

ARIYOR

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A Family's **GUIDE**

to

Cross-Border Custody *in Luxembourg*



*A primer on multi-generational asset preservation,
structured for families who think in decades —
not in quarters.*

PRIVATE COUNSEL · NUMBER ONE

*Prepared by Ariyor S.A.
for the readers of our private dispatch*

21 RUE GLESENER · L-1631 LUXEMBOURG-VILLE



*“The clients who matter
aren’t looking for performance.
They’re looking for someone
who will still be there
in twenty years
when their daughter calls.”*



*an older colleague to me,
twenty years ago.*

PROLOGUE

A note to the reader.

This is not a sales document. We have written it for the families and the advisors of families who are beginning to think seriously about how a portion of meaningful, long-term wealth might be held outside the conventional banking system — and what that decision actually entails when it is taken with care.

If you are reading this, you have likely already had a conversation with your counsel or your family office about whether physical precious-metals custody belongs in your long-term thinking. We will not attempt to persuade you of that question one way or another.

It depends entirely on your circumstances, your time horizon, your jurisdictional exposure, and what you are trying to preserve. What we can do, in the pages that follow, is set out clearly what good custody looks like — what the structural choices are, where families typically get them wrong, and why Luxembourg has, for several generations, been the jurisdiction where this kind of work has been done with particular care.

*What follows is a working document.
Read it slowly.*

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Eight chapters, prepared for the patient reader.

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Most readers will not read this in one sitting.

Each chapter is written to stand on its own.

CHAPTER I.

The question *most families skip.*

Before any decision about custody, allocation, or jurisdiction — a question that is almost always glossed over.

TURN OVERLEAF

B Before any decision about custody, allocation, or jurisdiction, there is a question that is almost always glossed over — usually because it is more uncomfortable than the technical questions that follow. We raise it first, deliberately.

Whom is this for?

Not in the abstract sense. Specifically: in twenty years, in thirty years, after a death, after a divorce, after the next political shift — whose hands will this hold matter to? Children? Grandchildren? A trust whose trustees do not yet exist? An institution that does not yet exist? A purpose — education, philanthropy, intergenerational support — rather than a person?

We raise this because it changes everything. The right answer to where to hold, how to structure, and which custodian depends almost entirely on the answer to for whom, and over what horizon.

A WORKING OBSERVATION

Families whose arrangements survive intact across generations are the families who answered this first.

Most families — even sophisticated ones — jump straight to the technical questions. What metals? What allocation? What fees? These matter, but the structural questions matter first. We have observed, over many years, that the families whose arrangements survive intact across generations are the families who answered the whom and over what horizon questions before anything else.



CHAPTER II.

Allocated, unallocated, *and the word between.*

Of all the technical questions, this is the one most often misunderstood — and the one whose answer matters most when arrangements are tested.

TURN OVERLEAF



Of the technical questions, this is the one most often misunderstood. It is also the question whose answer matters most when arrangements are tested. The distinction is small in good times, and decisive in bad.

Unallocated.

When precious metals are held on an unallocated basis, the client does not own specific physical bars. The client holds a claim against the custodian for an equivalent weight of metal, drawn from the custodian's general pool. In normal times, the distinction is invisible. In abnormal times, the client becomes an unsecured creditor of the custodian.

Allocated.

When precious metals are held on an allocated basis, the client owns specific bars, identified by serial number, refiner, weight, and assay. Those bars are segregated from the custodian's balance sheet. If the custodian fails, the bars are not part of the insolvency estate.

“

The difference rarely matters in good times. It matters enormously in bad times — which is the only time custody arrangements are tested.

For families thinking in decades, this is not a minor detail. Read the contract. If specific bars are not assigned to you by serial number, you are holding a claim, not a holding.



CHAPTER *III.*

Why jurisdiction *is not a detail.*

If a custody arrangement is sound only as long as the surrounding legal regime remains stable, it is not a multi-generational arrangement.

TURN OVERLEAF

If a custody arrangement is sound only as long as the surrounding legal regime remains stable, it is not a multi-generational arrangement. It is a fair-weather arrangement.

IThis is, for many families, a difficult sentence to absorb. It runs against an instinct — deeply held in stable democracies — that the legal frame in which one is born and operates is permanent. History does not support this view.

A century's record.

In the past century alone, ordinary citizens of stable, prosperous nations have seen the confiscation of private gold holdings, the freezing of dormant accounts, the partial expropriation of bank deposits, capital controls preventing the movement of wealth across borders, and retroactive tax regimes applied to assets held abroad.

WORTH SITTING WITH

These were all described, before they happened, as unthinkable in those places.

Choosing where to hold meaningful long-term wealth is therefore a question about which legal regime one wishes to subject that wealth to. The relevant test is not which country is most prosperous today. The test is which country's framework has remained intact through the most stressful periods of the past century.



CHAPTER *IV.*

Luxembourg, *briefly explained.*

*A small country with a long memory. Two world wars passed through it;
the financial sector rebuilt with discretion as a working principle.*

TURN OVERLEAF

L language.

Luxembourg is a small country with a long memory. Two world wars passed through it. The financial sector that exists today rebuilt deliberately, in the second half of the twentieth century, with discretion and continuity as working principles — not marketing

Legal stability.

