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Family Capital in Korea

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THE KOREA FAMILY CAPITAL INSTITUTE

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A Consultation Paper — toward a standard for the stewardship of generational wealth in the Republic of Korea.

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READER'S NOTE

For the families who hold capital across generations

The Institute writes this paper for the families who hold capital across generations in the Republic of Korea, and for those who advise and serve them. Their wealth, and the question of how it is stewarded from one generation to the next, is its subject. Their experience, gathered through the consultation this paper opens, will be its substance. The paper is addressed to them first.

It is read, too, by a wider audience. The institutions that shape the conditions under which Korean family capital is held and passed on — among them the financial regulator, the providers who serve these families, the professional firms, and the policy bodies engaged in the reform of Korea's trust and succession framework — share common ground with the Institute. To them the paper offers a documented account of the field as it stands, and of the distance between that field and the international standard.

Two matters are stated plainly at the outset, because they govern everything that follows.

The first is the state of the evidence. Korea's family-capital field is sparse, institution-led, and under-observed. No body convenes it; no register counts it; no shared standard describes it. The Institute claims no statistical authority the field does not yet permit. That the field is thin is itself the central finding of this paper, and the reason the Institute exists.

The second is the Institute's posture. This is an evidence-led paper, and it carries a view: that Korean family capital is stewarded more narrowly than the international standard would suggest, and that the field would be served by a convening body and a common standard. The Institute advances that view through evidence and convening. It holds to the register of research, and defers any claim to speak on behalf of a membership it has still to gather. The view is carried by the evidence; the standing to represent the field is earned later, with members and a record.

Two conventions govern the document. Companies and individuals are named only with consent; the default attribution is sector-level. Every figure carries its source, and where a figure is contested or uncertain, the paper says so. Korean terms appear in Korean, with romanisation and English, on first use, and by short form thereafter; the glossary at Annex C collects them.

AT A GLANCE

The shape of the paper

WHAT THIS IS

The Institute's first consultation of the family-capital field in the Republic of Korea: the families who hold generational wealth, the offices and firms that serve them, and the international family offices and advisers active on Korea. It opens in the summer of 2026 and closes in the early autumn. Its findings will inform the Institute's first standing publication on the state of family capital in Korea.

WHAT THE INSTITUTE ASKS

A bilingual survey of some fifteen minutes. From those whose engagement supports it, a confidential interview. From the few with a particular experience to share, the willingness to describe it, anonymised by default.

WHAT THE READER RECEIVES

The findings reported openly, with a private briefing to participants on publication; a shared vocabulary and a common reference for a field that has neither; and a standing seat at the table the Institute convenes.

The field in context comes first, in Parts I and II. The reader who wishes to turn straight to the consultation will find the method at Chapter 9 and the invitation at Chapter 10.

THE INSTITUTE'S PURPOSE

To convene, to inform, and in time to provide a standard

The Korea Family Capital Institute exists to convene the family-capital field in the Republic of Korea, to give it a shared standard drawn from international practice, and to carry its interests over time.

The Institute pursues that purpose through three kinds of work. It **convenes**: a standing place where Korean principals, the offices and firms that serve them, and the international counterparts active on Korea meet on the common question of how generational wealth is held and passed on. It **informs**: research, a field map, and a recurring account of the field, so that a conversation now conducted privately and in parts has a documented whole to refer to. And it sets out, in time, to provide a **standard**: a common vocabulary and a shared reference, adapted to Korea from the international practice of family-capital stewardship.

The Institute convenes and informs now. The standing to represent the field, to carry its collective interest into the rooms where the conditions are set, is a thing earned through accumulated authority and a gathered membership, and the Institute claims it only when it has been earned.

FOREWORD

A wealth of depth, an apparatus largely absent

The Republic of Korea has built private wealth of remarkable depth and concentration. Some 476,000 individuals hold financial assets above one billion won; together they hold more than three thousand trillion won, three-fifths of all the financial assets of Korean households. That wealth rests on a spine of family enterprise, from the great conglomerates to the unlisted manufacturer in a provincial city. And it is passing now, for the first time at scale, from the generation that built it to the generation that inherits it, under a succession-tax burden among the heaviest in the developed world.

Set against the international standard, the apparatus to carry that wealth across the generational passage is largely absent. The wealth centres that compete for family capital, among them Singapore, Hong Kong, and the financial centres of the Gulf and of Europe, have built dedicated regimes, purpose-made legal vehicles, and a professional practice of stewardship that reaches well beyond tax and succession into governance, continuity, and the preparation of heirs. Korea has none of the regimes and few of the vehicles, and the practice that serves its families is led by institutions that sell product. The result is visible in the capital itself, which increasingly structures its long-term affairs offshore.

There is a further absence, quieter than the others. The Korean field has no body that convenes it, and no shared standard by which a family or its adviser might measure the stewardship of generational wealth against the practice of the wider world. The conversation happens, but it happens privately, in parts, and without a documented whole.

This paper opens that conversation. It sets out the Korean field as it stands; it holds that field up against the international standard, which is the reference the Institute means to bring to Korea; and it asks the field itself to contribute to a shared account. The paper is the Institute's first instrument, and the beginning of its work.

The paper is in four parts. Part I sets out the field in Korea: the scale and shape of the wealth, the structural and tax conditions that bear on it, and the landscape of those who serve it. Part II sets out the international frame: the regimes that succeeded, the standard of stewardship and of convening that holds the international field, and the discipline by which the family office itself is carried across generations. Part III holds Korea up to that frame, and makes the case for a convening body and a standard. Part IV sets out the consultation, and the Institute's invitation to take part.

The Korea Family Capital Institute
Seoul, June 2026

PART I

The Field in Korea

Chapter 1. The scale and the shape

1.1 THE WEALTH POOL

The dimensions of Korean private wealth are well documented, and they are large. KB Financial Group's annual Korea Wealth Report (한국 부자 보고서) counts, in its 2025 edition on end-2024 data, some **476,000 individuals** holding financial assets of one billion won or more, under one per cent of the population, and a number that has grown by three per cent in a year. Between them they hold **KRW 3,066tn** in financial assets, the first time the figure has passed three thousand trillion won, and **60.8 per cent** of all the financial assets held by Korean households.[1] (Throughout this paper, "financial assets" follows KB's primary definition; where a figure rests on KB's alternative dual-asset definition, the paper says so.)

The pool is steep as well as deep. Within the 476,000, the great majority, some 432,000, hold between one and ten billion won. Above them sit roughly 32,000 with ten to thirty billion, and at the apex some **10,000 individuals** hold financial assets above thirty billion won. Concentration runs through the whole: the top one per cent of Koreans hold close to sixty per cent of the nation's financial assets, and by the broader measure of net worth the most recent official survey records a Gini coefficient of 0.625, the highest since the series began.[2]

The wealth has compounded steadily for a generation. Across the fifteen years to 2024 the number of won-billionaires by financial assets rose from 130,000 to 476,000, an annual rate near ten per cent; their assets grew from KRW 1,158tn to KRW 3,066tn. This is a pool that has roughly tripled in a decade and a half, and shows no sign of having stopped.

1.2 THE SHAPE OF THE ASSETS

How that wealth is held matters as much as its size, and here a common error must be set aside. The Korean household, taken as a whole, holds about three-quarters of its assets in real form, overwhelmingly property, and roughly a quarter in financial assets, a composition Statistics Korea documents each year. The wealthy hold their assets differently. By KB's reckoning, on the dual-asset definition it uses for this measure, the wealthy hold **54.8 per cent** of their assets in real estate and **37.1 per cent** in financial form, with the remainder in other assets; the very wealthiest sit closer to an even split.[3] The wealthy segment is, in other words, the more financialised of the two, holding a markedly larger share of its assets in financial form than the ordinary household does. To attach the three-quarters figure to wealthy families, as is sometimes done, overstates their exposure to property and misreads the field.

Real estate's share among the wealthy has been falling, from fifty-nine per cent in 2022 to under fifty-five by end-2024, as portfolios diversify. The direction is worth marking. It describes a cohort gradually shifting the weight of its wealth from property toward financial and investment assets, which is precisely the shift that raises the questions of structuring and stewardship this paper takes up.

1.3 THE FAMILY-BUSINESS SPINE

Korean private wealth rests on family enterprise. The visible apex is the chaebol, the family-controlled conglomerate, where founding families hold and pass on control of some of the country's largest listed companies. Beneath the apex lies a far broader base: the founder-controlled mid-sized company and the unlisted manufacturer, family-owned and family-run, which together account for a substantial share of Korean employment and output. For most of these families, the company is the wealth, the principal asset, the source of income, and the thing to be carried across the generations. The question of family capital in Korea is, in large part, the question of how family businesses pass from one generation to the next.

1.4 THE SUCCESSION CLIFF

That passage is now arriving at scale, and on a demanding timetable. Korea's founder generation is ageing: business owners aged sixty or older account for roughly a third of the country's small and medium-sized enterprises, and of those owners more than a quarter, some 28.6 per cent, have no identified successor. Tens of thousands of manufacturers face an uncertain future for want of an heir, most of them outside Seoul, most of them dependent on a single owner who is at once the chief executive, the technologist, and the financial officer.[4] The country's second-generation post-war cohort numbers some seven million, and the commentary around them has begun to describe a shift from an era of accumulating wealth to one of transferring it.

