



BILDERLINGS



Wealth Advisory

PROTECTING, PRESERVING AND MULTIPLYING
YOUR WEALTH



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Forward-looking customers retain a team of professionals regardless of whether they make decisions on their own or delegate this task to others.



Wealth Advisory

Wealth Management has a great emphasis on financial advise and is concerned with protecting, maintaining, enhancing and transferring wealth. These high-priority tasks begin with identifying your real needs, expectations and values and continue with planning appropriate corporate structures, tax and legal advisory, trust management, business administration and personal wealth infrastructure. You can put your complete trust in Bilderlings Wealth in this regard: we will take charge of all aspects of the wealth advisory process and prepare a complete solution, ensuring maximum efficiency and confidentiality of private information on beneficial owners and the entire wealth management process.

- How do I protect, preserve and increase my wealth?
- What taxes can be optimised in my case?
- In what jurisdiction should a foreign holding company best be established?
- What are the advantages of a permanent residence in one of the EC countries?
- How do I achieve higher profits of my international business?

We will provide answers on any wealth management issue of interest, in the form of individually customised solutions, plans and recommendations. We will give truly objective advice, as you should expect from an independent multi-family office.

We combine classical wealth structuring with highly optimised tax and legal advisory, fiduciary and administrative services, full service for family and corporate offices and investment advice on assets allocation.

At the outset, we will analyse your situation step by step, compile a list of tasks, select

a strategy and tactic that will encompass all of your and your family's interests, plans and requests regarding wealth management.

The next step is implementing the selected solution to life.

International corporate structures established with our cooperation will easily combine with your business structure and expand the legal room for your manoeuvre in the business environment.



Wealth Structures

Due to their material standing, transnational business and global mobility, high net worth individuals must constantly plan and consider business-related and economic risks as well as the tax and legal aspects of their activities. One reliable way to protect protecting assets from risk and global threats is the firm's service of wealth management using foreign corporate structures.

What does wealth structuring achieve?

Wealth structuring is organised using foreign companies, trusts and funds, helping customers to transfer assets from the country of their business or permanent residence to corporate entities registered abroad. The goals of such companies and the types of legal entities can vary: they may include companies founded for centralising globally-distributed income; holding, trading, investment or insurance companies used to transact commercial and financial operations and manage assets; trusts and funds organised for transferring asset and capital possession rights in any form, as well as for accumulating capital and protecting it from taxation.

Take advantage of the vast opportunities provided by foreign legislation, corporate and trust structures for protecting, maintaining and enhancing your wealth.

There are several aspects where these opportunities best manifest themselves: the results of establishing holdings and combined-structure entities for your corporation; confidentiality of the beneficial owner; distribution of your assets among heirs ahead of time; facilitating transfer of funds to tax havens; limiting the liability of beneficial owners; minimal public disclosure of information; inheritance planning; avoidance of enforcement of a will coming into force by way of court or otherwise; protection of international investment, and avoidance of double taxation. Added value comes from the confidentiality and reliability intrinsic to such structures as well as the convenience of control and management, transfer pricing, tax optimisation, transaction centralisation, management efficiency, and trust management performed with professionals involvement.



TYPICAL CASE

Our customer, a tax resident of a CIS member country, requested advice on establishing a tax-optimised corporate mechanism for securities transactions. We recommended establishing a company in Cyprus. This structure allows the company to be more tax-efficient thanks to the fact that Cyprus does not tax securities transactions, does not withhold taxes on dividends received abroad, and has a low tax rate for profits.

Companies

The Firm provides full service for registration and management of international companies. Such services ensure an understanding of the peculiarities of personal infrastructure management and the sectors in which your business operates, as well as efficient corporate management and observance of compliance legislation.

Using companies registered abroad, you can take advantage of international legislation to protect your personal wealth.