Luxembourg has not changed its fundamental property and custody laws in the modern era. Bank insolvency proceedings, when they have occurred, have respected segregated client assets without exception.

Regulatory seriousness.

The Commission de Surveillance du Secteur Financier supervises with notable rigour. Custody licences are issued sparingly, audited frequently, and revoked where standards are not met. The licensing regime is not a formality.

Operational depth.

There exists in Luxembourg a deep ecosystem of private counsel, family office professionals, audit partners, and custody operators — many of whom have worked together across generations. This is invisible to outsiders. It matters enormously when complex situations arise.

A QUIET TRUTH

It is not the cheapest jurisdiction. It is not the showiest. It is the one we would trust with something we cared about.



CHAPTER V.

What to ask *the custodian.*

Six questions that, in our experience, separate serious custodians from those unfamiliar with what serious custody requires.

TURN OVERLEAF

I If you are evaluating an institution to hold meaningful long-term wealth, the questions below are those that, in our experience, separate serious custodians from those who are unfamiliar with what serious custody requires. We offer them not as a checklist to be raced through, but as the basis for a real conversation.

- I.* On allocation: are bars assigned to clients by serial number, refiner, weight, and assay?
- II.* On audit: what is the audit cycle? Which firm conducts it? Are clients permitted to view audit results?
- III.* On insurance: who is the underwriter? What is the coverage amount per client and in aggregate?
- IV.* On the operating model: how long has the custody facility been in operation? Has the institution undergone ownership change or regulatory action?
- V.* On insolvency mechanics: if the operator failed tomorrow, what is the practical path to recovery?
- VI.* On succession: what instructions can a client leave for inheritance, divorce settlement, or incapacity?

If the institution cannot answer these questions clearly and quickly, that is itself the answer. Custody is a long conversation. Everything else is logistics.



CHAPTER VI.

Inheritance, divorce, *and the long now.*

Custody arrangements are tested most often not by financial crises but by family events.

TURN OVERLEAF

Custody arrangements are tested most often not by financial crises but by family events. Inheritance. Divorce. Incapacity. The arrival of a new generation that does not know where the assets are, or how to access them, or what the original principal intended.

We have observed, in many years of this work, that the failures we see are almost never failures of the institution. They are failures of communication — between principal and family, between principal and counsel, between one generation and the next.

“

A holding that is structurally sound but unknown to the heirs may as well not exist.

Questions for the family.

Who, in your family, knows that this position exists? Who knows where the documentation is held? Who is your designated counsel in the jurisdiction of holding, and have they spoken with your heirs? What are the standing instructions in case of incapacity?

These are uncomfortable questions. They are also the questions whose answers determine whether a holding survives the events that custody arrangements are most often built to survive.



CHAPTER VII.

On costs, and *what they should buy.*

Custody fees are usually expressed in one of two ways. The choice between them signals what kind of institution you are dealing with.

TURN OVERLEAF

Custody fees are usually expressed in one of two ways: as a flat annual amount, or as a percentage of holdings. The choice between them is not arbitrary. It signals what kind of institution you are dealing with.

Percentage-based fees scale with the size of holdings. They reward the institution as the client's position grows, regardless of whether the work performed scales correspondingly. Flat fees scale with the operational work involved — the storage, the audit, the insurance, the relationship management. For long-horizon families, this is, in our experience, the more appropriate alignment.

What the fee should buy.

- ◆ Segregated, allocated storage with serial-numbered identification.
- ◆ Independent audit at a frequency you would consider sufficient.
- ◆ Comprehensive insurance with a credit-worthy underwriter.
- ◆ Continuous access to a named relationship advisor.
- ◆ A documented, tested process for inheritance, incapacity, and exit.

A SIMPLE TEST

If the fee buys these things, the structure of the fee is a secondary consideration.



CHAPTER VIII.

A final word *on discretion.*

Discretion is often confused with secrecy. They are not the same.



TURN OVERLEAF

Discretion is often confused with secrecy. They are not the same.

Discretion is the practice of hiding something that, were it revealed, would be a problem. Discretion is the discipline of not discussing things that are not ours to discuss in the first place.

The first is a posture; the second is a way of working. The first attracts the wrong kind of attention. The second is the only kind of operating practice worth trusting with multi-generational wealth.

“

If a custodian promises secrecy, approach with caution. If a custodian conducts itself with discretion, you have likely been quietly told about it for years.

If you are evaluating institutions and one is louder than the others, that is itself a piece of information. It does not mean the louder institution is unsuitable. It means you have learned something about how it intends to be remembered.



EPILOGUE

If we may be of further use.



We do not take on every enquiry, and our existing client relationships often span more than a decade. The clients we work best with are families who think in generations.

If, having read this guide, you find yourself with questions you would like to discuss in private, we are reachable at the address below. There is no obligation.

REACHABLE

Ariyor S.A.

21 Rue Glesener · L-1631 Luxembourg

vip@ariyorlux.com · ariyorlux.com

DISCRETION IS A PRECONDITION, NOT A FEATURE.



A R I Y O R

Discretion. Allocated. Audited.

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E S T . M C M L X X X V I I I

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Prepared for the readers of our private dispatch