The Institute holds, with the field's own observers, that no reliable single figure yet exists for the total value of the wealth that will change hands in Korea over the coming decade. The estimates that circulate are drawn from other markets and do not transfer. The direction and the pressure are clear enough: a large pool of family wealth, concentrated in family businesses, is entering its first great generational transfer, and the instruments to carry it are the subject of the chapter that follows.

Chapter 2. The structural and tax gap

2.1 THE INSTRUMENTS, AND THEIR FRICTION

A family that wishes to hold and steward its capital across generations needs instruments fit for the task: a vehicle to consolidate the family's assets, a structure to manage them efficiently, and a means to carry them to the next generation without fracture. Korea offers no dedicated such regime. It has nothing comparable to the fund-vehicle frameworks of Singapore or the family-vehicle concession of Hong Kong, both examined in

Part II. What Korean families have instead is a set of general instruments, each serviceable for part of the task and inefficient for the whole.

The holding company, the 지주회사 (jijuhoesa), consolidates family equity, yet it pays corporate income tax on its returns, and the cash is taxed again, personally, when distributed; the chain that Singapore and Hong Kong break at the fund level runs unbroken in Korea. Discretionary management of family capital sits inside the licensed financial-investment regime, with no carve-out for a family managing its own money. The 신탁 (sintak), the trust, has historically been narrow, its comprehensive form essentially undeveloped. The foundation serves philanthropy rather than investment. Each form carries the family part of the way; none carries it the whole.

The under-development shows in the aggregate. Korea's trust industry holds some KRW 1,516tn in assets, a figure that has grown steadily, though its growth is driven by corporate and pension trusts rather than the household-property and succession trusts that dominate elsewhere.[5] Measured against the size of the economy, Korean trust assets stand at about 53 per cent of gross domestic product, against 94 per cent in the United States and 173 per cent in Japan, on the regulator's own 2020 figures.[6] The comparison turns on differing national definitions of what a trust holds, and is best read as indicative; even so, it measures how lightly Korean private wealth is structured, and it marks the gap the regulator's own reform means to close.

2.2 THE TAX THAT FORCES THE QUESTION

The pressure that makes structuring urgent is the inheritance-and-gift tax. Korea applies a progressive schedule rising to a top marginal rate of fifty per cent on the largest estates, the second-highest headline rate in the Organisation for Economic Co-operation and Development (OECD), behind Japan. On the transfer of a controlling shareholding the appraised value carries a further premium of twenty per cent, which lifts the effective burden on a controlling stake toward sixty per cent.[7] Korea is among the few OECD members that still tax the whole estate of the deceased rather than the share each heir receives, and by the measure of inheritance-and-gift-tax revenue against the size of the economy it has lately stood at the top of the OECD. The tax raised some KRW 8.5tn in 2023, levied on the estates of fewer than seven per cent of those who died.[8]

The scale of the burden is most visible in its largest cases. The family of the late Samsung chairman settled the largest inheritance-tax bill in Korean history, some KRW 12tn, paid over six annual instalments and completed in the spring of 2026. The family behind Nexon transferred a block of shares valued at KRW 4.7tn to the government in lieu of cash, the largest inheritance-tax payment ever made in corporate stock, and one that made the state, for a time, the company's second-largest shareholder.[9] These are the headline instances of a pressure that bears, in proportion, on every family business approaching succession.

The pressure has not yet produced relief. A proposal to cut the top rate to forty per cent was rejected by the National Assembly on 10 December 2024. A more fundamental shift, from taxing the estate to taxing each heir's acquisition, was set out and then omitted from the tax legislation passed at the end of 2025; it remains an aspiration directed at 2028 rather than law.[10] The present administration has approached the question with caution. As this paper is written, the regime stands as it was, and every attempt to soften it has failed or stalled.

2.3 ACCESS TO PRIVATE CAPITAL

A second structural feature bears on how Korean family capital can be deployed. The reform of the private-fund regime that took effect in 2021 reclassified Korea's private funds by investor type, separating funds open to high-net-worth individuals from those reserved to institutions, and setting minimum commitments that placed parts of the private-capital market beyond the reach of individual family capital and ordinary corporate capital alike. A further tightening in 2025, following difficulties in the market, increased the obligations on fund managers. The effect, for a family seeking to deploy capital into private markets, is a set of thresholds and classifications that channel rather than open.[11]

2.4 THE ANSWER FAMILIES HAVE CHOSEN

Faced with a regime that penalises the efficient domestic structure, a portion of Korean family capital has answered for itself, by structuring offshore. The principal destination is Singapore, with Hong Kong and the Gulf behind it; the corridor to those centres has become, in practice, the regime that Korea does not provide at home. The scale of the movement is debated. The most-cited estimate of Korean millionaire emigration comes from a source whose method rests substantially on self-reported professional location rather than verified relocation, and whose own publisher has lately acknowledged that the true movement is modest and declined to put a precise figure on it.[12] The Institute therefore treats the outflow as directional rather than measured: a real and observed tendency of Korean family capital to seek its long-term structure abroad, the magnitude of which is not reliably counted. The families who externalise do so because the instruments they need are available there and absent here.

2.5 THE LIVE CURRENT

One domestic development runs the other way. In its Trust Business Innovation Plan, the financial regulator set out a reform intended to activate the comprehensive property trust, a single instrument able to hold cash, securities, movable property, and real estate together, to widen the assets a trust may hold, to add functions for business succession, and to liberalise the trust-business licence, with a standalone trust statute in view. The ambition is real, and the regulator has restated its interest in the trust market since; the enabling legislation has moved slowly, and the comprehensive reform is not yet in force. The Institute tracks it as the one current capable of bringing family-capital structuring onshore, while noting that the timetable and the "family office" label attached to it in press coverage are not confirmed by any primary regulatory source. The substance of the reform is well attested; its date and its branding remain unsettled.[13]

Chapter 3. The landscape of provision

3.1 THE INSTITUTION-LED DESKS

The provision that serves Korean family capital today is led, overwhelmingly, by financial institutions. Since 2020 the major securities houses and banks have opened family-office desks in succession, the first movers among the securities firms, followed by the banks, until eight or more such desks now operate, holding upward of one hundred trillion won in family-office assets between the largest of them.[14] They are capable operations, and the strongest among them reach genuine investment work: club deals, access to private markets, and the rest.

Their character is set by what they are. A desk inside a bank or a broker is a private-banking relationship extended into succession and tax, and its economics come from the products it distributes. It serves the family well within that frame, and it serves with difficulty outside it. The counsel a family receives from a desk is counsel from a party that also sells; the scope is private banking with a succession wrapper rather than the whole of a family's capital; and the orientation is domestic and product-bound, while the structuring that serves these families increasingly runs offshore. The desks hold the client relationships and much of the tax-and-succession service. They occupy part of the ground, and only part.

3.2 THE INDEPENDENT FIELD

Beside the institutions sits a thin independent field. The most established independent multi-family office in Korea has built, over more than a decade, a credible practice serving wealthy families on a fee basis, free of the conflict that attends a desk that sells product; it carries an international recognition for its work and a senior backing that lends it standing. A second, smaller independent office serves families from a similar position, and holds a place in the international family-office community. These are genuine practices, and they are few. Between them they describe the whole of Korea's conflict-free, investment-led independent provision, a margin beside the institutional field rather than a counterweight to it.

3.3 THE PROFESSIONAL FIRMS

A third layer serves the structuring itself. The leading Korean law firms maintain private-wealth and succession practices of real depth, and several have built dedicated capability for the cross-border work; one has gone so far as to establish a family-office headquarters within the firm. The major accounting firms run business-succession and family-office practices, the earliest of them established some years ago. And the corridor to Singapore is served by its own professional nodes: the Korean-speaking private-wealth practices in the destination centres, and the Seoul-side advisers who orchestrate the move. These firms are able and well established. They serve the transaction and the structure; they neither convene the field nor hold a standard for it.

3.4 THE CONVENING VACUUM

This is the finding that anchors the paper. For all the provision, the institutional desks, the independent offices, the professional firms, the Korean family-capital field has no body that convenes it. There is no association of family offices, no standing forum, no recognised conference, and no shared standard against which the stewardship of generational wealth might be measured. The field has providers in number; it has neither a common table nor a common reference. The wealth is among the deepest in the developed world, and the apparatus that elsewhere gives such a field a voice and a standard is, in Korea, simply absent. That absence is the seat this Institute is constituted to take, and to understand its full dimension the paper turns now to the standard the wider world has built.

PART II

The International Frame

The wealth centres that compete for family capital have built what Korea has not: dedicated regimes and purpose-made vehicles, and a practice of stewardship held to a standard by the bodies that convene it. That is the reference against which Part III reads the Korean field, and the measure the Institute means to bring to Korea. The frame serves the Korean argument throughout.

Chapter 4. The regimes that got it right

4.1 WHAT THE WEALTH CENTRES BUILT

A handful of jurisdictions have made themselves the home of internationally mobile family capital, each by building a regime fit for the purpose. Their designs differ in detail and converge in substance.