At your assignment, we will select a suitable jurisdiction and form of corporate organisation, open a bank account, apply for VAT payer status if necessary, appoint trust managers and coordinate the process with all parties concerned. The list of companies managed by the firm includes trading, service, investment, financial, holding and other corporations and partnerships which, in conjunction with resident and non-resident companies, hold assets in numerous jurisdictions and act as intermediaries in concluding transactions and providing services.

We will help you establish the appropriate structure in European countries or in typical offshore jurisdictions of your choice, i.e. Bermudas, British Virgin Islands, Normand Islands, Cyprus, Dubai, Hong Kong, Singapore, Luxemburg, Monaco and Switzerland.

We will provide you assistance with the key lines of business of the managed company.

Appropriate company management includes due fulfilment of all management, secretarial, administrative and accounting functions as well as management of risks related to the company's compliance with the ever-increasing demands of legal, tax, enterprise and private wealth management legislation.

In the process of building up appropriate corporate structure, besides tax, risk management and international treaty application issues, it is also important to plan steps for ensuring the security and protection of assets, the structure of their ownership, succession and inheritance issues.





Holding Companies

Personal, family and corporate holdings are a very popular mechanism for managing business and wealth because they provide relatively reliable assets protection while the beneficiary remains in direct control of the business.

Are you planning to take advantage of a buyer's market in real estate and buy a house in the south of France?


We recommend relying on the advice of not just realtors, but wealth advisors as well. Appropriate structuring of the transaction via an international real estate management company would help you ensure legal protection of assets, distribution of the rights of heirs, optimisation of income, real estate, wealth and inheritance tax, but also lay the groundwork developing of a personal or family holding. We offer you a full spectrum of service for establishing and managing holding companies in the European Union as well as any other jurisdictions depending on your taxation, business and personal needs and circumstances.

Thanks to the use of holdings, owners solve the issue of diversifying assets by class and region, structure the equity of their partners and family members, and apply methods of management centralisation and expense streamlining.

Tax haven holdings are part of a system of efficient corporate management.

Active operations and investment on a global scale can bring great profit if you solve the issues of international tax optimisation faced by your group. In this case, a suitable solution may be establishing a holding company in a tax haven. At a minimum, such holdings allow:

- receiving dividends from the company of operation without taxation or with low tax rates based on a treaty on avoidance of double taxation or the EU Parent/ Subsidiary Directive;
- selling shares in a subsidiary without paying capital gains tax or equivalent in the country where the subsidiary is situated;
- avoiding taxation of dividends and capital gains in the country where the holding was registered;
- receiving dividends from the holding company without tax.



We will analyse your personal financial needs and consider taxation provisions, selecting the form of trust or foundation which best suits your circumstances.

Trusts and Foundations

A Trust in Your Best Interest

A trust is established by transferring assets to a trust manager – our bank's trust company or another licensed manager – in order to manage them according to the demands and intentions of the founder, to distribute profits among various beneficial owners or legal entities, or for other reasons. Like a foundation, a trust is a convenient form of legal protection of assets, confidentiality, and wealth structuring within a family, inheritance planning, tax optimisation, avoidance of mandatory inheritance.

A Foundation in Your Best Interest

A foundation allows high net worth individuals to set aside part of their wealth for specific purposes: protecting the wealth of family members, managing a business, or charity. A foundation functions as a trust and operates as a company.

A foundation protects your assets, operating like a holding company, and provides a mechanism for financial and tax planning. A foundation is a legal entity without the usual shareholders or capital, consisting of the assets contributed by the founder or other parties, with the contributions registered as donations.

