

## **Draft of Private Asset Management Trust Act Approved by the Thailand Cabinet**

On 10<sup>th</sup> July 2018, the Cabinet approved in principle the draft of the Private Asset Management Act as proposed by the Ministry of Finance. The key elements of the draft are as follows.

1. A trust as a legal relationship between its trustor, trustee, and beneficiary will be allowed under the Act.
2. A trust can have a term up to 100 years.
3. The private trust must be for personal asset management and it cannot raise funds from the public. The private trust is not subject to the Capital Market Transactions Trust Act B.E. 2550.
4. The trustor, trustee and beneficiary of the private trust must have qualifications and must not have prohibited characters required by law. The trustee can engage in business for the trust as its trustee subject to permission of the Securities and Exchange Commission.

The main objective of this law is to allow setting up of private asset trust to manage personal assets and to reduce repatriation of personal assets abroad, especially those of large family-owned companies, and to support capital mobilization by SMEs and startups.

The draft will be reviewed by the Council of State before further approval by the Cabinet and the final approval by the National Legislative Assembly.



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