Singapore is the clearest case, and the one to which Korean capital most often goes. Its fund-tax-exemption schemes, sections 13O and 13U of the Income Tax Act, exempt the investment income of a qualifying fund vehicle managed by a single-family office that is itself carved out of the licensing that would otherwise apply; the Variable Capital Company (VCC), introduced in 2020, gives the family a purpose-built, ring-fenced corporate fund vehicle to house it. The regime exacts a price for the privilege. The schemes carry minimum-asset thresholds, twenty million Singapore dollars under 13O and fifty million under 13U, together with requirements for investment professionals on the ground and a tiered floor of local business spending, all tightened in 2023 and 2024. The result is measurable. The number of single-family offices granted incentives in Singapore rose from some 1,400 at the end of 2023 to more than **2,000 a year later**, a rise of more than forty per cent in a single year, and the offices have brought hiring and local spending with them.[15]

Hong Kong built a parallel instrument. Its concession for the family-owned investment holding vehicle, in force from 2023 and reaching back to the 2022 year of assessment, applies a **zero per cent profits-tax rate** to the qualifying income of such a vehicle, managed by an eligible single-family office, subject to an asset threshold of HK$240m and a substance test of at least two qualified staff and HK$2m of local spending. The territory set itself a target of attracting two hundred family offices by the end of 2025, reached it ahead of time, and counted more than 3,380 single-family offices by the end of that year.[16]

The United Arab Emirates competes through its financial free zones. The Dubai International Financial Centre (DIFC), through its Family Arrangements Regulations of 2023 and its dedicated family-wealth centre, and the Abu Dhabi Global Market (ADGM), through its own framework, offer a common-law jurisdiction, a menu of foundations, special-purpose vehicles, and holding structures, and a zero-per-cent rate on qualifying income against the backdrop of the federal corporate tax. Both have drawn family structures in growing number.

Switzerland and **Luxembourg** represent the established European model. Switzerland serves family capital not through a single statute but through a deep private-banking and independent-asset-management ecosystem, the long-standing expenditure-based tax available to qualifying resident foreigners, and an unmatched legal and political stability. Luxembourg offers a purpose-built vehicle of its own, the family wealth-management company, the **Société de gestion de Patrimoine Familial (SPF)**, created in 2007 and exempt from income and wealth tax in exchange for a capped annual subscription charge, alongside the ordinary holding company, the SOPARFI, with its full access to the treaty network, all set within the largest investment-fund domicile in Europe.

The United States structures family capital through two devices working together: the dynasty-trust statutes of states such as South Dakota and Delaware, which permit perpetual trusts that escape transfer tax at each generation and carry no state income tax, and the federal family-office exemption that releases a family's own investment office from adviser registration. The scale is considerable; the trust assets held in South Dakota alone passed eight hundred billion dollars in 2024.

The United Kingdom offers the cautionary case. For two centuries it served internationally mobile wealth through the taxation of resident non-domiciled individuals on a remittance basis, an exemption attached to the person rather than to a vehicle. That regime was abolished with effect from April 2025 and replaced with a shorter, residence-based relief, and its removal has been followed by widely reported, and contested, projections of departure.[17] The lesson sits alongside the successes, and the next section draws it out.

The table overleaf sets the regimes side by side.

The regimes, side by side

JURISDICTION	INSTRUMENT	CORE MECHANISM	THRESHOLD	OUTCOME
Singapore	Sections 13O / 13U; Variable Capital Company	Vehicle-level tax exemption; family-office licensing carve-out	S$20m / S$50m; staff; local-spend floor	>2,000 single-family offices (end-2024), +43% in a year
Hong Kong	Family-owned investment holding vehicle concession (2023)	0% profits tax on qualifying income	HK$240m; 2 staff + HK$2m spend	200-office target met early; >3,380 single-family offices
UAE (DIFC / ADGM)	Family Arrangements Regulations (2023); free-zone frameworks	0% on qualifying income; foundations, special-purpose vehicles	Business-plan registration	Family entities growing at pace
Switzerland	Expenditure-based taxation; private-banking ecosystem	Tax on deemed expenditure; legal stability	Deemed base (cantonal)	One of the deepest private-wealth ecosystems
Luxembourg	SPF (2007); SOPARFI	Vehicle exempt from income/wealth tax; capped subscription tax	Private-wealth purpose; no minimum	Set within Europe's largest fund domicile
United States	Dynasty-trust states; federal family-office exemption	Perpetual trusts; no state income tax; adviser-registration relief	None of an asset kind	South Dakota trust assets above US$800bn
United Kingdom	Non-domicile regime, abolished April 2025	(Former) remittance-basis relief on foreign income	Residence-based	Abolition followed by contested outflow

The successful designs differ in detail and converge in substance — tax neutrality at the level of the vehicle, a vehicle fit for the purpose, regulation light but credible, and a requirement of substance and local benefit.

4.2 THE FOUR INGREDIENTS OF A REGIME THAT WORKS

Across the successful designs, four ingredients recur, and together they describe what a regime for family capital requires.

The first is **tax neutrality at the level of the vehicle**. The regimes that have lasted exempt the investment income of a defined holding vehicle, while the family's operating businesses and the family's people are taxed as anyone else would be. This is the design in Singapore, Hong Kong, Luxembourg, the Gulf, and the American trust. It is defensible because it is narrow, and it is compatible with the international norms on substance that now govern such arrangements. The British case is the counter-example: an exemption attached to the person is broader, more exposed to the charge of unfairness, and, in the event, removable.

The second is **a vehicle fit for the purpose**, a ring-fenced fund company, a flexible foundation, or a perpetual trust, built to hold and segregate family assets and to carry them across generations. Each successful jurisdiction pairs its tax treatment with such an instrument. Korea, as Chapter 2 set out, has no true analogue.

The third is **regulation that is light but credible**. The regimes regulate entry and substance, then step back: a licensing carve-out for the family's own manager, or a substance test in place of continuous prudential supervision. The signal is that of a serious, supervised jurisdiction that nonetheless declines to treat a family managing its own money as though it were a public asset manager.

The fourth is **a requirement of substance and local benefit**, professionals on the ground, local spending, hiring beyond the family. The most recent and most durable designs convert the incentive into employment and ecosystem, which is what allows the regime to survive scrutiny and to be defended at home as a net gain. It is why Singapore can point to the jobs its family offices have created, and Hong Kong to the capital its regime has brought in.

A regime that holds combines all four. The Korean field, measured against these four, is missing each of them; Part III draws out what that costs.

Chapter 5. Stewardship, and the standard

5.1 WHAT STEWARDSHIP IS, IN FULL

A regime is the hardware of family capital. The practice of stewardship is its software, and the international standard reaches a good deal further than the tax-and-succession work that dominates the Korean field.

Stewardship, practised in full, treats the family's capital as something to be governed rather than merely administered. It establishes a structure of family governance, a family council and a wider assembly, that gives the family a considered voice in the ownership of its wealth, distinct from the management of the underlying assets. It sets that voice down in a family constitution or charter: the family's own statement of how it will hold its capital, who may participate and on what terms, how distributions are made, and how disputes are resolved. It treats the preparation of the next generation as a discipline in its own right, and the evidence is that this is where families most often fall short. It carries philanthropy as a pillar of the family's purpose rather than as incidental giving. And it governs the family's investments through a clear policy and, frequently, through an outsourced chief investment function, keeping the governance with the family while delegating the execution.

The empirical case for this wider practice is well established. A substantial body of advisory research finds that while more than sixty-five per cent of family-business owners wish to pass their business to the next generation, fewer than a quarter succeed in doing so, and that the failure concentrates at the point of generational transition, where governance and the preparation of heirs matter most.[18] (The most quoted figures in this field — the claim that seventy per cent of families lose their wealth by the second generation, or that few family firms survive to the third — rest on narrow or contested foundations and have been challenged in the field's own literature.[19] The paper sets them aside in favour of the sounder finding above: the will to transfer is near-universal, and success is not.)

5.2 THE STANDARD, AND THOSE WHO HOLD IT

Around this practice the international field has built a standard, and the bodies to hold it. The point bears on the Institute directly, for these are the precedents it draws on and the company it means to keep.

The practice is given common language by shared frameworks, among them a published set of domains of family wealth, now widely referenced, that names the full breadth of the work from investment and estate planning through governance, succession, the preparation of the rising generation, family dynamics, and the family's relationship with its advisers. It is given a professional standard by membership bodies that set qualifications and codes, foremost among them a global society of trust and estate practitioners, with a recognised designation and more than twenty thousand members across some hundred countries. It is convened by exchanges and networks that bring family offices together to share practice and to benchmark themselves against one another, and whose research, including the most-cited annual report of the global family office, has become the field's common reference. And it is studied by a settled academic estate: the family-enterprise centres of the leading business schools, and a recognised global index of the largest family firms, produced biennially, in which a Korean house already sits among the top dozen in the world.[20]

The shape of the international field, then, is a practice held to a standard by bodies that convene it, qualify it, research it, and rank it. That is the architecture the Korean field lacks, and it is the architecture the Institute means to adapt to Korea. Why the adaptation is needed becomes plain when the Korean field is held against this frame.