TYPICAL CASE

A wealthy ship owner and Russian citizen, concluded an advisory agreement with us for restructuring the personal wealth. After identifying the customer's context and that of his immediate family (at that moment, the customer was not married, had a son from their first marriage, and no will had been registered), the type and assets allocation (funds with bank accounts in Switzerland, real property in Latvia and Great Britain), the customer's goals for using the assets, the duration of ownership and distribution of the assets at the end of the term (savings on the accounts of a private investment company registered in the British Virgin Islands; the real property was owned directly; after death, the property would be transferred to their son), we recommended establishing a hybrid wealth structure. In particular, we advised the customer to transfer the real property in Great Britain to a property management company whose shares, including the shares of the company holding financial assets, and the remaining real property would be transferred directly to a Cyprus trust set up with special provisions. These activities protect the founder from potential claims by creditors in the event of business issues, mitigate income taxation, and allow to avoid mandatory inheritance, if any.





Administrative Services

The demand for administrative services and fiduciary management by professional market participants is becoming higher and higher. This is related partly to the increasing complexity of legislation and ways of conducting business, but also to the fact that offshore business players are becoming more and more mature. As a multi-family office, we concentrate on the customised solutions for families and private persons, such as establishing corporate and trust structures which combine comprehensive protection of assets with maximum control of the business and its management on your part.

Directors, Foundation's Board of Directors Members, Trustees and Corporate Secretaries

In addition to establishing corporate structures in various jurisdictions, another essential consideration is appointing reliable and competent directors and trustees, officials who perform administrative functions for executive and supervisory bodies and coordinate operations with the owner's management bodies: boards of directors, company managers and family offices.

We will provide you with the services of a member of the board of directors, executive body or fund management body director, or an official to distribute inherited property. The firm's internal as well as external experts are reputable professionals who provide reliable legal, financial and tax-related management of your companies and projects.



Entrepreneur's Office Administration

Due to the broad adoption of the status of "tax resident" in the tax legislation and practice of many countries, a legal foundation is growing for questioning the operation of non-resident companies from the point of view of actual business activity, including issues such as lack of an office or personnel at the place of registration. One of the business solutions for mitigating tax risks would be to revise the content of a structure's activity and to create a management company or financial settlement centre on its basis, with minimal personnel at the location of the non-resident company.

When revising the essence of entities used or establishing an actual office is impractical for economic or other reasons, an efficient solution could be a complex solution for business owners – Entrepreneur's Office, which our firm is ready to provide at its office in Riga and worldwide through its partners network. By having professionals administrate your office, you can concentrate on the operational side of your business or on personal concerns while retaining the necessary amount of control and access to management tools.

Entrepreneur's Office is a comprehensive solution that includes:

- rental of office space, the necessary office equipment and means of communication;
- providing members for boards of directors and executive institutions;
- conducting annual meetings of shareholders;
- compiling reports on major decisions;
- internal paperwork and preparation of business agreements;
- bank transfers administration, including regular transfers;
- filing accounting documents;
- filing documentation according to the country of jurisdiction and publishing of data.

PROTECTING YOUR INTERESTS AND PRIVATE INFORMATION

Purchase, sale and ownership of luxury goods attract public interest, elevate the risks and costs of purchasing and maintaining property. By combining administrative services with fiduciary management, acting as a nominal holder and manager to sell and purchase movable and real property, participating in auctions and establishing relations with providers of specialised services on your behalf, in many cases we achieve better commercial terms and conditions and ensure confidentiality of personal information on beneficial owners and their family members.

Administration of Yachts, Private Jets, Real Property, Works of Art

Luxury purchases of real estate, private aircraft and yachts, antiques collections allow you to express your individuality and diversify your investments to an extent, but at the same time the process can be very troublesome and time-intensive process. By providing administrative and fiduciary services to owners of private fortunes, we have mastered the skills necessary for management of valuable real and movable property, elite housing and works of art, and are ready to act as your general administrator and coordinator in:

- drafting agreements with manufacturers, architects, designers;
- organising and ensuring sale and purchase of real property, yachts, aircraft and art, including auctions;
- organising construction financing on a turnkey basis;
- accounting work, planning operational budgets, controlling;
- international tax, legal and property inspection, structuring luxury objects and artworks as assets;
- customs clearing, forwarding, insurance, security, custody and parking, repairs and refurbishment;
- analytical services, accounting and stock-taking of property and works of art;
- consolidation of assets, including assets administrated by third parties.



