

Trident Trust Singapore - Ready for Asia's Next Exciting Decade Ahead

Global fiduciary and fund services firm Trident Trust began life in 1978, opened in Hong Kong in 1994, and its Singapore office recently reached its 10th anniversary. Hubbis met up with two of Trident's key leaders for Asia, Zurich-based Markus Grossmann, who is regional MD and Sean Coughlan, Singapore MD, by video link recently to hear how the three core pillars of the Trident global business model are all expanding apace in Asia, even during the lockdown. Despite the remote connectivity, we found two engaging individuals who remain passionate about the business, their clients and their teams. The Singapore operation Coughlan runs has been especially successful in bringing North Asian clients to Singapore, attracted as they are by the tax incentives for funds and family offices. And the traditional trust business is also on the rise as increasing numbers of clients seek onshore solutions. Meanwhile, Trident has also been boosting its corporate services activities. Trident might have had to put the celebrations for its 10-year anniversary in Singapore on ice, but the team continues to build relationships with its many global, regional and local partners whose HNW and UHNW clients are looking to benefit from Singapore's business-friendly environment and to leverage opportunities further afield across Asia Pacific.



What started on 1 February 2010 with two employees – Markus Grossmann and Cornelia Bloechlinger – in a tiny serviced office in UOB Plaza 1, as the 2nd Asian office of the international Trident Trust Group, has now become one of the more successful and respected Trust, Corporate and Fund Administration businesses in Singapore, reports Grossmann, who today is Trident’s Regional Managing Director for Asia.

“The last decade has felt like a breath-taking and amazing journey on a high-speed train to get to where we are now,” he says on opening the discussion. “But our journey is far from over; there are great challenges and even greater opportunities ahead.”

Trident had already taken a serious foothold in Asia, opening the Hong Kong office 16 years earlier, in 1994. “But Singapore was the next major step for the Group in Asia, and we were both hired to build the business from scratch, seeing the expansion of Singapore as a major regional and global centre for wealth management,” Grossmann explains.

The acquisition of Commerzbank’s modest Trust and Fund Administration business followed not long after the Singapore office opened, bringing in more assets, expanding the team with quality additions, and also bringing with it a Monetary Authority of Singapore trust business license in the process.

Core values

“The focus was from the outset, and continues to be today, building talent organically and through hiring,” comments Sean Coughlan, MD for the Singapore operations today. “The right people with the right skills and who believe in our

values, our team approach and our longer-term ambitions. They must always bear in mind, and they do, the core values of the Trident Group, namely reliability, responsiveness, attention to detail, and personal service. To say we have achieved that is not boasting – Trident Singapore has been awarded Best Independent Trust/Fiduciary Company Southeast Asia in 2014, 2015, 2016, 2017, 2019 and 2020.” He jokes that they chose not to enter in 2018 but likes to think that they would have been successful then too.

“Asian clients feel incredibly comfortable in Singapore, as it is welcoming to a wide variety of cultures, given the broadly mixed culture of Chinese, Indian and Malay, as well as close political and economic ties to Europe and the US. It is very easy for them to come in and out of Singapore; the government makes them feel very welcome.”

Grossmann adds that while the 10th anniversary in Singapore is cause for celebration and conveys his sincere thanks to its team members, the real party will have to wait. “This is a difficult time for all our team, their families, and our partners and clients of course,” he says, “so we will celebrate this milestone when we can also celebrate some sort of return to our former personal, family and business lives.”

Independence days

Grossmann highlights the independence of the firm as a core feature of its long-term success. “We are one of the very few privately-held businesses in our sector here in Singapore,” he reports. “The group is in its 42nd year, and our clients and business partners continue to value this independence of thought

and action very highly, while many of our peers and competitors have been bought up by private equity firms, or are the trust arms of banks. In the current environment being independent and debt free is very important as we are not under the same financial pressures as much of the competition. It enables us to focus on the specific needs of our clients and not just on cutting costs and raising fees.”