Chapter 6. The succession of the family office

6.1 THE TWO TRANSITIONS

A family office, in the full international sense Chapter 5 has set out, is an institution. It holds an office, it employs people, it carries decisions across time, and it stewards the family's capital under a discipline of its own. Like any institution, it has a life, and that life has a passage from one generation to the next. That passage is the subject of this chapter.

The passage takes two distinct forms, and the discipline of family-office succession turns on holding them apart. The first is the **principal transition**: the handover of ownership and decision authority from the first-

genera-
tion principal, the founder, to the next generation that will hold the office's purpose. The second is the **executive transition**: the handover of the day-to-day leadership of the office, from the founder-CEO, or from the founder-principal serving as the office's own chief executive, to a successor who may or may not be a member of the family. The two events have different inputs, different time horizons, and different markers of success. The conflation of them is a documented failure mode; the separation of them is the discipline that the offices that endure across generations have built.

The empirical statement of the distinction comes from the international field's own annual survey. Among the family offices that have built a plan at all, the next generation is integrated through ownership and oversight rather than through executive responsibility: fifty-nine per cent of offices globally expect the next generation to take a board seat, rising to seventy per cent in offices already past the first transition, while only thirty-one per cent expect the next generation to take a management or executive role. The ratio is roughly two to one for the principal mechanism over the executive mechanism.[22] The field, in other words, separates the two transitions in practice, even where it does not name them as such; the offices that survive the generational passage are those that prepare the principal transition with care, and approach the executive transition as a question with its own answer.

The wider field is less prepared than this analysis would suggest. The most recent annual survey of the global family-office community records that only fifty-three per cent of offices have a wealth-succession plan in place at all, and that only thirty-five per cent have a succession plan for the office itself. Fewer than half operate formal governance frameworks with board-level oversight. The region the survey calls "North Asia", which bundles Greater China, Japan, and Korea, sits at thirty-six per cent prepared on the office-succession measure, against sixty-four per cent in the United States and sixty-five per cent in South-East Asia.[23] The data carries the usual caveats of a survey whose sample skews to larger offices and whose regional categories do not isolate Korea; the figure is directional rather than precise. The direction it carries is clear, and the rest of this chapter draws out what the field has learned to do about it.

6.2 THE GOVERNANCE INSTRUMENTS

The instruments by which a family office holds the succession of itself are familiar in name and exacting in practice. A family **constitution**, sometimes a family **charter**, sets down in writing the family's own statement of how it will hold its capital, who may participate in the office and on what terms, how distributions are made, and how disputes are resolved. The constitution is the binding document, and its drafting is the occasion on which the family asks itself the questions a generation hence will turn on. A **family council** carries the family's voice in the running of the office between assemblies; a wider **family assembly** convenes the membership; the **board of the office** holds the executive accountable in the ordinary corporate fashion. The role of the **independent or non-family director** on that board is recognised, in the international standard, as the institutional safeguard against the dynamics that a family-only board can produce. A **protocol for the principal's incapacity** stands ready before it is needed.

The international standard's most-cited frameworks gather these instruments together. The Ten Domains of Family Wealth, published by the UHNW Institute, names governance and decision-making, and the rising-generation's preparation, among the domains the office must hold. The Family Office Exchange (FOX) governance benchmarks describe the structural form of the family council, the board, and the independent oversight. The Society of Trust and Estate Practitioners (STEP) carries the professional qualification through which the office's structural decisions are made, and is the field's professional body across some hundred countries.[24]

The instruments are best read in the company of two cases that have made them work over generations. The first is the Wallenberg family of Sweden, whose succession to the sixth generation has been ongoing for over a decade by the family's own statement. The succession discipline turns on what the family describes as the ambition to give the rising generation "opportunities to engage in activities closely connected to the family"; some thirty members of the sixth generation are now of an age to take part, of whom around ten are already serving as board observers across the family-connected holdings and foundations. In March 2025 the family announced the formal nominations of three named sixth-generation representatives to the boards of Investor AB, EQT AB, and Wallenberg Investments AB.[25] The structure on display is the principal transition rehearsed before it is undertaken: the board-observer role precedes the board-member role; the decade-long horizon precedes the moment of nomination; the family's institution holds the discipline that the moment cannot.

The second case is the Mulliez family of France, whose Association Familiale Mulliez (AFM) is the international scale example of structural-rule-based family-capital governance. The association numbers more than 1,650 family members, of whom 994 are shareholders; the family holds 150 companies across 62 countries, employing some 615,000 people. The continuity of the arrangement rests on the Tous dans Tout principle, "Everyone in Everything", formalised in 1955; on the written charter of 1968 that defines the shareholder conditions; and on the Affectio Societatis entity established in 1995 to "strengthen family cohesion and ensure governance succession".[26] The arrangement holds a structural separation that bears notice: the ownership rules are written into the charter, and the discipline of holding the family together across generations is the work of a separate institution. The principal transition and the executive transition are each held by their own instrument.

6.3 THE PREPARATION OF THE RISING GENERATION

The third instrument the international standard names is the rising generation itself, prepared as a discipline rather than as an accident. The data is candid: of the family offices that have built a succession plan, only twenty-six per cent consulted the next generation from the outset; thirty-six per cent consulted them only after the first generation had finalised the plan; thirty-five per cent did not consult them at all. Only twenty-seven per cent of offices run a structured process to educate and prepare heirs.[27] Among the offices that have built no plan, the reasons are stated plainly in the survey itself: twenty-nine per cent believe they have "ample time", and twenty-one per cent have not yet decided how the wealth is to be distributed.[28]

The discipline, where it is practised, takes a recognisable shape. A structured education programme runs across the years preceding the principal transition: financial literacy first, the family's own holdings second, the practice of stewardship third. A rotation through the family's advisers and managers exposes the next generation to the office's working relationships in a setting in which the visitor is allowed to ask the simple question. A next-generation council, separate from the family council that holds the present, gives the rising generation its own venue for the work of becoming the future principal. A dry-run portfolio, held under the office's supervision, allows the questions of investment policy and risk to be encountered in the form in which they will later be answered. Each instrument carries one part of the preparation, and the discipline is the assembly of them.

The instruments themselves are held by a settled academic and professional estate. The Cambridge Family Enterprise Group, the INSEAD Wendel International Centre for Family Enterprise, the IMD Global Family Business Center, the Kellogg Family Business Center, and the Family Business Network maintain the research and the teaching; STEP carries the professional qualification.[29] The Institute draws on this estate as the reference from which the Korean adaptation is to be built.

6.4 THE FAMILY OFFICE AS THE VEHICLE OF SUCCESSION

A second sense of the chapter's subject runs alongside the first, and the international standard treats them together. The family office is not only an institution that itself passes through succession; it is the instrument by which the family carries its wealth and its operating business across the generational passage. Chapters 2 and 4 have set out the regimes and the vehicles. This chapter records, briefly, how the office uses them at the point of succession.

The point at which an inheritance liability falls due is the point at which an unstructured family discovers, often for the first time, the cost of the absence of a vehicle. The office's first function, in such families, is liquidity planning around the tax event: the modelling of the liability under the relevant valuation, the staging of payments where instalments are permitted, the identification of assets that may bear the liability and those that may not. The second function is the vehicle architecture itself: the family's wealth held inside a trust, or a holding company, or a fund vehicle, or a combination of all three, designed to hold the family's capital in the form that carries it across the generational passage at the lowest reasonable friction. The third is the question of the operating business, where the family has one: whether the business is to pass to the next generation, or to be sold and the proceeds carried in financial form, or to be held in a structure that separates the family's ownership from its management. The fourth, in families that have sold the business, is the office's role in carrying the continuity that the business once provided.

Each of the regimes set out in Chapter 4 has a succession-event form. Singapore's Sections 13O and 13U schemes, paired with the Variable Capital Company introduced in 2020, and the discretionary trust available alongside, give the family a tax-neutral vehicle in which to hold its wealth across the principal transition, subject to the substance and threshold requirements the regime exacts.[30] Hong Kong's family-owned investment holding vehicle concession of 2023 plays the same role under a different design, with a zero per cent profits-tax rate on qualifying income and a HK$240m asset threshold.[31] Luxembourg's Société de gestion de Patrimoine Familial, the United States dynasty trust statutes of South Dakota and Delaware, the United Arab Emirates' DIFC Family Arrangements Regulations, and the Swiss expenditure-based regime each carry the succession event in a form fit for the wealth they hold. The international standard reaches consensus on the principle, and exercises judgement on the choice of vehicle.

The data on what families do with these vehicles, once they have built them, is in the same survey of practice. Among the family offices that have built a succession plan, the operational weighting falls heavily on the tax and legal questions: sixty-four per cent name the tax-efficient transfer of wealth as the leading concern, forty-eight per cent name the legal structuring of assets, forty-three per cent name the preparation of the next generation, and thirty-six per cent name the design of family governance.[32] The field, by its own account, has built a practice in which the vehicle runs ahead of the institution even within the plans that exist. The Institute records this honestly. The chapter that follows holds Korea up against the imbalance.