How do I optimise the taxation of my international holding structure?

How will legislative changes on Cyprus in 2014 affect taxation of real property ownership structures in Russia?

What will be the new tax status for my family members after receiving a temporary residence permit in Latvia?

Can a “quasitrust” as a means of trust management be an optimum mechanism for transferring property as inheritance?

What documents lay the groundwork for building up an efficient system for assets ownership and sale?

Tax and Legal Advisory

Properly organised tax planning and implementation of tax optimisation mechanisms allow you to legally save on current and future expenses. In a financially unstable environment where business profits are shrinking and regulation of private business is becoming more stringent, such tax planning may be considered an essential element of efficient wealth management rather than a mere recommendation. We will advise you on proven tax planning, tax residency change, and tax optimisation approaches and tactics as well as provide administrative and accounting support. Our firm's lawyers consider all sides of legal issues, ensuring reliable legal protection of your interests.

By analysing applicable tax and legal provisions and creating new opportunities, we will help you find answers to these and many other questions, providing the necessary solutions, advice, analytical materials and support aimed at long-term preservation and accumulation of your wealth.

Our competence includes tax optimisation and planning, including support for property planning and administration, change of tax residency, transfer of property as inheritance, complex issues of servicing family offices and investments. The vast range of issues covered by tax and legal advisory is as important as financial planning for wealthy individuals and companies.



Tax Planning and Optimisation

We will assist you with tax structuring of your personal wealth and business by creating wealth structuring and ownership mechanisms, including holdings, trusts and foundations.

We will advise you on taxation of income from real estate transactions and the procedure for calculating taxes, reducing the risk of double taxation.

We will help you optimise your tax burden from investment in securities, deposits, private equity investments and companies outside the public sector.

We can also assist you in preparing financial reports and provide accounting services.

TYPICAL CASE

Our tax consultant received a request from a large holding company owner, whose financial intermediary company was actively used for financing business in Russia, to study potential repercussions from the tax authorities of their country of residence. Our analysis showed that some criteria for actual presence on the island were not met, shares were held by nominal shareholders and loans had been received from offshore structures – therefore, such a financial structure might be considered by Russian tax authorities as having no actual business purpose. We recommended the customer to use the firm's business administration services. As a result, they restructured their business without changing the jurisdictions or considerably increasing expenses on supporting the structure.



Residence Permit in Latvia

On 1 July 2010, amendments to the Immigration Law of the Republic of Latvia (RL) took effect, allowing foreign citizens to receive a temporary residence permit, RL provided that they register a subordinated deposit or bonds with Latvian credit institutions, purchase real property in Latvia, or invest in the stock capital of a Latvian company.

The amendments to the Immigration Law envisage:

- The right to apply for a temporary residence permit of up to 5 years.
- Annual re-registration of a temporary residence permit issued for more than 1 year.
- The right to subsequently apply for a permanent residence permit.

Advantages of a residence permit in Latvia:

- **Free travel throughout the Schengen zone:** a RP entitles you to reside or travel without a visa throughout the territory of all countries which are parties to the Schengen agreement.
- **No restrictions on residence in Latvia:** a RP holder can reside in Latvia throughout its validity term.
- **No mandatory requirements for residing in Latvia for a specific term:** the owner does not have to spend a certain amount of time in Latvia to retain their RP.
- **Long term:** fulfilling a condition specified in the Law allows you to file for a 5-year residence permit.
- **Right to require a residence permit for the investor's spouse, underage children, dependents,** throughout the validity term of the investor's residence permit.
- **Option of receiving a permanent residence permit in Latvia, Latvian citizenship:** if you later decide to move to Latvia permanently or obtain Latvian citizenship, a temporary RP will be considered an advantage.
- **Obtaining a permanent RP in Latvia entitles an investor to the status and rights of a resident.**

TYPICAL CASE

Our customer (an active investor in the real property sector) asked us for legal advice regarding the option of terminating an agreement on construction of a house in the UAE because there had been considerable delay with commissioning of the object. We conducted an expert analysis of the construction agreement provisions. The analysis discovered the illegality of the developer's demand to put the object commissioning deadline two years forward of the six-month date specified in the agreement. As a result, with our assistance the investor was able to conclude a more favourable agreement with the developer on extending the commissioning term.





