

Call in for a Coffee

RSM Nelson Wheeler, Thailand

Edition No 19

August 2004

Introduction

Welcome to RSM's nineteenth edition of "Call in for a Coffee". This edition focuses on three issues affecting Expatriates with the first relating to **School Fees**, the second to **Work Permit Fees** and the third to **Due Diligence Reviews**.

Education Fees – By Far the Biggest Investment You Will Ever Make

Are you "ready, willing and able" to make the biggest investment of your life?

Ready – The phrase "knowledge is power" comes to mind and increasingly, higher education is becoming a requirement – the key to open the door to a professional career. Many parents will consider the cost of private education as a lifetime investment in their children's future.

Willing - If you are living abroad as an expatriate then a private education may well be a requirement much earlier than may have been the case in your own country. Whilst education is an investment for your children it does not come cheap and unless planned for it could mean: -

- Re-mortgaging the family home to pay the fees or borrowing from a bank, if possible.
- Depleting savings and retirement accounts that may be required at a later date.

Able - Assuming that you start to save as soon as your first child is born (or better still before) we estimate that educating each of your children will cost in the region of £ 300,000 (US\$ 558,000 at current exchange rates – THB 2.1 million). This figure assumes that each child will commence school at age 4 and will continue through to a university degree and that education fees rise by an average of 6% year on year. We have also used current fee levels taken from Bangkok International Schools.

The earlier you start the less you will pay and any investment, however small, is better than none. Savings out of income could generate total savings of up to 60% of the fees, whilst a capital sum put down at birth might

amount to as little as 30% of the total fees due.

For more information on education fees planning please contact **Barry Scaife at MLI Life Assurance Brokers Limited (A joint venture company with RSM Nelson Wheeler [Thailand] Limited)**. Barry is UK qualified and has spent 25 years in the financial services industry.

Work Permits – Additional Fees

The Ministry of Labour have introduced a fee of THB 100 for all work permit applicants with effect from 14 July, 2004. The new fee will apply to the following forms: -

- Thor Tor 2 – application for a new work permit.
- Thor Tor 3 – application lodged on behalf of a prospective employee who has not yet entered the Kingdom of Thailand.
- Thor Tor 5 – application for the renewal and/or extension of a work permit.
- Thor Tor 6 – application to obtain a replacement work permit book in instances where the original book has been lost or damaged.
- Thor Tor 7 – application for the amendment of a work permit, including change of place of work, position, description of work and additional places of work.

These charges will not apply to the forms reference Thor Tor 10 (notification of the commencement, change or termination of work permit) or Thor Tor 11 (application for a temporary work permit for necessary and urgent duties for a period of up to fifteen days).

Due Diligence Reviews - Skeletons in the Closet

A recent survey of new investors to Thailand revealed that 66% of those that did not conduct adequate due diligence had 'lost their trousers'.

Prior to purchasing any business, it is crucial that the purchaser undertake a comprehensive survey of the business and the market in which it operates, in order to avoid any dangerous post-acquisition surprises.

Each due diligence review is unique but the overall aim is to provide the investor with sufficient, relevant and

RSM! Nelson Wheeler (Thailand) Limited

No responsibility can be taken by the publisher or the contributors for action taken as a result of information provided or opinions expressed in this publication. Readers are strongly recommended to take expert advice on particular situations.

timely information in order to assist in the investment decision. The due diligence exercise is not simply a number crunching exercise but involves collation of strategic non financial information which is likely to be crucial in the overall investment decision.

Stephen Darley heads up RSM's Due Diligence Team and is currently involved in a number of new transactions on behalf of investors seeking to acquire existing businesses in Thailand.

Stephen is extremely conversant with Asian Due Diligence issues having spent the last nine years with Consulting Firms in Taiwan, Indonesia and Bangkok.

RSM News

RSM Corporate Advisory, Hong Kong is delighted to announce the arrival of **Mr. Kelvin Flynn** who joins the firm as a Partner and Executive Director. **Kelvin's** main area of practice will be restructuring, financial due diligence, turnaround and review of workouts for non performing loans.

Kelvin has over 13 years of Corporate Recovery Experience with Ferrier Hodgson in Australia, Malaysia and most recently in Hong Kong.

Kelvin brings with him **Mr. David Maund** and **Mr. Brendan Wain** also formerly with Ferrier Hodgson, Hong Kong and Thailand whose office here in Bangkok was closed down approximately eighteen months ago.

RSM is also delighted to announce that it has taken over the Administration of **The Lighthouse Club, Bangkok Branch**, a Construction Industry Charity and Social Group.

The Lighthouse Club was originally founded in Newcastle-upon Tyne, UK in 1956. The Bangkok Operation was set up in 1991 with the objective of promoting a safer working environment as well as funding the education needs of the children of underprivileged Thai construction workers. **The Lighthouse Club** meets every second Wednesday of the month at the Bull's Head Pub in Sukhumvit 33/1 and arranges a number of other social events.

Anybody interested in joining **The Lighthouse Club** should contact **Ms. Sunisa Makotpate** who joined RSM at the beginning of August and whose new contact details are as follows:-

sunisa.makotpate@rsmnw.com

Upcoming RSM Sponsored Events

<u>Date</u>	<u>Event</u>	<u>Contact Details</u>
08.09.04	Lighthouse Club Gathering Bull's Head, Sukhumvit 33/1	sunisa.makotpate@rsmnw.com
13.10.04	Lighthouse Club Gathering Bull's Head, Sukhumvit 33/1	sunisa.makotpate@rsmnw.com
16.10.04	British Club Rugby Ball Grand Hyatt Erawan Hotel	bhillach@loxinfo.co.th
27.10.04	Raja's Fashion Golf Day Panya Indra Golf Club	rajas@ksc15.th.com
10.11.04	Lighthouse Club Bull's Head, Sukhumvit 33/1	sunisa.makotpate@rsmnw.com
25.11.04	New Zealand-Thai Chamber, AGM RSM Nelson Wheeler	nztcc@loxinfo.co.th

Free Consultation

If your company has any issues requiring clarification with respect to legal, financial, taxation, accounting, auditing, wealth management or other problems, please contact the RSM Team and "**Call In For A Coffee**" for a free consultation.

Translation of business ideas into realistic projects requires expert advice. RSM can assist you in formulating practical solutions to obstacles which may be encountered while undertaking business in Thailand.

Contact Details

We are located at:
26th Floor, Sathorn City Tower,
175 South Sathorn Road,
Bangkok 10120
Thailand

Telephone: 66 (0) 2670-9002

Facsimile: 66 (0) 2670-9027-28

Website: www.rsmnw.com

Email Address: askus.bangkok@rsmnw.com

RSM! Nelson Wheeler (Thailand) Limited

No responsibility can be taken by the publisher or the contributors for action taken as a result of information provided or opinions expressed in this publication. Readers are strongly recommended to take expert advice on particular situations.