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Resilience and opportunity: Channel Islands trustees in a shifting geopolitical landscape

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For trustees and their advisers, geopolitical risk is no longer an abstract backdrop, it is an active force shaping client behaviour, structuring decisions, and long-term wealth strategies.

Nowhere is this more evident than in the evolving dynamics of the Middle East and the United States, two regions whose political trajectories carry global financial consequences.

For Channel Islands trustees, these developments present a complex mix of risk and opportunity. The challenge lies in interpreting rapidly shifting geopolitical signals and translating them into fiduciary structures that balance the client's needs with resilience and future proofing.

The Middle East: Volatility, wealth mobility and structural demand

The Middle East continues to experience periodic instability, driven by regional rivalries, proxy conflicts, and shifting alliances.

For high-net-worth individuals and family offices in the region, this has reinforced a longstanding priority: wealth preservation outside the immediate sphere of political risk, and the current conflicts act as a driving force in focusing the mind and pushing those families from the 'considering' to the 'implementing' phase of seeking to structure their wealth in more stable jurisdictions.

Historically, this has translated into significant capital flows into jurisdictions like Guernsey and Jersey, given their ongoing stability as well as depth of industry knowledge. Today, that trend is accelerating; partly as a result of security concerns, but also because of the increasing sophistication of regional wealth, the challenges around generational transitions within family businesses, and for those ultra- high-net-worth families, a desire for institutional-grade governance frameworks.

Channel Islands structures are frequently used in this context as neutral, well-regulated vehicles capable of holding global assets while insulating them from regional disruption.

Importantly, the nature of demand is evolving. Clients are no longer seeking simple asset-holding structures; they require flexible, multi-layered arrangements that can accommodate cross-border planning as their families and assets are often based over a number of jurisdictions.

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This creates opportunities for fiduciary service providers to continue to build their roles as trusted advisors and strategic partners in structuring and governance.

The United States: Policy uncertainty and regulatory reach

As has been seen in recent years, the United States itself can be a source of geopolitical and regulatory uncertainty.

Domestic political polarisation, shifting trade policies, and an increasingly assertive use of economic statecraft have introduced new variables into cross-border structuring.

One of the most significant factors is the extraterritorial reach of US regulation. Through sanctions, tax enforcement, and financial crime legislation, US authorities exert influence far beyond their borders.

For trustees, this has several implications, in particular, ensuring careful consideration and management of structures with US nexus, whether through assets, beneficiaries, or counterparties, and working closely with US focused intermediaries for specialist advice to support this.

In addition, the potential for policy shifts, particularly around taxation, transparency, and international cooperation, introduces an additional layer of uncertainty.

However, there are also opportunities emerging from the US, including:

- Asset protection for those who are concerned they may be under fire from the current regime, and consider the tax position a cost of such protection (similar to paying an insurance premium for a policy that might not be needed, but gives the comfort and the 'able to sleep at night' factor);
- Cross-border planning for those families who are internationally diverse; and
- Immigration both to and from the USA; for example into the UK for those seeking to utilise the FIG regime to find a short term base while they consider longer term options, as well as movement into the States from the UK, particularly for those in tech looking to upscale their entrepreneurial efforts.

The 'onshore vs offshore' recalibration

An interesting dynamic emerging from US-related risk is a recalibration of the traditional 'onshore vs offshore' debate. While the US remains a key destination for capital, some international clients are increasingly cautious about overexposure to any single jurisdiction, including the United States itself.

However, this is perhaps not as simple as an 'either / or' situation and in this context, the Channel Islands offer a complementary solution: a jurisdiction that is closely connected to global financial systems, yet operationally independent.

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This positioning allows trustees to collaborate and implement the best possible solutions for those clients either based solely in the US or with a multi-jurisdictional family with a US nexus.

Based on my conversations in New York and Miami over recent months, it feels there is an opportunity here to discuss further with US advisors, in particular how a Channel Islands structure can complement with the US onshore offering, as this feels somewhat under appreciated on both sides of the Atlantic.

Structuring for a fragmented world

The combined effect of Middle Eastern volatility and US policy uncertainty is accelerating a broader trend, around fragmentation and the search for stability.

For trustees, this requires a shift in mindset. Structures must be designed not for a seamless global environment, but for a world characterised by competing regulatory regimes, divergent political interests, periodic disruption to capital flows: balanced with the needs and values of the family, strong governance and an excellent legal framework.

In practical terms, this means building flexibility into trust structures, allowing for adaptation as circumstances change, as well as diversifying asset location and custody arrangements, while carefully monitoring and considering liquidity needs.

Channel Islands trustees are well placed to deliver this and to incorporate robust governance to manage cross border complexity in these situations, given their experience with multi-jurisdictional structures and their ability to coordinate with advisors globally.

Governance, reputation and the trust dividend

In an environment shaped by geopolitical tension, trust - both in the legal sense and in the reputational sense - becomes a critical asset.

Clients from the Middle East, in particular, often place a high value on confidentiality, stability, and long-term stewardship. At the same time, global regulatory expectations, transparency and compliance continue to rise.

Channel Islands trustees must navigate this balance carefully. Strong governance, clear documentation, and proactive communication are essential, not only for compliance, but for maintaining client confidence.

Reputation is also a key differentiator. Jurisdictions that are perceived as stable, well-regulated, and internationally cooperative are more likely to attract and retain capital in uncertain times.

Looking ahead: Strategic positioning in a multipolar world

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The geopolitical outlook suggests a continued shift toward a multipolar world, in which power and influence are more widely distributed.

For trustees, this means that risk will become more diffuse and more complex. Middle Eastern dynamics will continue to influence global energy markets and capital flows, while US policy decisions will remain a key driver of regulatory and financial conditions.

Against this backdrop, the Channel Islands' role as neutral, stable intermediaries is likely to become even more valuable.

The opportunity lies in embracing this role proactively; developing expertise in geopolitical risk, enhancing monitoring capabilities, and working closely with intermediaries to design structures that are both resilient and adaptable, while also ensuring that any such structures consider the family's intentions, plans, and principles.

For Channel Islands trustees, the response must be both strategic and practical. By combining jurisdictional stability with technical expertise and geopolitical awareness, they can help clients navigate uncertainty, and, in doing so, turn risk into opportunity.

In a fragmented and unpredictable world, that capability is not just valuable. It is essential.

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