6.5 THE LITERATURE AND THE STANDARD

The international literature that grounds this practice carries a discipline of its own, and one piece of it bears notice at the outset. The most-quoted statistic in the field, the assertion that seventy per cent of family wealth is lost by the second generation and ninety per cent by the third, has been challenged within the field's own literature, and the Institute sets it aside. The seventy per cent figure traces to a single study published in 1987 of two hundred Illinois manufacturing family businesses, and is the inverse of that study's thirty per cent intact-family-control rate; the closure of the original firm was counted as failure even where the family went on to build successor enterprises.[33] The widely-repeated companion figures of Williams and Preisser conflate operating-business succession with the succession of pure financial assets, eighty per cent of their subjects having been leaders of closely-held operating businesses.[34] A 2011 replication by Zellweger, Nason, and Nordqvist, published in the Family Business Review, shifted the unit of analysis from the firm to the business family, and recovered substantial multi-generational continuity through what those authors named transgenerational entrepreneurship: the families endure because they renew the enterprise, and the original firm is one chapter in a longer book.[35] The figure remains roughly accurate on the narrower question of single-firm intact family control over three generations. The Institute holds to the sounder framing of the wider question.

The standard around this practice is held by the field's standing institutions, named in Chapter 5 and recorded again here for the chapter on succession: the UHNW Institute's Ten Domains of Family Wealth; the Family Office Exchange's governance benchmarks; the Society of Trust and Estate Practitioners and its global qualification; the UBS Global Family Office Report and the Campden Wealth Global Family Office Report as the field's annual readings; the family-enterprise centres at Cambridge, INSEAD, IMD, Kellogg, and the Family Business Network as the academic estate.[36] These bodies hold the standard the Korean field has not yet built, and they are the reference the Institute brings to the Korean adaptation.

6.6 WHAT KOREA INHERITS

Korea inherits the international discipline at a moment that makes both transitions harder. Chapters 1 to 3 have set out the field. The reading here is the field's preparedness for the succession of the office, against the standard the previous sections have described.

The structural shape of Korean family-office provision, set out in Chapter 3, bears directly on the chapter's question. The Korean field is, by KCMI's own assessment of 2025, led by institutional desks inside the securities houses and the banks, with single-family-office demand recorded as "extremely marginal" and most provision running through multi-family offices, private banking, or the wealth-management desks of the institutional firms.[37] The structural reasons are the inheritance and gift tax burden, the friction of the Capital Markets Act for a family managing its own capital, the double-taxation risk on the domestic holding-company route, and the low cost-benefit ratio of single-family-office formation at the wealth threshold a Korean family is likely to hold. The institution-led model is the structural answer to the cage that surrounds it.

The consequence for the office-succession question is direct. The institutional desks face an executive transition that runs through the parent firm's internal succession, and a principal transition that runs through the desk's product offering to the client family. In both, the discipline of carrying the office across the generational passage sits outside the family's own institution. The independent Korean offices, the small number of single-family offices tied to founder-exit liquidity events and the established multi-family offices recorded in Chapter 3, hold the discipline closer to the international standard, and they will face their first executive transition at the same time as their principal families face inheritance. The directional reading from the international survey, North Asia at thirty-six per cent prepared on the office-succession measure, is a proxy that bundles Greater China, Japan, and Korea; the Korean number, were it isolated, would likely sit lower.

The pool the field serves is sized to support the discipline the international standard describes. Korea held, by the most recent count, ten thousand one hundred individuals with financial assets above thirty billion won, holding between them one thousand two hundred and sixty-seven trillion won. The top five Korean securities-firm family-office desks held approximately one hundred and four trillion won of family-office assets as of mid-2024.[38] The depth is there. The institution that would hold the discipline of succession across the generational passage is what the field has yet to build.

The Institute's reading, then, is that the principal transition and the executive transition are arriving in Korea together, within a single five-to-ten-year window, in a field whose provision is institution-led by structural design and whose discipline of office-succession is, by the international standard, in its earliest form. The corridor's answer is a vehicle; the institutional discipline of carrying the office across the generations is a separate matter, and the standard for it sits elsewhere. That standard is the international one the Institute means to bring to Korea, alongside the trust-business reform now before the regulator. The chapter that follows holds the Korean field up against the standard in full, and the case for a convening body and a shared reference is drawn out there.

PART III

The Question

Chapter 7. Korea against the frame

7.1 THE BEHAVIOUR TODAY

Held against the standard of Part II, the practice that serves Korean family capital is narrow, and its own practitioners say so. The country's capital-market research institute described the domestic family-office market, in a 2025 assessment, as still at an early stage, with demand for the single-family office extremely marginal and the model led by financial institutions. The head of one of the major bank family-office centres put it plainly: Korean families, he observed, concentrate on minimising tax and avoiding disputes over inheritance, and what matters to the client is the skill with which tax is reduced rather than the return achieved.[21] This is succession planning conducted as a tax exercise. It is a real and necessary service, and it is a fraction of what stewardship, in the sense of Chapter 5, comprises. The governance of the family's capital, the constitution, the preparation of the next generation, the considered conduct of the family's investments as a whole: the wider practice is, in the main, neither demanded nor supplied.

7.2 KOREA, HELD TO THE FOUR INGREDIENTS

Against the four ingredients of a working regime, set out in Chapter 4, the Korean position is an absence on each count. There is no tax neutrality at the level of a family vehicle; the holding company is taxed twice over, and no fund-level exemption breaks the chain. There is no vehicle fit for the purpose; the comprehensive trust is undeveloped and the foundation serves another end. There is no light-but-credible carve-out for the family's own manager; the licensed-investment regime makes no room for a family managing its own capital. And there is, in consequence, none of the substance and local benefit that a working regime converts the incentive into, because there is no incentive, and the substance accrues to Singapore instead. Where the successful jurisdictions offer four ingredients in combination, Korea offers none, and the capital responds accordingly.

7.3 THE CORRIDOR QUESTION

That response is the externalisation described in Chapter 2: the structuring of long-term family affairs offshore, principally to Singapore, along a corridor that has become the regime Korea does not provide. The question this poses is the central one for the field. As matters stand, the corridor is the answer, and the economic value of structuring Korea-origin family capital accrues abroad. The trust-business reform now before the regulator is the one development capable of changing that, of opening a domestic option where today there is only an offshore one. Whether it does so depends on a design Korea has not yet settled, and the Institute takes no position on the legislative particulars. It observes only that the question is now open, that the international templates of Part II describe what a working answer would contain, and that a field with a convening body and a shared standard would be far better placed to inform the answer than a field without one.

Chapter 8. The case for a convening body and a standard

8.1 WHY A STANDARD, AND WHICH ONE

A field that has no shared standard cannot easily measure itself, improve itself, or speak with one voice. The Korean family-capital field is in that position today: its families and their advisers conduct the work privately and in parts, with no common vocabulary for what good stewardship is and no shared reference against which to set their own practice. A standard would change that. It would give a family a way to ask whether its arrangements meet the practice of the wider world, give an adviser a reference to work to, and give the field as a whole a common language in which to discuss its own development.

The standard the Institute proposes is an adaptation. It takes the international practice set out in Chapter 5 — the domains of family wealth, the professional qualifications, the benchmarks of the convening bodies — and translates it into the Korean context, made fit for Korean conditions. The adaptation of an established international standard to a particular market is itself the work; it is the contribution the Institute is positioned to make, and the reason it begins with a consultation rather than a pronouncement. The standard must be built with the field, which is why this paper asks the field to help build it.

8.2 CONVENING THROUGH EVIDENCE

The Institute's engagement with the policy question follows the same discipline. Korea's regulator is already pursuing a reform of the trust regime that bears directly on the structuring of family capital. The Institute's part in that conversation is to inform it with evidence — the field's own account of its needs, the international templates of what works, the documented gap between them — in the register of research rather than of advocacy for an interest. This is convening through evidence: the assembly of a credible, shared account that the parties to the reform can draw on. The Institute supports a reform that Korea is already pursuing, in the manner of a body that informs, and it holds to that register deliberately. The standing to press a position on behalf of the field is a thing earned later, with members and a record; the Institute does not assume it now.

8.3 WHAT THE INSTITUTE PROPOSES TO BE

The Institute proposes to be, first, a convenor, the common table the field now lacks, where principals, the offices and firms that serve them, and the international counterparts active on Korea meet on the shared question. It proposes to be, second, a knowledge house, the body that maps the field, documents it, and publishes a recurring and authoritative account of the state of family capital in Korea, adapting the international standard to Korean conditions. And it proposes to become, in time and only as it is earned, the field's representative voice. The sequence is deliberate, and it is stated so that it cannot be mistaken: convene and inform now; represent later, as the standing is earned. This paper, and the consultation it opens, are the first act of the first stage.

PART IV

The Consultation

Chapter 9. Methodology

9.1 THE APPROACH

The Institute's account of the field rests on three methods used together: desk research into the public record, set out in Parts I and II; a structured survey of the field, described below and reproduced in full at the close of this paper; and a programme of confidential interviews. The combination is deliberate. The desk research establishes what the public record will support; the survey gathers the field's own structured account; the interviews add the texture and the candour a survey cannot reach.

9.2 THE SAMPLE FRAME

The sample frame is drawn to answer the difficulty named in the Reader's Note: the Korean field is thin. A survey confined to the few domestic independents and the institutional desks would be too narrow to carry authority. The frame therefore reaches deliberately beyond the domestic field, to the international family offices active on Korea, and to the advisers along the Singapore corridor who receive Korea-origin family capital. The field is sparse at home; the frame compensates by following the capital to where it goes, and by gathering the account of those who serve it wherever they sit. The thinness of the domestic field is itself a finding to be documented, and the frame is built to document it accurately.

