

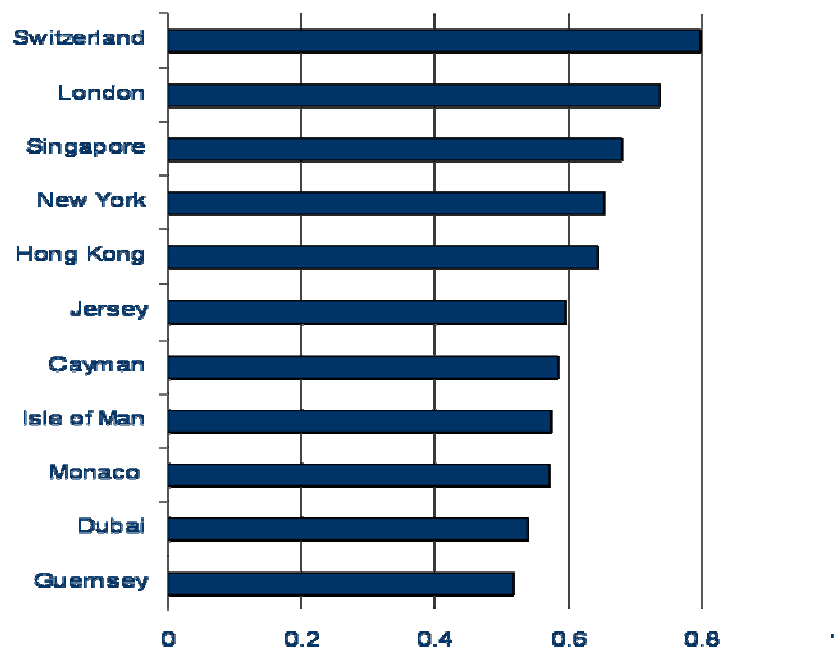
## PRESS RELEASE

### SWITZERLAND STANDS OUT AS THE MOST ATTRACTIVE DESTINATION TO RESIDE FOR THE MOBILE WEALTH SET

LONDON – Scorpio Partnership, the leading business strategy advisor to the wealth management industry, has reacted to the continued discourse on the attractiveness of London as a residence for the wealthy by developing the world’s first index judging the attractiveness of the most popular financial centres to the mobile wealthy. The **Mobile Wealthy Residency Index (MWRI)** is the result of qualitative research by Scorpio Partnership with senior advisors to the world’s mobile wealthy.

- Switzerland takes top spot as the most attractive jurisdiction for residency for the international mobile wealthy individual and family due to its “rounded offer”
- London, in second spot, has been damaged by the UK Government’s aggressive fiscal moves to penalise the mobile wealthy community
- Singapore’s rapid development and implementation of a modern framework with attractive policies sees it take third spot
- The mobile wealthy are choosing a jurisdiction in which to reside on a far wider range of factors than just the headline tax rates
- A clear distinction has emerged between the large “all-in” global centres such as Switzerland and London and the smaller “niche” centres such as Jersey, Monaco and Cayman

#### Switzerland ranks top of the Mobile Wealthy Residency Index



Source: Scorpio Partnership

In today's economic environment, where wealth, taxation and the offshore environs are seemingly etched into every discussion in the wealth management industry, in the UK and beyond, the Scorpio team has pooled the collective knowledge and thoughts of the advisory community to measure where the mobile wealthy judge to be the best jurisdictions to meet their wide ranging demands.

The result, in stark contrast to the battering it has taken recently, still sees **Switzerland** top Scorpio Partnership's first MWRI. The alpine state shows that its attractiveness is far more than just a centre for booked assets. In fact, its number one ranking is clear evidence of a key theme in the selection of a jurisdiction in which to reside – the mobile wealthy take into account a whole host of criteria when taking the decision on where to reside. Switzerland's wide appeal places it ahead of key competitors such as London, Singapore, New York and Hong Kong in the beauty parade for a potential residence for the mobile wealthy.

The Alpine state has a strong positioning across almost all of the principal 11 criteria used by the mobile wealthy when making a decision on where to reside. In short, Switzerland offers would-be residents the best all-round package. It scores top for 'Economic and Political Stability'; 'Legal Considerations'; 'Education for Children'; 'Proximity'; and 'Culture/Infrastructure' and ranks second and third for 'Employment and Business Opportunities' and 'Depth of Financial Services' respectively.

