

BUSINESS THAILAND

Are Phuket Farangs an adventurous lot?

Thinking about the forthcoming holiday period when Phuket will be packed with tourists both Thai and Farang, I got to wondering if the growing number of foreigners deciding to make their home here are more adventurous or just luckier than their country brothers.

Some of course although they would like to live here have family commitments in their homeland and have little choice.

Many UK retirees who had a dream of a little cottage in Devon all their working lives now find themselves living here for myriad reasons.

Many Americans from the beautiful California coast and all over that lovely country chose Hua Hin.

For sure it took an open mind and a total life change mindset to relocate here from around the world and there is no shortage of takers. For those of us living here this is all a reconfirmation that we made the right decision.

Many of us have a lifestyle beyond our wildest dreams at a cost probably cheaper than a mundane existence in our native lands.

As you know this column, for the past five years has been about money and how to invest it.

Many tourists have an uneducated view of offshore investing and associate it with Columbian drug runners. That is not at all surprising in view of the knowledge of the advisers they deal with at home. Accountants, lawyers and their ilk are probably not in the category of future residents here.

You know it makes sense if you decide to live here to buy a property. If you ask a lawyer or accountant at home they will in all probability advise against it. Meanwhile the people who bought properties here like me have seen them at least double in value over the past five years

If you ask a home based financial adviser about investing offshore, you'll get the same attitude as you would with property investment.

"Don't do it" it's too risky. What you won't be told is that" besides I don't want to loose your business and I know nothing about it "

Established red brick high street financial institutions have a place in the psyche of many investors especially those who will always live in the town, village or city where they were born. Absolutely nothing wrong with that but if you do not avail of the advantages of offshore investing while living abroad then the phrase "Opportunity does not come knocking a second time" comes to mind.

Let me briefly recap for new readers of this great magazine (like everything in Phuket, it is head and shoulders above its competitors in Thailand)

Almost always forgotten when considering investing in offshore funds is that no Government official will determine the amount you can invest tax free. Your wallet determines that.

Some farangs are misguided when they say because they are living offshore there is no liability to income tax on their home based savings. Correct: but what about corporation tax on those same home based savings? You can pay up to 40% on the

profits of your savings before the balance is allocated to your nest egg. Then you can take the income tax free. Wise up

You get better consumer protection in offshore jurisdictions than in many western countries. For example Switzerland guarantees 100% of your assets if the company holding them goes burst. Also they protect you money if you go through a personal bankruptcy.

You can structure your private wealth so that on your death your nominated beneficiaries receive your full estate on death without inheritance tax, probate or lawyers fees.

Confidentiality is such that the best divorce lawyer in the world could not crack it unless you are a drug runner or terrorist. Then it's easy but they must prove either of these facts first in a Western court.

With all these advantages you would think that perhaps access to the world's best fund managers may be denied. In fact all the leading fund managers like Fidelity, Goldman Sachs, JPMorgan Merrill Lynch and UBS to name a few run specialist offshore funds.

There are many more advantages which I won't go through here but suffice to say that if you are still fearful of the offshore market, where the world's richest people invest, you might consider Blackpool or Schunthorpe for your next vacation and while you are at it put your name down for a council flat.

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