9.3 THE SURVEY

The companion survey is a short, structured instrument in five sections, published in English and in Korean. It asks the respondent about the family capital they hold or serve, about their current practice across the areas this paper diagnoses, about a particular experience where they are willing to share one, about the remedy they would favour, and about their willingness to take part further. The instrument is reproduced in full below, so that any reader may see exactly what is asked before deciding to take part.

9.4 THE INTERVIEW PROGRAMME

The interview programme gathers, in confidence, the accounts that give the survey its depth: conversations with principals, with the independent offices and the institutional desks, with the professional firms, and with the policy actors engaged in the reform. The interviews are conducted under the anonymisation protocol below, and their purpose is understanding rather than attribution.

9.5 ANONYMISATION

The default attribution throughout the consultation is sector-level: a finding is attributed to a category of respondent, a principal, a family office, an adviser, an institution, and not to a named person or firm. Named attribution is used only with the respondent's explicit written consent. The protection is the default, and it is stated plainly so that candour carries no cost.

9.6 THE LIMITS THE PAPER ACKNOWLEDGES

The Institute states the limits of this work openly, because the honesty is part of the method. The field is thin, and the Institute claims no statistical authority it does not have. No authoritative count exists of Korea's family offices, domestic or offshore, and none of the share of Singapore's family offices that are Korean in origin; the Institute has invented neither. Several of the figures the paper would wish to carry, the total value of the coming generational transfer, a current series for inheritance-tax revenue, the precise scale of the offshore movement, are not reliably available, and the paper says so at each point rather than fill the gap with an estimate. Where the paper infers, it labels the inference. The account offered here is the Institute's reading as it stands, and the consultation exists precisely to sharpen, qualify, and correct it.

Chapter 10. The Invitation

10.1 THE PURPOSE

The consultation invites the family-capital field in Korea, and those who serve it from abroad, to contribute to a shared account of the field and to the building of a standard for it. The Institute brings the international frame and the documented gap; the field brings the experience that only it holds. The account is built from both.

10.2 WHAT THE INSTITUTE ASKS

The Institute asks three things. It asks for participation, the completion of the survey, by as broad a range of the field as will take part. It asks for candour, the honest account of practice as it stands, given without varnish. And it asks, from those able to give it, for contribution: the particular experience, the considered view of the remedy, the willingness to be heard at greater length. The value of the work to every participant rises with the breadth and the honesty of the whole.

10.3 WHAT THE INSTITUTE COMMITS

In return the Institute commits to report the findings openly, and to method that can be seen and checked. It commits to a private briefing for participants, on publication, ahead of the public account. And it commits to carry the field's interest forward, to make of this consultation not a single exercise but the first of a standing series, so that a field documented once becomes a field understood over time.

10.4 THE PROCESS

The consultation opens with the publication of this paper and the companion survey, and runs through the summer to a close in the early autumn. The Institute will gather and analyse the responses, conduct the interview programme alongside, and publish its first account of the state of family capital in Korea on the strength of both. Participants receive their private briefing first. The Institute states its timeline in checkpoints rather than fixed dates, and will confirm each as the consultation proceeds.

10.5 THE CONVENING CALL

Beyond the survey, the Institute invites the field to its table. The work of convening begins with a first gathering of those willing to take part: the principals, the independent offices, the professional firms, and the international counterparts who together make up the field this Institute means to serve. The invitation to that table is open, and the Institute extends it here, with this paper, as its first act of convening.

ANNEXES

Field Map · Sources · Glossary · The Institute

Annex A. The field map

The map below records the public field the Institute observes: the providers, firms, and bodies whose work bears on the stewardship of family capital in Korea. It is drawn from the public record and offered as a reference; it carries no private or relationship information, and entries appear on the basis of their public activity.

INSTITUTION-LED FAMILY-OFFICE DESKS

The securities houses that have opened family-office desks since 2020, with the banks following. By the Korea Capital Market Institute's 2025 assessment the securities-firm desks numbered eight: Samsung Securities, Korea Investment & Securities, Shinyoung Securities, NH Investment & Securities, Shinhan Securities, KB Securities, Hana Securities, and Mirae Asset Securities, with Hyundai Motor Securities and Meritz Securities launching in 2025. Product-led private banking extended into succession and tax, holding upward of one hundred trillion won in family-office assets across the largest.

INDEPENDENT MULTI-FAMILY OFFICES

The thin independent field, principally the established independent multi-family office serving wealthy Korean families on a fee basis, and a smaller independent office holding a place in the international family-office community.

PROFESSIONAL FIRMS

The leading Korean law firms with private-wealth and succession practices, several with dedicated cross-border or family-office capability; the major accounting firms with business-succession and family-office practices; and the corridor advisers, in Korea and in the destination centres, who orchestrate offshore structuring.

POLICY AND CONVENING ACTORS

The financial regulator, which owns the trust-regime reform; the capital-market research institute whose assessment of the field is cited in this paper; the city investment-promotion agencies; and the industry bodies adjacent to the field. No body convening the family-capital field itself is recorded, the absence being the finding of Chapter 3.

A fuller field map, maintained as the consultation proceeds, will accompany the Institute's first standing publication.

Annex B. Sources and definitions

The figures in this paper are footnoted at the close of the document; the notes collect them, with source, date, and, where the figure rests on secondary coverage, the tier. The full citation apparatus with access dates accompanies the published edition. The principal quantitative sources are the KB Financial Group Korea Wealth Report and the Hana Institute of Finance Korean Wealth Report for the sizing and composition of Korean private wealth; Statistics Korea for the household comparison; the financial regulator and the national tax authority, together with the published commentary of the major law and accounting firms, for the structural, tax, and trust material; and, for the international frame, the published materials of the Monetary Authority of Singapore, the Hong Kong Inland Revenue Department, the Dubai International Financial Centre and the Abu Dhabi Global Market, the Luxembourg authorities, the relevant United States state and federal authorities, and the United Kingdom tax authority, supplemented by the established global wealth and family-office reports.

Three points of caution are carried from the research and stated for the reader. The most-cited estimate of Korean millionaire emigration rests on a contested method, and the paper uses it directionally rather than as a measured figure. The comparison of trust assets across Korea, Japan, and the United States rests on regulatory commentary of some years' standing and on differing national definitions, and the paper carries it as indicative pending verification against a primary source. And the most-quoted statistics on multi-generational wealth attrition rest on narrow or contested foundations; the paper sets them aside, and uses instead the sounder finding on the will to transfer and the rate of success.

Annex C. Glossary

Family capital

The wealth of a family considered as a whole and across generations: the family business, the financial and real assets, and the arrangements by which they are held, governed, and passed on.

Family office

An organisation that manages the capital and affairs of a wealthy family. A **single-family office** serves one family; a **multi-family office** serves several through shared infrastructure.

Sections 13O / 13U

The provisions of Singapore's Income Tax Act that exempt the investment income of a qualifying fund vehicle managed by a single-family office.

Variable Capital Company (VCC)

The purpose-built Singapore corporate fund vehicle, introduced in 2020, used to house family-office funds.

Family-owned investment holding vehicle

The vehicle to which Hong Kong's family-office profits-tax concession applies.

Société de gestion de Patrimoine Familial (SPF)

The Luxembourg family wealth-management company, exempt from income and wealth tax in exchange for a capped annual subscription charge; the **SOPARFI** is Luxembourg's ordinary holding company, taxable but with full treaty access.

Dynasty trust

A trust, permitted in certain United States states, able to hold family assets in perpetuity and to escape transfer tax at each generation.

Chaebol

The family-controlled conglomerate; the visible apex of Korean family enterprise.

지주회사 (jijuhoesa)

The holding company.

신탁 (sintak)

The trust.

Annex D. About the Institute

The Korea Family Capital Institute convenes the family-capital field in the Republic of Korea, provides it with a standard adapted from international practice, and carries its interests over time.

세인트클레어 주관 · Convened by Saint Clair.

가문
자본

COMPANION SURVEY — INSTRUMENT

What the field is asked

The survey is published in English and in Korean. It takes about fifteen minutes. The default attribution is sector-level; named attribution is used only with written consent. The instrument is reproduced here in full, so that any reader may see what is asked before taking part.

SECTION A — ABOUT YOU AND YOUR FAMILY CAPITAL

1 Which best describes you?

principal or family member · single-family office · multi-family office · adviser, professional firm · financial institution · other

2 Where is the family capital you hold or serve principally based?

Korea · Singapore · Hong Kong · other, please state

3 Which band best describes the scale of the family capital you hold or serve?

scale bands provided

4 Which structures does the family use today?

holding company · trust · offshore family office or vehicle · domestic family-office desk · none of these · prefer not to say

SECTION B — STRUCTURING AND STEWARDSHIP

For each area, the respondent records how developed the family's current practice is, on a simple scale, with room for comment.