Present in Asia for more than 25 years, the Trident Trust Group is a global provider of corporate, fiduciary and fund administration

services, employing over 900 staff worldwide. The Group provides its services to financial institutions, professional advisors, asset managers, family offices and international businesses. Both of the group’s offices in Asia, in Singapore and Hong Kong, provide all of its three core services. Grossmann also reports that 2019 was the best year ever in Hong Kong as well as Singapore, and that Trident will continue to build both vital operations.

Take Three

The three Trident pillars include the trust operation, which involves solutions and services for wealthy Asian families looking for the benefits a trust can deliver, typically asset protection, estate planning, inheritance deferment for their



MARKUS GROSSMANN
Trident Trust

children, including the protection of family assets from the mistakes of the younger generations, or protecting the inheritance of the younger generations from the mistakes of the older generations!

The second pillar is Trident's fund administration business, which provides the infrastructure, administration and accounting for third-party asset managers, whether hedge funds, private equity, debt, or real estate funds. This area is enjoying especially rapid growth, driven by accommodative legislation from Singapore in recent years to attract Asia's super-wealthy families to use the island republic as their asset management hub.

And Trident also provides corporate services from a very wide range of jurisdictions, covering both offshore and onshore. Those services range from incorporation and registered office, to secretarial services and management representation, if required.

Singapore – building from a solid base

Returning to focus in more detail on the Asian operations, they

Getting Personal with Markus Grossmann

Markus joined Trident Trust in 2010 to open the Singapore office, following a 20-year career in private banking, where he specialised in working with Asian and NRI/Indian clients. Initially Managing Director and Founder of the Singapore office, he is now Regional Managing Director for the Asia business, with responsibility for the offices in Hong Kong, New Zealand, Mauritius and Singapore. He also oversees the Trident office in Zurich, where he is now based, and from where he looks after some of the key global partnerships Trident has established over many years.

Grossmann is Swiss, hailing from the famous tourist destination of Interlaken, where he also trained as a banker at the start of his career, before moving to Zurich, to train and work with UBS as a private banker. As from the mid-1990s he worked with UBS covering Asian clients, including a move to England for five years to head the Asia business of UBS out of the UK, before moving full-time to Singapore in 2008.

Trident then emerged in the form of the Group Chairman who convinced him over a period of several years that Trident would be the best place for Grossmann to have a successful career. "After a lot of consideration, I took the plunge, Grossmann recalls, "I was in a great role with a great bank, but the banking industry changed so much during and after the Financial Crisis, I suddenly felt it was the right thing to do. Hence, I launched the Trident business in Singapore, and we have never looked back; it has been a very positive and amazing adventure."

Married with a 19-year old son Grossmann is today based in Zurich. Leisure time used to be spent playing a lot of squash and football, but as he has got a bit older, he prefers less orthopedically challenging activities. "I still play some squash, but it is really a younger person's sport. I also love playing tennis, mountain biking and run as much as I can; I like to be active and keep fit."

He is a keen traveller still, enjoying visiting the various Trident offices in Asia Pacific as well as partners and clients in many locations. "I may not be the smartest in our teams," he jokes, modestly, "but I like people and have a vision, both of which help me in my role. I enjoy travelling to different places, learning about different cultures, and I think I work well as a people person overseeing many different markets and teams and partners."

report that Singapore has made major strides forward in recent years to make itself attractive for Asia's wealthy families in terms of

enhancing its reputation and its practicalities for residence, fund management, structuring and family offices.

**SEAN COUGHLAN**

Trident Trust

“There is no avoiding the reality that tax neutrality for private client structures related to investment services is a major bonus here,” Coughlan comments. “But other attractions include geographic position and the range of languages spoken, in particular Mandarin. Many of our North Asian clients speak little or no English and prefer to deal with staff who are Mandarin speakers. So, you have the entire ecosystem of Singapore supporting this expansion.”

“Asian clients,” Grossmann adds, “feel incredibly comfortable in Singapore, as it is welcoming to a wide variety of cultures, given the broadly mixed culture of Chinese, Indian and Malay, as well as close political and economic ties to Europe and the US. It is very easy for them to come in and out of Singapore; the government makes them feel very welcome.”

