Making the most
of the growing wealth in Thailand

Narit Kosalathip, Assistant Managing Director, Private Wealth Management, Phatra Wealth Management talks about the evolution of the wealth management space in Thailand.

CLIENT EXPECTATIONS ARE CHANGING IN THAILAND with regulatory changes and impacting the way wealth managers operate in the Asian nation, according to Kosalathip.

"For the past several years, people tended to come to us for investment advice," he says. "But two years ago, Thailand introduced the Inheritance Tax," and that has changed how family businesses think about wealth.

"A lot of these families have sizeable wealth within the family, and at the same time, the complexity in terms of family members has increased as well," he adds.

In the next few years, two more critical laws are expected to be released, which will impact the way wealth managers operate in the country.

"The first one is the Property Tax Law," he says, which will have a significant impact given that Thai high net worth families hold a lot of property.

The second is the Trust Law. "Two years ago, when we were about to get the Inheritance Tax, a lot of families set up trusts offshore," he says. "But in the next two years, with the Trust Law, we can have this bundled into the private wealth management service."

At Phatra, regulatory changes have also changed the way the firm operates in Thailand. "Our clients are local high net worth or ultra-high net worth families that we have served for the past several years focussing on onshore investments," he reveals.

"But since the Bank of Thailand introduced new regulations just a few years ago allowing investors to go abroad more easily, we are advising about investments into the global market."

Kosalathip reasons that there is a clear need for local high net worth investors to go out and diversify their wealth in the global marketplace. "That's the area that we've been focusing on and planning for the past few years," he adds. ■

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