5 Succession and inheritance planning.

6 Tax structuring.

7 Governance and the family constitution.

8 Investment policy and diversification.

9 Offshore structuring, in Singapore or elsewhere.

10 Awareness of the international family-office regimes, and of the wider practice of stewardship — governance, the preparation of the next generation, philanthropy, and the rest — described in this paper.

SECTION C — A PARTICULAR EXPERIENCE

11 If you are willing, describe one experience that illustrates the question of structuring or stewardship for your family or a family you serve.

Anonymised by default. Free text.

SECTION D — WHAT WOULD HELP

12 In your view, what would most help the stewardship of family capital in Korea?

Consider the institutional, the regulatory, and the convening. Free text.

SECTION E — TAKING PART FURTHER, AND ATTRIBUTION

13 Would you be willing to take part in a confidential interview?

yes · no

14 Would you be willing to attend a first gathering of the field convened by the Institute?

yes · no

15 How would you wish your contribution to be attributed?

sector-level, the default · named, with my written consent · I will decide later

With thanks. The Institute will report what the field tells it, openly and in confidence as each respondent directs, and will return to participants first.

NOTES

Footnotes

1 KB Financial Group, Korea Wealth Report (한국 부자 보고서), 2025 edition (end-2024 data), December 2025: 476,000 individuals with KRW 1bn+ in financial assets (+3.2% year on year); KRW 3,066tn held; 60.8% of Korean household financial assets; the KRW 1–10bn / KRW 10–30bn / KRW 30bn+ tiers (432,000 / 32,000 / ~10,000); the top 1% holding ~60% of financial assets; the fifteen-year series 130,000 → 476,000 (≈9.6% per annum). Primary (institutional). Reported in The Investor / Korea Herald, 14 December 2025.

2 Statistics Korea (KOSTAT), Survey of Household Finances and Living Conditions (가계금융복지조사), 2025: net-worth Gini 0.625 (series high since 2012); top 10% of households holding 46.1% of net worth. Primary (government). The net-worth concentration (households) and the financial-asset concentration of note 1 (individuals) rest on different bases.

3 KB Korea Wealth Report 2025 (wealthy-segment composition, dual-asset definition: 54.8% real estate, 37.1% financial; real-estate share down from 59% in 2022); Statistics Korea, Survey of Household Finances (general-household composition ~75% real assets). Primary.

4 Ministry of SMEs and Startups (중소벤처기업부), succession-support measures announced 24 December 2025: of c. 2.36m SMEs with owners aged 60+, 28.6% (≈675,000) without an identified successor, of which c. 56,000 are manufacturers and c. 83% sit outside the capital region. The ageing share (manufacturing-SME owners aged 60+ rising to 33.5% by 2022) is from the Korea Capital Market Institute (KCMI), 자본시장포커스 2024-23, 18 November 2024. The "~7 million second-generation" framing is secondary (press). Primary / think-tank.

5 Financial Supervisory Service (FSS), 2024 Trust Industry Business Performance: total trust assets KRW 1,516.5tn at end-2024 (+10% year on year), 60 trust companies; growth led by securities-firm pension and corporate trusts. Near-primary (regulator data via Seoul Economic Daily, 15 April 2026).

6 Financial Services Commission (FSC, 금융위원회), Trust Business Innovation Plan (신탁업 혁신 방안), 12 October 2022, citing 2020 data: trust assets as a share of GDP — Korea 53%, United States 94%, Japan 173%. The comparison turns on differing national definitions of trust property and is carried as indicative. Near-primary: the figures rest on same-day reporting of the FSC release (Seoul Economic Daily, 12 October 2022); the release document itself was not directly accessed, and the 2020 basis is flagged in the body.

7 PwC, Worldwide Tax Summaries — Korea (reviewed 15 January 2026): inheritance-and-gift tax progressive 10–50%, top rate 50% above KRW 3bn, plus a 20% valuation surcharge on a controlling shareholding (effective ceiling ~60%); estate-based system. OECD comparative standing (second-highest headline rate after Japan; among the highest inheritance-tax-to-GDP burdens) per OECD and Tax Foundation comparative data. Primary / near-primary.

8 Annual inheritance-tax revenue KRW 8.5tn (2023), levied on the estates of c. 6.8% of decedents. Secondary (press baseline, Korea Herald); a current multi-year series from the National Tax Service is pending and not asserted here.

9 Samsung (Lee family) inheritance-tax settlement of c. KRW 12tn on a c. KRW 26tn estate, paid over six annual instalments and completed early May 2026 (Korea Herald, May 2026); Nexon / NXC transfer of shares valued at KRW 4.7tn to the government in lieu of cash (Korea Herald). Near-primary (direct reporting).

10 Inheritance-tax reform: the proposed cut of the top rate to 40% was rejected by the National Assembly on 10 December 2024 (recorded vote 98 for, 180 against, 3 abstaining). The shift to a per-heir "inheritance acquisition tax" (유산취득세) was set out by the Ministry of Economy and Finance on 12 March 2025 and omitted from the tax legislation passed in December 2025 on revenue grounds; the 2028 target is aspirational and contingent on future legislation. Primary (National Assembly record; MOEF release; National Assembly Budget Office, December 2025).

11 Reform of the private-fund regime effective 2021 (reclassification by investor type, minimum-commitment thresholds) and the December 2025 tightening of manager obligations. FSC / Financial Investment Services and Capital Markets Act (FSCMA). Primary / near-primary (law-firm summaries; confirm enforcement-decree thresholds before client-facing use).

12 Henley & Partners, Private Wealth Migration Report 2025 (Korea net millionaire outflow c. 2,400 in 2025). The estimate rests substantially on self-reported professional location rather than verified relocation; the Tax Justice Network ("The millionaire exodus myth") challenges the method, and Henley has acknowledged the true movement is modest. Used directionally only. Secondary, contested.

13 FSC, Trust Business Innovation Plan, 12 October 2022 (comprehensive property trust; business-succession functions; trust-licence liberalisation; standalone trust statute in view). The enabling Capital Markets Act amendment has progressed slowly; the "end-2026" timetable and "family office" labels attached in press coverage are not confirmed by a primary FSC or Ministry of Economy and Finance instrument. Primary (FSC release).

14 Domestic institution-led family-office desks: eight or more securities-house and bank desks active since 2020, with upward of KRW 104tn in family-office assets across the largest by mid-2024. Industry data (secondary); the field map is at Annex A.

15 Monetary Authority of Singapore (MAS): the Section 13O / 13U fund tax-incentive schemes and the Variable Capital Company (VCC, 2020), as refreshed July 2023 and October 2024 (asset thresholds S$20m / S$50m; investment-professional and local-business-spending requirements); single-family offices awarded incentives rising from c. 1,400 (end-2023) to >2,000 (end-2024), +43%. Primary (MAS) / near-primary.

16 Hong Kong Inland Revenue Department and InvestHK: the family-owned investment holding vehicle profits-tax concession (Ordinance 2023, effect from year of assessment 2022/23; 0% on qualifying income; HK$240m asset threshold; two-employee / HK$2m local-spend substance test); the 200-family-office target met ahead of end-2025; >3,380 single-family offices by end-2025. Primary / near-primary.

17 Comparative regimes: United Arab Emirates — DIFC Family Arrangements Regulations 2023 and the ADGM framework (0% on qualifying free-zone income against a 9% federal corporate tax). Switzerland — expenditure-based ("forfait") taxation and the private-banking ecosystem. Luxembourg — the Société de gestion de Patrimoine Familial (SPF, Law of 11 May 2007) and the SOPARFI. United States — dynasty-trust states (South Dakota trust assets above US$800bn at end-2024) and the federal family-office adviser-registration exemption (2011). United Kingdom — abolition of the resident non-domiciled regime with effect from 6 April 2025. Primary authorities (MAS, IRD, DIFC, ADGM, Luxembourg Administration des contributions directes, US state statutes and the SEC, South Dakota Division of Banking, UK HM Revenue & Customs) and reputable professional briefings.

18 EY family-enterprise research: more than 65% of family-business owners wish to transfer the business to the next generation, while fewer than 25% succeed, the failure concentrated at the generational transition. Corroborated by the UBS Global Family Office Report 2025 (next-generation preparation cited as a leading succession challenge). Advisory and industry research (EY; UBS), not peer-reviewed academic literature; the body qualifies it as "advisory research." Academic grounding in the family-business governance and succession literature is available and is logged as citation debt.

19 The widely quoted "70% lose the wealth by the second generation, 90% by the third" rests on a failure-weighted convenience sample and has no independent empirical source (J. Grubman, "There is no 70% rule," International Family Offices Journal, 2022); the "30-13-3" family-business survival rule traces to a single 1987 study (J. Ward) and is routinely mis-stated. The paper sets both aside.

20 Standard-setting and convening precedents: the Society of Trust and Estate Practitioners (STEP), 21,000+ members across c. 100 countries; the Family Office Exchange (FOX); Campden Wealth (research partner to the UBS Global Family Office Report); the UHNW Institute's Ten Domains of Family Wealth; and the EY & University of St. Gallen Global 500 Family Business Index (2025 edition: US$8.8tn revenue, 25.1m employees; SK Inc. ranked 11th). Primary (the respective bodies).