Focusing specifically on private client trust services, Grossmann remarks that the objective of tax optimisation, which used to be paramount in the 1990s, is lower down the order of priority for Asian families today, as they focus mostly on planning for the children and later generations.

Getting Personal with Sean Coughlan

Coughlan’s history in trust management dates back to his birthplace in the offshore financial centre of Jersey, which to this day is his true home base. “We still have our house there and our four children, aged between 15 and 22, are backwards and forwards to Jersey when they are not at university or in school, and my wife tends to spend the summers there. Jersey is still home for us.”

Coughlan describes himself as one of the elders of the Singapore trust industry, having been in Singapore for nearly a decade and having spent the first 20 years of his career based in Jersey. He began with Ernst & Young back in 1990, well before their trust business was bought over by Royal Bank of Canada.

“I learned my craft in the trust business with them,” he recalls, “they had a very big operation with more than 250 people at the time, and then I began coming to Asia in the mid-1990s when I was Head of the Private Trust Operations for Royal Bank of Scotland International in Jersey. They had a Hong Kong office, and I began working with them to help their clients, coming out to Asia a few times a year.”

The family moved to Singapore in 2010 when Coughlan was appointed MD of another privately owned trust company. “The business was growing fast and they wanted someone with more experience of running a tightly regulated trust business” he recalls, “and they reached out to me in Jersey.”

Spare time for Coughlan and his wife, who are usually, when the world is not witnessing the current unusual circumstances, home alone while the children are overseas at school or university, is spent enjoying sports and what he describes as an eclectic range of music.

Trident has 58 staff in Singapore today, and even during the Circuit Breaker has been bringing in more talent. “We have been growing at a good pace in recent years across all three pillars of our business,” Grossmann reports. “Fund administration has grown very quickly, and we have invested in new staff, systems and office space. We have been helped in our growth in that space by leveraging skills and experience in our Hong Kong office, which has a dedicated marketing

team focused on fund administration services. The administration is, however, provided out of the Singapore office. Unlike many other providers in Asia, we don’t outsource any of the administration; it is all performed from Singapore.”

Coughlan reports that Trident in Singapore is stable in terms of its team. “We lose very few staff, and we attract very good staff,” he reports. “Our business development team has gone from

just two people five years ago to eight very soon, and that is only to cope with the number of inquiries we get, most of which still come locally from Singapore from banks, lawyers, accountants, a few internationally. And of course, as the front door opens, we need a bigger and better team to manage the whole onboarding and then administration. And in that regard, we have been incredibly successful, and the result is a lot of satisfied clients. Staff retention is so strong because we offer a career path, not just a job.”

Asia Pacific – a huge growth market

Grossmann highlights some key differences between Singapore and Hong Kong for Trident. “Back in 2010 the Hong Kong business predominantly focused on corporate services and the management of offshore companies, but when we opened Singapore we decided to focus on trusts and succession planning as the market for offshore companies was already very well serviced. Hong Kong has continued its success in onshore and offshore corporate services, but has been particularly successful in expanding and growing the trust and fund business with a key focus on China. The team today is about 70-strong, so still bigger than Singapore and showing very robust growth.”

Coughlan comments on the clientele Trident has assembled in Singapore. “Most of our business is Asian clients, although we do have clients coming from much further afield such as the Americas and Europe,” he reports. “Singapore is in an ideal time zone and it is culturally welcoming to all. It is an ideal centre from which to

work on offshore and mid-shore structures, and increasingly on onshore structures, as it has a fine reputation, with excellent offerings and incentives along with globally-renowned regulation.”

They expand on this, commenting that there is a far greater focus in propriety and quality than ever before in the selection of jurisdictions from which to work and in which to establish structures.

Coughlan explains that the biggest trust jurisdictions in the world are all smaller offshore specialist jurisdictions, such as the Channel Islands, the Cayman Islands and the British Virgin Islands, whereas Singapore is a very mainstream jurisdiction for trust services with a broad, dynamic, diversified economy.