That breadth of attractiveness is of great significance in an environment where fiscal incentives are often seen as the be-all and end-all of the selection process. The selection is far wider than that simplistic view. In fact, Switzerland receives an average ranking for 'Fiscal Considerations and Immigration'. Monaco, on the other hand, was top ranked for 'Fiscal Considerations and Immigration' but only ranks third bottom overall. Switzerland's top spot is therefore not down to tax. Rather, tax is perhaps the headline while other factors are the meat in the sandwich.

"To the mobile wealthy, Switzerland is still very nearly all things to all people. Right across the spectrum of criteria it scores well in this Index, offering the mobile wealthy the headline fiscal incentive as well as all the underlying criteria such as stability, employment and business opportunities, infrastructure and education for their children," said **Stephen Wall**, director. "Indeed, most anecdotal evidence from the market suggests Switzerland has been and will continue to be the biggest beneficiary of any moves away from London, particularly in the mid to HNW and above segments". This is in spite of the various attacks on the Swiss state from EU and US governments, the OECD and others.

**London** is second in this first MWRI even amid the current aura of negativity surrounding its continued attractiveness to the mobile wealthy. The UK capital retains an inherently strong position vis-à-vis its competitors and is undoubtedly still the dominant centre internationally for the mobile wealthy community at all levels. London remains strategically well positioned between East and West with a convenient time zone, a strong and alluring professional services industry and numerous good travel links. All these factors help to further reinforce London's perception as a hub.

What is clear, however, is that its positioning in second place is largely due to the damage done by recent regulatory and fiscal changes impacting the mobile wealthy. "The Government's stance has engendered a sense of mistrust and uncertainty among the mobile wealthy and their advisors. They definitely feel undervalued and over-scrutinised in the current environment," said **Sebastian Dovey**, managing partner. This is reflected in London scoring poorly for the fiscal considerations and immigration in this index. However, the fact it still takes second spot re-emphasises the fact that tax, an area where London has been shot in the foot more than once recently by its national Government, is but just one area of attraction.

**Singapore** is a demonstration that the East has risen fast as a destination for the mobile wealthy. This is a very positive reflection of this City's growth plans which have seen it put in place a successful framework over the last decade implementing international best practice. Spurred on by the experience of the Asian financial crisis it has done much to make itself attractive to the mobile HNW community. Singapore is viewed by the mobile wealthy as the hub from which to do business in and throughout Asia and the Government has moved to make its fiscal environment attractive in the international environment.

What is also abundantly clear is a clear distinction between the large “all-in” global centres such as Switzerland and London and the smaller niche centres such as Jersey, Guernsey, Isle of Man, Cayman and Monaco. While these latter locations are rated among the top 11 locations for the mobile wealthy community and often offer them preferential treatment and opportunities, as one they struggle to compete with the major centres that can offer a wider and deeper range of benefits related to business, lifestyle, property and a concentration of other mobile wealthy residents with the same expectations, outlook and demands.

This emerging trend is largely due to the larger global centres active courting of the mobile wealthy as part of their long term strategy. There is a strong sense that the mobile wealthy feel that city hubs are on their way to tying up the market due to their scale and smaller centres will increasingly need to focus on offering niche opportunities.

### **About the Mobile Wealthy Residency Index (MWRI)**

The MWRI is a ranking of the 11 centres consistently described by the mobile wealthy and their advisors as the most attractive locations in which to live and work. The Scorpio team examined each across 11 criteria of competitiveness identified by the mobile wealthy as key drivers in their decision making process when choosing somewhere to live. Each jurisdiction was then scored through a combination of qualitative and quantitative measures.

In measuring the relative attractiveness of the locations the report is inevitably aspirational rather than actual. Crucially, however, and particularly in the current environment, this study gives a valuable insight into where the mobile wealthy may be considering moving to next.

### **11 jurisdictions**

Cayman	Hong Kong	London
Dubai	Isle of Man	Monaco
Guernsey	Jersey	New York
Singapore		Switzerland

### **11 criteria**

Economic/Political Stability	Proximity/Convenience
Employment and Business Opportunities	Education for Children
Fiscal Considerations and Immigration	Security
Legal Considerations	Concentration/Critical Mass of Mobile Wealthy
Depth of the Financial Services Sector	Culture/Infrastructure
Availability of Quality Housing	

This is the first study aimed at judging the relative appeal of international locations according to this audience. The MWRI represents a global assessment of the factors that influence the world’s mobile wealthy populations’ decisions to move to one city or location over another. As such, it is not purely a report on fiscal considerations as there is overwhelming evidence to suggest that, whilst important, tax is far from being the only reason for this group to favour one location over another.