21 Korea Capital Market Institute (KCMI), family-office assessment, July 2025 (the domestic market "at an early stage," single-family-office demand "extremely marginal," the model financial-institution-led); the head of a major bank family-office centre on tax-minimisation and dispute-free inheritance (Fortune Korea, March 2025). Primary (think-tank) / near-primary (press).

22 UBS, Global Family Office Report 2025 (n=317 single-family offices, 30+ markets, average net worth USD 2.7bn, published 21 May 2025): next-generation integration into the family office — board seat 59% globally, 70% in offices already at G2+; day-to-day investment management 30%; management/executive role 31%. Primary.

23 UBS, Global Family Office Report 2025 (53% have a wealth succession plan, up from 47% in the prior edition; regional split: Middle East 41%, North Asia 36%, US 64%, Southeast Asia 65%); UBS, Global Family Office Report 2026, published 28 May 2026 (n=307): 35% have a defined succession plan for the family office itself; fewer than half operate formal governance frameworks with board-level oversight. Primary. The "North Asia" segmentation bundles Greater China, Japan, and Korea; the figure is directional, not Korea-specific. The UBS sample skews to UBS-banked larger offices.

24 UHNW Institute, Ten Domains of Family Wealth; Family Office Exchange (FOX), governance frameworks and benchmarks; Society of Trust and Estate Practitioners (STEP), c. 21,000 members across c. 100 countries. Primary (the respective bodies). The frameworks are cross-referenced in the Institute's working bibliography accompanying this paper.

25 Wallenberg Investments AB, official statement on the announcements by EQT AB and Investor AB, 10 March 2025: succession process "ongoing for over a decade", ambition to give G6 "opportunities to engage in activities closely connected to the family", c. 30 sixth-generation members of age, c. 10 already serving as board observers; formal AGM nominations of Fred Wallenberg (Investor AB), Jacob Wallenberg Jr (EQT AB), and Siri Sachs (Wallenberg Investments AB). Primary (family). Bloomberg, "Swedish Wallenberg Family Anoints Next Generation With New Posts", 10 March 2025 (secondary, corroborating). Figures are the family's own statement of practice rather than independent audit.

26 Association Familiale Mulliez (AFM), official site (afm.family): >1,650 family members; 994 shareholders; 150 companies across 62 countries; 615,000 employees; Tous dans Tout principle formalised 1955 (antecedent 1920); written charter of 1968; Affectio Societatis founded 1995 "to strengthen family cohesion and ensure governance succession". Primary (AFM). Antoine Mayaud, "25 Years at the Heart of an Entrepreneurial Family", Family Firm Institute (secondary, corroborating). AFM is technically a groupement d'intérêt économique / holding-governance vehicle rather than a family office in the single- or multi-family advisory sense; the chapter cites it in the broader sense of the family's institution for the stewardship of capital.

27 UBS, Global Family Office Report 2025: among family offices with a succession plan, 26% consulted the next generation from the outset, 36% consulted them only after G1 had finalised the plan, 35% did not consult them at all. UBS, Global Family Office Report 2026: 27% of family offices have a structured process to educate and prepare heirs. Primary.

28 UBS, Global Family Office Report 2025: among family offices without a succession plan, 29% believe they have "ample time"; 21% have not decided how to distribute wealth. Primary.

29 Cambridge Family Enterprise Group; INSEAD Wendel International Centre for Family Enterprise; IMD Global Family Business Center; Kellogg Family Business Center; Family Business Network (FBN); Society of Trust and Estate Practitioners (STEP). The canonical lifecycle treatment of family-business succession, which grounds the principal-transition framing of §6.1, is Gersick, K.E., Davis, J.A., McCollom Hampton, M. & Lansberg, I., Generation to Generation: Life Cycles of the Family Business (Boston: Harvard Business School Press, 1997). Primary (the respective bodies; Gersick et al. peer-edited monograph).

30 Monetary Authority of Singapore (MAS), Sections 13O and 13U fund tax-incentive schemes and the Variable Capital Company framework (2020), as refreshed in July 2023 and October 2024 (asset thresholds S$20m / S$50m; investment-professional and local-business-spending requirements). Cited in full at note 15. Primary / near-primary.

31 Hong Kong Inland Revenue Department, family-owned investment holding vehicle profits-tax concession (Inland Revenue (Amendment) (Tax Concessions for Family-owned Investment Holding Vehicles) Ordinance 2023, in effect from year of assessment 2022/23): 0% profits-tax rate on qualifying income; HK$240m asset threshold; two-employee and HK$2m local-spend substance test. Cited in full at note 16. Primary / near-primary.

32 UBS, Global Family Office Report 2025: among family offices with a succession plan, leading concerns are tax-efficient wealth transfer 64%, legal structuring 48%, next-generation preparation 43%, family-governance design 36%. Primary; cross-confirmed in WealthBriefing, Boodle Hatfield, and Caproasia secondary summaries.

33 J. Ward, Keeping the Family Business Healthy, 1987 (n=200 Illinois manufacturing family businesses). The "70/90% wealth attrition" canon is the inverse of this study's 30% intact-family-control rate at the third generation. J. Grubman, "There is no 70% rule", International Family Offices Journal, June 2022, traces every subsequent citation of the canon to this source. Primary (Grubman 2022, which is the field's own challenge to the canon).

34 R. Williams and V. Preisser, Preparing Heirs (2003) and subsequent work: 80% of subjects were leaders of closely-held operating businesses; the figures conflate operating-business succession with pure-asset succession. J. Grubman, "There is no 70% rule" (2022). Secondary (the Williams-Preisser figures); primary (the Grubman challenge).

35 T. Zellweger, R.S. Nason, and M. Nordqvist, "From Longevity of Firms to Transgenerational Entrepreneurship of Families: Introducing Family Entrepreneurial Orientation", Family Business Review, 25(2), 2012, pp. 136–155 (published online 2011); DOI 10.1177/0894486511423531. The replication, shifting the unit of analysis from the firm to the business family, recovered substantial multi-generational continuity through transgenerational entrepreneurship. Primary (peer-reviewed academic). Corroborating: FFI Practitioner, "A Renewed Call for Accurate Research about Family Wealth Longevity"; INSEAD Knowledge, "A New Perspective on the Longevity and Success of Family Firms".

36 UHNW Institute, Ten Domains of Family Wealth; Family Office Exchange (FOX), governance benchmarks; Society of Trust and Estate Practitioners (STEP); UBS Global Family Office Report; Campden Wealth Global Family Office Report (research partner to UBS GFO); Cambridge Family Enterprise Group; INSEAD Wendel International Centre for Family Enterprise; IMD Global Family Business Center; Kellogg Family Business Center; Family Business Network (FBN). The academic spine the Institute reads on includes: T.G. Habbershon & M.L. Williams, "A Resource-Based Framework for Assessing the Strategic Advantages of Family Firms", Family Business Review, 12(1), 1999, pp. 1–25, DOI 10.1111/j.1741-6248.1999.00001.x (the foundational familiness paper); J.H. Astrachan, S.B. Klein & K.X. Smyrnios, "The F-PEC Scale of Family Influence: A Proposal for Solving the Family Business Definition Problem", Family Business Review, 15(1), 2002, pp. 45–58, DOI 10.1111/j.1741-6248.2002.00045.x; and Gersick et al. (1997), as cited at note 29. Primary.

37 Yeo Mil-lim (여밀림), 「초고액자산가를 위한 패밀리오피스 운영 현황과 시사점」 ("Operational Status of Family Offices for Ultra-High-Net-Worth Individuals and Implications"), 『자본시장포커스』 (Capital Market Focus), No. 2025-15, 21 July 2025, Korea Capital Market Institute. URL: https://www.kcmi.re.kr/publications/pub_detail_view?syear=2025&zcd=002001016&zno=1859&cno=6582. Verbatim Korean quote: 「설립비용 대비 효익이 낮고 상속세에 대한 부담으로 SFO 수요는 극히 미미하여 대부분 MFO나 PB, WM 내 서비스 형태로 운영」 — "the benefits are low relative to the cost of establishment and the inheritance-tax burden means SFO demand is extremely marginal, with most provision running through MFOs or PB / WM services." Primary (Korean think-tank); read to primary, 21 June 2026.

38 Yeo Mil-lim, KCMI, 『자본시장포커스』 No. 2025-15, 21 July 2025: 10,100 ultra-high-net-worth individuals (financial assets above KRW 30bn, 300억원) as of 2024, holding KRW 1,267tn between them; top five Korean securities-firm family-office desks holding c. KRW 104tn of family-office assets as of June 2024. The institutional family-office-desk population at the date of the assessment comprised eight firms — 삼성증권 (Samsung Securities), 한국투자증권 (Korea Investment & Securities), 신영증권 (Shinyoung Securities), NH투자증권 (NH Investment & Securities), 신한투자증권 (Shinhan Securities), KB증권 (KB Securities), 하나증권 (Hana Securities), 미래에셋증권 (Mirae Asset Securities) — with two further launches (현대차증권 / Hyundai Motor Securities; 메리츠증권 / Meritz Securities) pending in 2025. Primary (Korean think-tank); read to primary, 21 June 2026. Caveat: KRW 104tn is institutional wealth-management-desk family-office AUM, distinct from independent SFO/MFO AUM in the international sense.

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가문
자본

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