“Within Asia,” he says, “the Singapore legal system excels, and it is the most reliable jurisdiction for both corporate and trust work. For these reasons, the onshore aspect in Singapore works very well indeed, although even some Singaporean families want to work through other jurisdictions, so if for example, they want to use Jersey, we can also arrange that through the Jersey office, so we offer a one-stop capability globally, while for Asian clients their ability to come to see us here in such a friendly, accessible and full-service centre is highly valued. We have strong offices in the Channel Islands, Caribbean, Europe and the USA, so we can offer global solutions with local level implementation with immense expertise.”

Grossmann comments that a major concern for many HNW and UHNW clients at the moment is the developing issue of economic substance. He explains that there





are many clients who still work through BVI companies and who still want to keep them, so Trident Trust is offering them a range of services to help them comply in various ways as substance and all the related regulations kick in.

Singapore: forward-thinking

Coughlan then highlights some of the compelling structures and incentives the Singapore government has been putting in place in recent years, both for Singaporean citizens and also to attract HNW and UHNW funds and high-wealth residents to its shores. "On the fund administration side," he reports, "there is growing awareness and interest in Singapore's suite of tax incentives to encourage funds to set up here."

Grossmann adds that Trident's expansion in this fund administration arena has been buoyed by the remarkably attractive and forward-thinking regulatory environment Singapore has been creating.

These tax incentives are designed for fund management companies that are registered with the Monetary Authority of Singapore (MAS) either as a Registered Fund Management Company (RFMC) or a Capital Market Services License (CMSL). Single Family Offices which qualify for the licensing exemption may also benefit from the tax incentives.

Once approved, specified income derived from what are known as 'designated investments' within these funds is then exempt from tax. A wide range of investments fall within the definition of designated investment, including stocks, bonds, securities, derivatives and several other types of investments.

The tax incentives are outlined in section 13CA, 13R and 13X under the Singapore Income Tax Act. 13CA covers Offshore Fund Tax Exemption Scheme, 13R covers the Onshore (Singapore Resident Company) Fund Tax Exemption Scheme, while 13X relates to the Enhanced Tier Fund Tax Exemption Scheme, under which the rising tide of single-family offices operate.

Leveraging the opportunities

To capitalise on the growth, Trident has hired a number of key business development professionals. "Their marketing initiatives for Trident are supported by our in-house operational team and our new technology. We have also invested in additional office space to accommodate the growth," Coughlan reports.

"We are getting really good traction," Grossmann adds, "especially with hedge fund managers in North Asia, who demand a different level of service and speed to typical private clients, hence our investments in this area."

Coughlan explains that business life continues as best as possible amidst the lockdown. Many advisors have been working out a backlog for the past few years, as have the authorities, as there has been so much interest and demand amidst these new structures and incentives," he reports, "as the 13X and 13R opportunities opened up the market for family offices. The authorities such as the MAS and the Economic Development Board are now conducting a lot of their interviews of prospective owners and families via teleconferencing."

The Singapore Variable Capital Company is another weapon in

Singapore's armoury to attract more assets to its shores. "While the VCC at the moment is not available for family offices, only for commercial fund managers, the arrival has added further impetus to fund expansion here and we have been assisting a number of asset managers to redomicile their existing funds to Singapore," Grossmann notes. "Meanwhile, our family office type clients are often utilising all three of the pillars Trident offers. They will come in, establish a trust, create the family office holding company through our corporate service team, and sometimes utilise our fund administration team for full fund administration, redemptions, subscriptions, and administration."

those firms in mutually beneficial relationships based on trust, respect and high-quality service. They know clients referred to Trident will be satisfied with the services we provide to them."

Votes of confidence

Coughlan adds that partners are also now introducing Key relationships and clients to Trident, requiring more intricate structures and challenges and more cross-border complexities.

