

Trident Trust's DIFC Head Surveys the Huge Opportunities Ahead in Estate & Legacy Planning in the UAE

Dave Lange is General Manager & Senior Executive Officer of Trident Trust in the Middle East, running the Dubai International Financial Centre (DIFC) office of the global and independent fiduciary and fund services firm that began its life in 1978, and that now spans many jurisdictions across the world, including Asia and the Middle East. The Trident Trust Group today provides services to financial institutions, professional advisors, asset managers, family offices and international businesses. Hubbis met with Lange recently to hear more about the firm and its proposition in the Middle East. He explained that in the UAE, Trident has historically been known principally for its corporate services offering, but he and the team are now building out their succession planning and global fiduciary service offering for the GCC's estimated USD3 trillion private wealth market, dominated by HNW and UHNW clients from the region and abroad.

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Dave Lange
Trident Trust

Lange opens the conversation by explaining more of the Trident Trust offering, which he says has three pillars, the first of which includes their trustee services. This solution involves servicing wealthy families looking for the benefits a trust can deliver such as asset protection, estate planning, inheritance deferment and preservation of family assets.

The second pillar is Trident's fund administration business, which provides the infrastructure, administration, and accounting for third-party asset managers in the hedge fund, private equity, debt, and real estate sectors.

And the third pillar is corporate services which Trident provides from a very wide range of jurisdictions, both offshore and onshore. Those include incorporation and registered office services, secretarial services, and management representation.

He also explains that the independence of the firm is a core feature of its long-term success, noting that Trident's DNA is to achieve long-term sustainable growth and balance. And he notes

Getting Personal with Dave Lange

Lange hails from Johannesburg in South Africa, where he grew up, studied, and later attended the University of Johannesburg on his way to becoming a Chartered Accountant. He worked first at global accounting major Deloitte in Johannesburg, and subsequently changed course to work in private equity and then as CFO in a family office environment before moving to Dubai in 2019 with Trident Trust.

"I relish this role and have thoroughly enjoyed the diversity of clients and nationalities we work with here," he reports. "Helping them devise the right plans and structures for these extremely successful people – and they are all from very different countries and backgrounds and with unique stories - is a privilege."

Lange is married and the couple have a one-year-old son named Jordan. Aside from family life at home, spare time might see him training for triathlons.

"I love the outdoors, running, cycling, and swimming," he reports. "All that is easy here in Dubai and when I'm not in the office, you can often find me out on the Al Qudra cycling track out in the desert, riding with my friends on a regular basis."

He adds that every year they try to go as a group together to participate in a half Ironman event somewhere in the world. "Perhaps it sounds a bit insane, but we all have a real passion for the challenge and the competition," he says. "It is incredibly challenging but there is a real sense of achievement."

that growth in the past decade has been driven mostly by the fiduciary and fund administration side of the business.

A global presence

"Today, as a group, we service over 20 jurisdictions globally, with Asia and the Middle East being key growth areas for the Group. We really pride ourselves on being able to assist clients across multiple jurisdictions on a global basis," Lange reports.

He notes that Trident actually has two offices in Dubai, one in

the Dubai Multi Commodities Centre (DMCC) that offers predominantly corporate services to their clients and which is headed up by his co-director Kristine Vitug.

He notes that as the GM and senior executive officer of the DIFC office, he oversees the firm's Category IV licensed fund administration business which provides services to regulated private equity, venture capital and hedge funds located in the DIFC, Abu Dhabi Global Market (ADGM) or Cayman.

Building out from the DIFC

He explains that through the DIFC office, he also oversees their growing DIFC corporate services business which assists clients in setting up foundations. That naturally links closely to the evolving succession planning and structuring business, for which he sees strong growth ahead. “We really want to drive our branding and presence in this fascinating and rapidly changing world of succession and estate planning” he reports.

Evolving the estate & legacy proposition

He explains that there are numerous challenges facing HNW and UHNW families, who are more global today than they have ever been, both in terms of assets and residence.

“As assets and family members are very often dispersed across the globe, there is a huge challenge for them resulting from a complex regulatory and tax environment,” adds Lange. “Add to that the complexity where different family members might be today, where they might want to be located in future, whether or not they want to be involved in the family businesses, and you have numerous major challenges to overcome.”

Numerous issues to address and overcome

He notes that other complicating factors include issues around FATCA, CRS reporting and economic substance. “Clients do not usually enter these planning discussions with these matters front of mind, but these are definitely matters that they need to be thinking about and asking for specific advice on,” he says. “This is, for example, precisely why

Key Priorities

Lange’s primary mission is to build out Trident’s private wealth and succession planning services in Dubai and the region.

“We are very well placed to do that with the Trident Trust brand behind us, which comes with a legacy of over 40 years of stability,” he reports. “We are well positioned to become a preferred provider, and we are also well regarded in the broader wealth management and succession planning ecosystem, so we aim to take more of a leadership role working with other professionals and contributing to the overall evolution and education in these areas.”

