HOLDING STRUCTURES • INSIGHTS

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The Architecture of Modern Holding Structures

How cross-border structuring has evolved — and why jurisdiction selection is now a strategic, not just a tax, decision.

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For decades, international holding structures were viewed through a single lens: tax efficiency. Today, that approach is no longer sufficient.

Governments exchange financial information automatically. Substance requirements have become stricter. Beneficial ownership registers, economic substance rules, anti-avoidance legislation, and increasing regulatory scrutiny mean a holding company can no longer exist simply because it sits in a low-tax jurisdiction.

> *The question has shifted from "Where can I pay the least tax?" to "Which jurisdiction best supports my long-term commercial objectives?"*

01 A Holding Company Is More Than a Box

Many entrepreneurs still think of a holding company as a passive vehicle that owns shares. In reality, it often becomes the nerve centre of an international business — and in many cases, the entity investors actually invest into, not the operating companies themselves.

Protect valuable assets	Facilitate acquisitions & exits
Simplify succession planning	Centralise IP ownership
Attract institutional investors	Improve governance

02 Jurisdiction Selection Has Become Strategic

Choosing where to establish a holding company is no longer about finding the lowest tax rate. Sophisticated businesses now evaluate jurisdictions across multiple dimensions:

- Legal certainty and judicial independence
- Political and economic stability
- Reputation with investors and banks
- Double tax treaty network
- Corporate governance standards
- Ease of raising capital & regulatory predictability

The “best” jurisdiction is the one that aligns with the business strategy — not necessarily the lowest-tax option.

03 Substance Matters

One of the most significant changes in international structuring is the importance of economic substance. Authorities increasingly expect meaningful management and decision-making to occur where the company claims to be resident — local directors with genuine authority, board meetings held in the jurisdiction, qualified employees, and proper documentation of strategic decisions.

> *A structure supported by genuine commercial substance is far more resilient than one designed solely around tax optimisation.*

04 Different Businesses Require Different Structures

There is no universal blueprint. A venture capital fund requires an entirely different architecture from a family-owned manufacturing business.

TECHNOLOGY COMPANIES Prioritise intellectual property protection	PRIVATE EQUITY GROUPS Focus on investment flexibility & exit efficiency
FAMILY OFFICES Emphasise succession, governance & asset protection	VENTURE CAPITAL FUNDS Require flexible, investor-ready architecture

The structure should always follow the commercial objective — not the other way around.

05 Looking Beyond Today

Cross-border structures shouldn't only solve today's challenges — they should support tomorrow's opportunities.

- Will future investors be comfortable investing into this jurisdiction?
- Can the structure accommodate acquisitions, an IPO, or a strategic sale?
- Can ownership transition smoothly across generations?
- Will banks and regulators view it favourably five years from now?

Future-proofing is often more valuable than achieving short-term efficiencies.

06 The New Philosophy

The most successful international structures are rarely the most complex. They are transparent, commercially justifiable, operationally efficient, and capable of adapting as regulations evolve.

Modern holding structures are no longer designed merely to minimise tax — they are designed to support growth, protect value, inspire investor confidence, and create long-term resilience.

Jurisdiction selection is no longer a legal exercise. It is a strategic business decision.

At Ascendo Partners, we help founders, family offices, investment funds, and multinational businesses design cross-border structures that balance governance, commercial practicality, regulatory compliance, and long-term growth — because the strongest structures are built not only for today's transactions, but for tomorrow's ambitions.

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