHROPIC DEMANDS?

KD: Jersey's finance industry is keenly attuned to the needs of clients, and local practitioners and businesses invest a considerable amount of time and resource in maintaining the island's position as a top-flight IFC across all market sectors, including philanthropy.

ZH: Specialist skills in relation to philanthropy continue to be developed to support expectations, and the island



5 WAYS JERSEY IS SUPPORTING PHILANTHROPY

1 Minerva works with the Meghraj Charitable Foundation, which targets its philanthropic activity on sustainable business and welfare-oriented projects in East Africa and South Asia.

2 Jersey was selected by a client of RBC Wealth Management as the place of incorporation for a foundation providing scholarships and training for young people in Asia.

3 BKS Family Office created a philanthropic charitable trust to manage the inheritance of a European client who wished to use monies for medical aid, education, water distribution and helping the elderly, predominantly in Latin America, Africa and India.

4 Whitmill Trust established a charitable foundation for a private equity house based in Dubai, with an aim to make a large endowment as part of its ongoing corporate social responsibility programme.

5 SANNE established a Jersey foundation for an entrepreneur which is expected to have over \$500 million available for charities supporting education and the environment.

maintains a focus on enhancing and expanding its offering.

The introduction of Jersey foundations and the *Charities (Jersey) Law 2014* are just two examples that we can point to over the last ten years, and we are certain that Jersey will keep up this momentum going forward. ✕