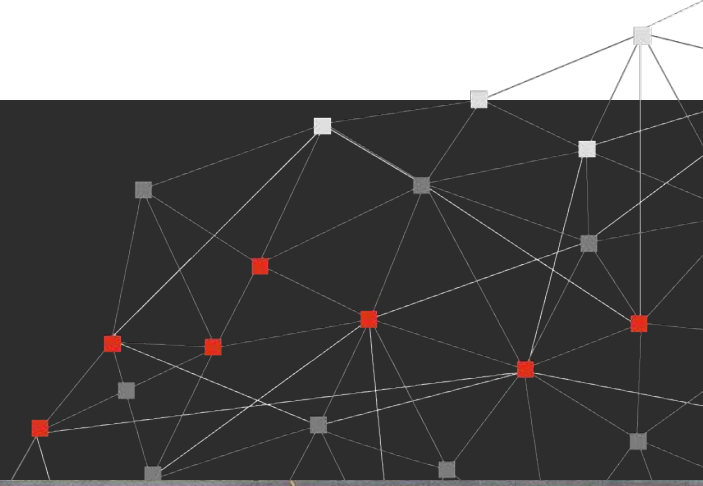


COVID-19 Update: Family Office and Ultra High Net Worth individuals



As the international response to the COVID-19 outbreak continues to develop, we know that individuals, families and organisations are facing significant challenges to which they need to respond rapidly. We are working closely with private clients, family offices and private businesses both globally and in the Middle East to help them through this very challenging time. In particular below are some of the specific tax and non-tax related areas that we are currently discussing with Family Offices and which may impact you, your family or your business.

You and your family

We are here to help.

If you would like to discuss any of the issues highlighted, please contact your usual PwC Middle East contact or one of the following members of the UAE based Private Business tax team:

James Pollard
Partner
M: +971 (0) 52 280 6194
E: james.pollard@pwc.com

Adnan Zaidi
Partner
M: +971 (0) 56 682 0630
E: adnan.zaidi@pwc.com

Kimberley Wilks
Senior Manager
M: +971 (0) 54 793 4116
E: kimberley.m.wilks@pwc.com

Tax residency and immigration

- With many flights grounded and borders closed, you may have found yourself unable to travel or stranded away from home. As well as being stressful for you personally, this could have an unplanned impact on your tax position or immigration status.
- Working remotely or spending more time in a location than you anticipated could have unintended consequences, such as impacting your personal tax residence status or creating permanent establishment issues.
- The governments and tax authorities in each jurisdiction are each releasing their own guidance on how these matters will be dealt with and we can help you to understand and mitigate the impact this may have.

Forward planning

- With the pressures of day to day life and running a business, many individuals and families find it difficult to take time out to strategise and discuss future plans around sensitive issues such as succession and next generation transition. If you have some additional downtime, now may be an opportune time to take stock and make plans in this regard.
- Consider using this time to think through and, if necessary, refresh your family's governance frameworks, investment strategy, ownership structure, succession plans and so on.

Philanthropy

- In these difficult times, you may be considering how you can further support others, for example contributing to medical research or making a donation to organisations which are helping those most affected by the outbreak.
- We can help you achieve these objectives, working with you to devise a philanthropic strategy and maximise the economic impact of your giving in a tax efficient manner.

Your family office or private business

Setting up a COVID-19 response

- We have significant experience helping a diverse range of businesses build their crisis response capabilities, respond to challenges and emerge stronger from some of the most highly publicised crises in recent history.
- At this time, it is essential that you review your crisis and business continuity plans and ensure you have the tools and frameworks required for your business to perform in the face of adversity.
- Cash is king and it is imperative now to make sure you have accurate cash flow forecasts, consider cost reduction or other ways of improving your liquidity position
- In some jurisdictions, subject to meeting the relevant conditions, you may also be eligible to apply for government funding.

New ways of working

- As remote working becomes the new norm for a large part of the workforce, businesses will define new working practices and need to find alternative ways of successfully collaborating virtually.
- You may need to review your core IT infrastructure, software and security to ensure you and your staff have the necessary tools to work effectively while away from your usual place of business without compromising performance.
- You should also consider developing your communications strategy and plan so you can continue to lead your business virtually and deliver relevant messages to your customers and contacts.

Protecting your workforce

- Protecting the wellbeing and welfare of your business or family office's workforce is paramount. Employees living in affected territories may require additional support due to sickness, isolation and changes in their personal circumstances.
- To ensure the safety of your people, you should have in place appropriate emergency contact systems and ensure the accuracy of contact information.
- The business should proactively manage where, when and how disruption will impact the availability and effective utilisation of skills, assess and develop options to mitigate the potential impact to the organisation and employees.

Operations and supply chain

- From a practical perspective, you should consider performing an operational risk assessment to consider the impact of disruptions on your critical business functions.
- Have requirements of key suppliers, such as Facilities Management and IT service providers, been reviewed in light of any requirements that may change during a pandemic period (e.g. increased cleaning regimes)?
- It is important to review/risk assess whether any critical third party service providers and suppliers will be able to continue to deliver the desired service levels throughout this period of uncertainty and evaluate strategies for alternative sourcing where necessary.



This publication has been prepared for general guidance on matters of interest only, and does not constitute professional advice. You should not act upon the information contained in this publication without obtaining specific professional advice. No representation or warranty (express or implied) is given as to the accuracy or completeness of the information contained in this publication, and, to the extent permitted by law, PricewaterhouseCoopers Dubai Branch, its members, employees and agents do not accept or assume any liability, responsibility or duty of care for any consequences of you or anyone else acting, or refraining to act, in reliance on the information contained in this publication or for any decisions based on it.