Transferring Wealth as Inheritance

At a certain period in life, protection, maintenance and transfer of one's wealth into good hands become a priority for each capital owner, no less important than conducting their business and generating income. As a supplier of integrated wealth management services familiar with the peculiarities of your financial standing, interests, and life plans, we no doubt have great capacity for supplying you with all the necessities in order to preserve your wealth and pass it on to heirs intact.

Because family law in many countries (for instance, in the Russian Federation) makes the inheritance procedure rather protracted and complicated, there is reason to take care of alternative options in advance – particularly for assets located abroad – i.e. registering a will in a foreign country or applying other mechanisms for transfer of inheritance and business by forming a trust, foundation or holding company in a jurisdiction with a favourable tax environment. We will prepare suitable options for you upon request.

Legal Advisory

Let us list standard situations where you can benefit from legal advice and the professional recommendations of our consultants:

- establishing companies, trust and foundations in European jurisdictions, of any organisational or legal form, with a European VAT number and full legal support;
- establishing companies, trusts, private and charity foundations in offshore zones and tax havens;
- legal assistance and coordination of cooperation with your authorised representatives and service providers who manage your wealth (banks, investment companies, legal firms, trust and fiduciary managers) in order to consolidate your accounts, reporting, passing compliance inspections;
- legal assistance for transactions;
- compliance and due diligence advisory;
- complex legal support for obtaining a residence permit, permanent residence;
- legal assistance for purchasing real estate and artworks (including auctions);
- legal support of nominal management of your wealth, transfer of assets to a trust or private (charity) foundation;
- legal support for investment, mergers and acquisitions, business restructuring, organisation of financial planning and due diligence procedures;
- advisory in family law, establishment of a family office, managing inheritance affairs;
- registration of yachts, private jets, vessels in international jurisdictions, including offshore areas;
- legal assistance for insuring your interests.

TYPICAL CASE

Our customer (a major entrepreneur) asked us to prepare an offer for involving their son, a freshly-graduated Master in Business Administration, in the family business. The customer's idea initially was to provide their son with a start-up capital of several million euros for establishing a service company and entitling him to invest in lucrative projects. We offered the following solution:

- the new company becomes part of the family holding;
- the company's suggested line of business is logistics, which is a low-capital business that does not require major investments;
- the heir becomes CEO with remuneration sufficient for covering his day-to-day needs;
- the firm will provide the necessary advice, and at first nominate a representative for the Board of Directors to act in the independent director capacity;
- all of the company's projects must undergo review at the holding's investment committee.

We achieved consensus with the head of the family, the project was a success, the customer's son received practical business management experience and moved on to head his own branch of the family clan.

Your Goals

Our firm's primary customers are entrepreneurs and their family members who conduct a family business through the corporate entities and estates they own. Establishment of Family Offices is a logical step in institutionalizing family's wealth management. To support this endeavour, Bilderlings Wealth provides integrated advisory and administrative services for wealthy individuals and families.

Statistics show that the longevity of a family business can be ensured if it relies on a powerful independent managing body, professionalism, diversified strategy, stability and efficiency in business.

We have developed our Multi-Family Office services considering the most important demands, needs and expectations for you and your family, ensuring:

- benefit from increasing business and investment profitability using highly qualified personnel and savings on maintaining your own Family Office when it would be economically unsound;
- convenience of coordinating, centralising and monitoring the management process through a professional consultant, particularly when your wealth is highly diversified and includes enterprise, portfolio and direct investments, movable and real property, when your business is of a global nature, assets are located in various jurisdictions and you operate outside your country of residence;

- satisfaction of planning all aspects of managing your family fortune in advance, including asset protection, capital maintenance, introduction of your heirs or successors to the business and teaching them efficient wealth management skills with the aid of professional managers.