## The full rankings criteria by criteria

Rank	Economic and political stability	Employment and business opportunities	Tax and Immigration	Legal considerations	Depth of the financial services sector	Availability of quality housing	Proximity and convenience	Education for children	Security	Concentration/critical mass of RNDs	Sophistication/culture/infrastructure
1	Switzerland	Singapore	Monaco	Switzerland	New York	Dubai	Switzerland	Switzerland	Singapore	London	Switzerland
2	Cayman	Switzerland	Singapore	Singapore	London	Isle of Man	Jersey	London	Monaco	Dubai	Monaco
3	Singapore	Hong Kong	Cayman	London	Switzerland	London	Monaco	New York	Dubai	New York	New York
4	Guernsey	London	Hong Kong	Guernsey	Hong Kong	Switzerland	Isle of Man	Jersey	Cayman	Singapore	Singapore
5	Jersey	New York	Switzerland	Jersey	Singapore	New York	Guernsey	Guernsey	Hong Kong	Switzerland	Hong Kong
6	Isle of Man	Isle of Man	Isle of Man	Isle of Man	Cayman	Singapore	New York	Monaco	Guernsey	Monaco	London
7	London	Dubai	Dubai	Hong Kong	Jersey	Cayman	Dubai	Isle of Man	Isle of Man	Hong Kong	Jersey
8	Hong Kong	Jersey	Guernsey	New York	Dubai	Hong Kong	Hong Kong	Hong Kong	Jersey	Cayman	Cayman
9	Monaco	Guernsey	Jersey	Cayman	Guernsey	Jersey	Singapore	Singapore	Switzerland	Jersey	Guernsey
10	New York	Cayman	London	Monaco	Isle of Man	Guernsey	Cayman	Cayman	New York	Isle of Man	Isle of Man
11	Dubai	Monaco	New York	Dubai	Monaco	Monaco	*	Dubai	London	Guernsey	Dubai

Source: Scorpio Partnership

### Definition of the “mobile wealthy”

While the media around the world has tended to focus on high profile examples such as the Russian oligarchs, this group of ultra HNWs represents a small proportion of the world’s mobile wealthy population. The majority of the mobile wealthy are professionals such as doctors and dentists, architects, lawyers, accountants, entrepreneurs and financial services executives and they represent the largest section of the mobile wealthy whose views were consulted by Scorpio Partnership before the creation of this report.

### Methodology

All in, this work is based on over 400 qualitative interviews conducted by Scorpio Partnership during 2008 to April 2009 with the leading international advisors to the world’s wealthy mobile including lawyers, accountants and bankers across the 11 jurisdictions. This represents over 250 hours of first hand data gathering research. While many of the categories judged will not have changed significantly over this time frame (quality of housing, security, culture/infrastructure etc.) there have clearly been huge changes recently to the business, economic and fiscal environment.

## About Scorpio Partnership

Scorpio Partnership is a strategy consultancy to the wealth management industry, based in London.

The firm has conducted more than 300 global assignments across the wealth spectrum for over 120 institutions in private banking, fund management, family offices, technology and resource management, as well as for related service providers to the wealth management industry.

Scorpio Partnership specialises in interview-based insight gathered from financial industries connected to global wealth. The firm does this with HNW individuals directly and wealth management industry professionals to support strategic assessments and future initiatives for clients. This long term pulse testing, refined over 10 years' expertise, forms the foundation for strategic recommendations to clients.

Scorpio Partnership has interviewed over 6,000 HNW and UHNW global consumers of wealth management services and more than 10,000 wealth management staff and intermediaries.

In April 2008\*, Scorpio Partnership was voted the best global consultancy to the wealth management industry for the third consecutive year, ahead of the top three global management consulting firms. The firm is independent and owned by management.

*\*WealthBriefing, 2006 - 2008*

**[www.scorpiopartnership.com](http://www.scorpiopartnership.com)**

### Press contacts:

<b>Sebastian Dovey</b>	Managing partner	(+44) 20 7811 0123	<a href="mailto:seb@scorpiopartnership.com">seb@scorpiopartnership.com</a>
<b>Stephen Wall</b>	Director	(+44) 20 7811 0125	<a href="mailto:stephen@scorpiopartnership.com">stephen@scorpiopartnership.com</a>