

# How trusts can help solve client needs

*Family trusts can assist families in Asia with specific challenges. Markus Grossmann at Trident Trust offers some examples of how their trust advice is assisting clients.*

## RESPOND TO RULE CHANGES

Trusts can help families prevent having assets taxed in their home countries in an entirely legal manner.

This can be particularly valuable when taxation rules in a country become more onerous or are unpredictable.

point by referring to a rising demand for this service in Thailand.

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**MARKUS GROSSMANN**  
Trident Trust

Markus Grossmann, managing director for Singapore, Hong Kong and New Zealand at Trident Trust, illustrates this

in the country to investigate setting up trust structures to hold their assets inside and outside Thailand, in order to

avoid being liable for that tax," he says. "We have been approached by a number of clients for this service."

## SUIT A TRUST TO A CLIENT'S NEEDS

In addition to helping clients avoid being unnecessarily taxed on their assets, trusts and suitable corporate structures can also assist with the development of their business.

But in order to be effective, the structure needs to be suited to the current circumstances and future plans of the HNWI individual or family.

It is important to get the right structure if the client intends to add more assets into the trust, particularly if they are related to his business interests.

Grossmann offers an example of a client he is currently advising.

which ones – and what he wants to achieve over the longer term.”

Grossmann notes that the client mentioned earlier initially wanted to establish a British Virgin Islands (BVI) structure for the fairly large hospitality business he owns in Thailand.

The client likes this option because he is familiar with the wealth structure, it helps him ensure that his companies avoid unnecessary taxation, it's fairly cheap to establish and it doesn't have onerous ongoing accounting requirements that he would have to meet.

However, Grossmann and his associates are trying to ascertain the client's broader needs, so that they can assess

well request to see detailed accounts and audited figures that a BVI structure would not offer.”

The idea is to ensure the client is fully aware of his options, and that he has taken his future as well as current structuring needs into consideration.

## CHALLENGE THE CLIENT

Grossmann's willingness to offer some resistance to the HNWI individual's initial preferences comes down to another part of his responsibility: challenging the client's expectations.

“Part of our responsibility is to challenge our clients and ask them open questions to really find out what their long-term plans are, and then come up with a number of possible solutions,” he says.

“Some of these might well be completely different to what the client initially wanted to do.”

Grossmann believes it is the duty of responsible trust and corporate services companies to understand the client's goals as best as they can before suggesting the most appropriate solutions. It is then up to the client to decide which option they most want to pursue.

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“One of our business partners introduced us to a South Asian client who is planning to set up a hospitality business in one Southeast Asian country, before expanding it to others,” he says.

“In the past our advice might have focused purely on the first country where he is investing. However, we are now incorporating his future plans, such as whether he is planning different ventures in other countries – and if so

whether other structures might ultimately prove more effective.

“We requested a discussion with the client and his adviser, to go over his plans to make investments in several countries,” he says.

“We wanted to cover the different options he has available to him beyond one that is based in the BVI. If he wants to invite additional investors, they may

“If the client in question would still prefer to go for a BVI-based solution that doesn't offer deep levels of accounting and audit, that is his choice, and we are happy to help him set it up,” he says.

“But it is our responsibility to understand his plans and let him know about the options available and their various limitations so that he can make an informed decision.” ■