Each customer's business and personal situation is unique, and so are the goals and issues they have. We rely primarily on the customer's long-term interest, judging by their actual needs and wants, and provide efficient solutions instead of selling pre-packaged products and services. In addition to advice, a customer receives full service in management of their wealth and business at one organisation.



FAMILY
HISTORY

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About Us

Bilderlings Wealth traces its roots back to Aleksandrs Peškova Family Holdings Ltd. (APFH). A private investment business of over 20-years, founded and operated by the Aleksandrs Peškova family the practitioners in the craft of international shipping, private equity, trust services, insurance and financial advisory, Aleksandrs Peškova and his family members working together with local and international partners founded a number of prominent companies in the transport, insurance and financial sectors in the Baltic States, CIS countries and all over the world. Starting from 2004, the family group and its associates expanded into the emerging markets and now its operations span throughout 7 countries for its two core businesses - financial advisory and banking.

The holding company, APFH, intentionally remains family owned and controlled. The status of a family business gives it perspective to grow as a flexible and innovative wealth management institution, a vital trait in the fast changing environment of today's financial advisory industry. The firm's capability of risk management and rapid solution implementation, inherent to family businesses, is becoming more important than ever.

Bilderlings Wealth was founded in 2006 as a private investment office managing assets of Aleksandrs Peškova immediate family and has rapidly established itself as a multi-family office, meeting the highest standards of client relationship and administration. The firm is associated through its founders with A/S BBG (Baltikums Bank Group), including Baltikums Bank and Baltikums Insurance Company, both established in Latvia and in several other EU member states.

Today, both enterprises are run by the 1st and 2nd-generations of the Peškova's family. As a family run organization the firm focuses on the long-term perspective of financial advisory, specializing on the management of family offices.

With its integrated approach to wealth management, continuity and confidentiality, the Aleksandrs Peškova family makes a reliable partner addressing the complex needs of wealthy families.

After establishing itself as a reliable partner for its owners, their partners in other enterprises and several other wealthy individuals, the firm opened its doors to ultra-high-net-worth families around the world as an independent multi-family office. Core services offered include financial advisory, private equity investments arrangement, wealth structuring, tax and legal advice, administrative as well as specialized services (yacht & real estate management and art advisory). The Bilderlings Directors also act as directors for holdings, operating companies, trustees and protectors in the trust structures. Asset management in its traditional sense - assets allocation - is provided together with consolidated reporting and performance analysis services. Asset management, trust and banking services requiring license from financial regulatory authorities in their respective jurisdictions are rendered on the principle of open architecture through reliable providers, business partners and expert networks.

We mitigate the conflict of interests arising from the wealth of new families being managed alongside that of the original family by placing a Family Relationship Director (FRD) in the centre of our business model. The FRD acts as gate-keeper of, expertise and the primary owner of the relationship with his clients. The FRD is authorised to develop his client portfolio on his own right in line with Firm's rules and unlike in traditional wealth management firms is required to offer valuable solutions to clients, rather than to sell in-house services. We offer three fundamental family-office business models, including the outsourcing model, expert generalist model and institutional model. This approach enables you to smoothly partner up with other families and wealthy individuals on one integrated platform while reducing the administrative burden, time and expenses to run your own family office or business.



Where to Find Us

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The images used in the booklet include the facade, decorations and interiors of the Firm's head office in Jurmala, a Latvian most renowned resort, and the operational head office in Riga. The registered office is situated in Bulduri (formerly known as Bilderlings) which was the prototype for the firm's name and the place where the wealthy families used to live since 19th century, the tradition having kept up to nowadays.

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