"This is of course a vote of faith in our service and solutions," he comments. "These major law and accounting firms and banks do not send their biggest clients without a firm belief that we will deliver,

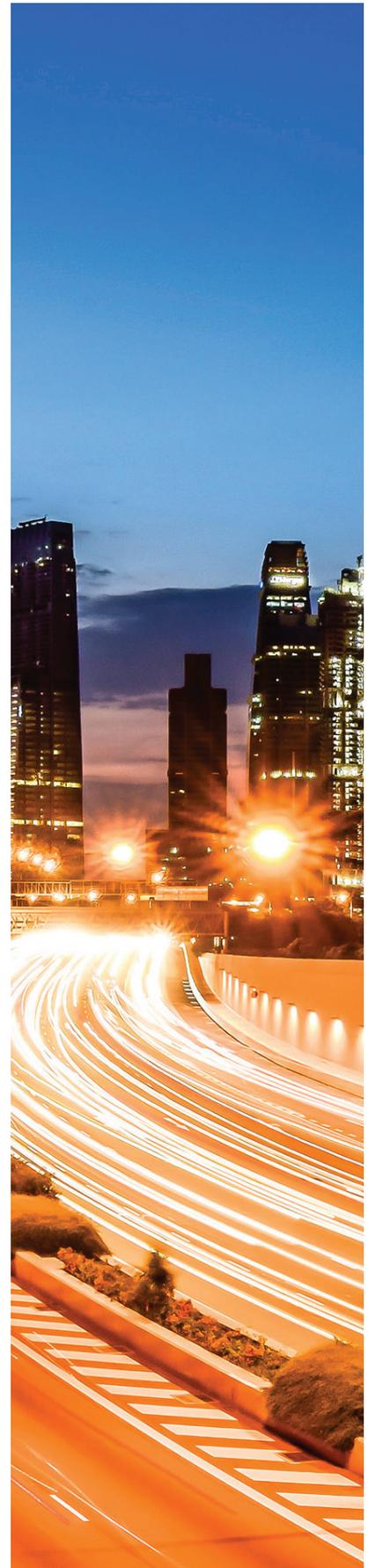
"This is of course a vote of faith in our service and solutions. These major law and accounting firms and banks do not send their biggest clients without a firm belief that we will deliver, which we do. I should add that we are happy to work through our partners; we never try to solicit clients directly, the professionals out there are the cornerstone of our business."

Partners with the industry

Based out of Zurich, one of Grossmann's key roles is building and maintaining the relationships that Trident enjoys with partners across the globe. "The Trident business generation model is to work closely with the client-facing banks, law firms, accountancy practices and others through which they might access HNW and UHNW clients," he explains. "We have global and regional and local relationships that are tried and tested. We have been, or will be, long-term business partners for

which we do. I should add that we are happy to work through our partners; we never try to solicit clients directly, the professionals out there are the cornerstone of our business."

Grossmann also comments on the plan for Asia Pacific, where he says the group works collaboratively across Singapore, Hong Kong and New Zealand. North Asia is handled largely through Hong Kong. China will have three offices soon. Singapore covers Southeast Asia and India, the latter representing a major opportunity unfurling for Trident.



Retaining the competitive edge

They also address the challenge of remaining highly competitive in what is a price-sensitive marketplace today. “We always strive to ensure that growth does not overtake our ability to provide the optimal levels of service and results for the clients,” Grossmann says. “Within the Group, our DNA is to achieve long-term sustainable growth and balance, preferring always to adopt a conservative approach rather than take risks with our reputation. There is no pressure for short term performance from the Group’s global management, and we set targets locally and realistically.”

Looking ahead, they want Trident Singapore to be known for all three pillars of its business. “We have a couple of new business development directors joining us in a few weeks,” Coughlan notes, “and our big picture mission looking ahead is to become equally as well known here for fund administration and corporate services as we have become in the trust business over the past decade.”

They close with some well-justified comments on the achievements of the past ten years in Singapore. “We cannot celebrate the anniversary yet in the public domain,” Coughlan says, “but we have been communicating our great thanks to our team, our

partners, clients and the industry at large.”

The last word goes to Grossmann. “I am really proud of what we have achieved with our outstanding team and our business partners who have put their faith in our ability to deliver for their wealthy clients and their families. Singapore, as a wealth market jurisdiction and as a major financial centre, has also developed apace and remarkably well in the past decade, which has really helped us. Even throughout this lockdown, we have been keeping up the pace of handling new business and new enquiries. The future looks rosy, even when viewed through the mists of this pandemic.” ■