Secondly, the firm is investing quite heavily in increasing brand awareness in the space. “In the past we have relied very much on our existing client base for referrals, but the focus going forward over the next couple of years is really to increase our brand awareness and presence in this space,” he explains. “We have historically been seen in Dubai as a corporate service provider, and we want to build a much bigger presence as a trusted fiduciary and international trustee company as well, as those are core strengths of ours globally.”

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we encourage clients to go and get specific tax and legal advice before entering into any type of structuring and legacy planning discussion.”

Another challenge is that some clients seem to want to plan for every eventuality, but it is nigh on impossible to draft structures and plans to cover every situation, real or hypothetical.

“The most challenging situations are where founders or settlors don’t have a sense of trust in the next generation’s ability to manage their wealth and assets properly,” he comments. “That leads to those founders trying to cover every conceivable scenario, which can become difficult for council members and trustees to manage effectively once the founder or settlor has passed.”

Comprehensive solutions required

Lange explains that these challenges are all part of a powerful argument for the patriarchs, entrepreneurs, and settlors to involve the next generations as early as possible in these discussions, and to plan very comprehensively, so there is genuine dialogue, transparency, and a comprehensive approach to the structuring.

“These are all difficult and highly sensitive discussions, but if they are avoided or shunned, then there is a significant risk that the structures are not successful in achieving their objectives and therefore do not work for future generations” he observes. “Dealing with those kinds of gaps and challenges upfront is very important.”

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Hands off the controls?

Another major challenge is the need for distance from control of the assets that might be vested into a trust or other structure, and the settlors’ understandable inclination to want to remain in control of the cockpit.

“There are ways to do this, for example, in a VISTA trust type arrangement and also in a foundation, wherein a founder can act as a council member, and thereby retain a certain element of

control,” he reports. “But I regularly caution clients to think through these appointments carefully and to consider assistance from independent and professional service providers.”

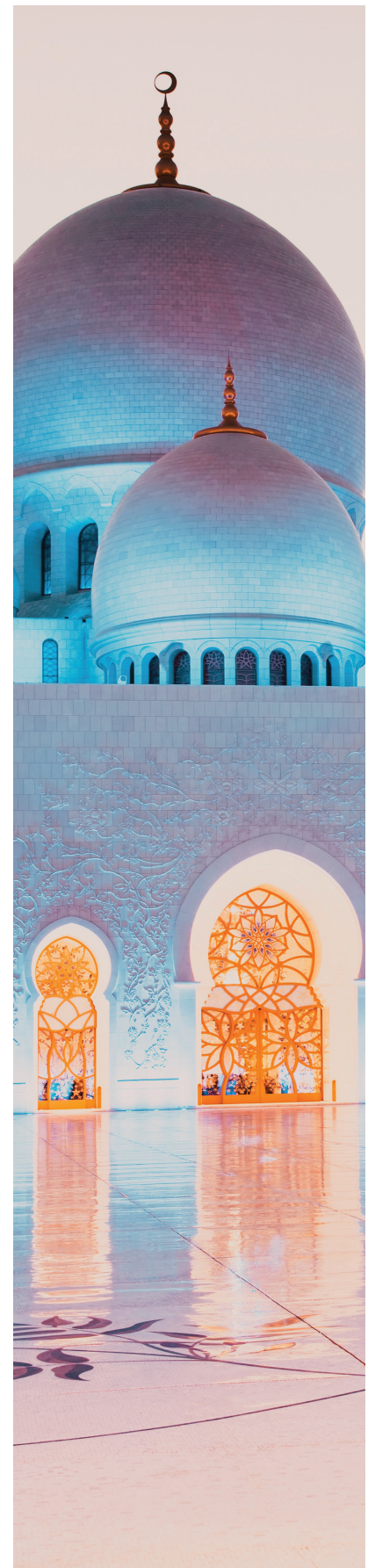
Why? Because all too often a lack of involvement from independent professionals can often lead to poor corporate governance, and then on the passing of the settlor or founder, there are suddenly challenges or disputes from within the family. At that stage, people are scrambling for documents, approvals, minutes, and resolutions, which are either missing entirely or poorly constructed.

Getting it right from the start

“In short, it is far better for these families to pay for expert

professional advice and services from the outset,” he states. “After all, these fees often represent a small percentage of the clients’ overall wealth and is money well spent when it comes to ensuring that their wealth is properly secured and protected.”

Lange also cautions clients to be thoughtful and discerning when seeking advice from professionals. “Here in the UAE, for example, clients need to work with reputable and well-established



firms that have international perspectives and capabilities, especially where there are cross-border considerations.”

Yes, Lange adds, clients can work with local structures and advice, but if they have international assets, it is not advisable to house that wealth in local onshore structures. “Local solutions in conjunction with international

structures that look after the international assets are a lot more efficient and robust,” he states.

A wealth of opportunity

Lange closes the conversation by pointing out the scale of the task ahead. He says that according to the Gulf Family Business Council, USD1 trillion worth of assets will pass from second generation business families to millennials and

beyond within the next 10 years (not counting offshore assets).

“And surprisingly,” he reports, “only 15% to 20% of families actually have a solution in place. And even those succession plans that are in place are not comprehensive enough. In short, this is a huge opportunity for us to really help these clients protect their future.” ■

