



Expat Counsel

YOUR MONEY: Bringing it to Thailand and taking it out Part I

When foreigners come to live in Thailand they bring money to buy homes, invest in businesses and pay their expenses. If they leave, or if they have expenses elsewhere, they may want to send the money out. We are often consulted about various aspects of currency transactions in and out of Thailand. This series covers some of the important things you should know about money flows to help you avoid costly mistakes.

Any amount of foreign currency may be transferred from a foreign country and deposited in a bank in Thailand. If the amount deposited exceeds US\$20,000 the Notice of the Competent Officer Rules and Practices regarding Currency Exchange dated March 31, BE 2547 requires this be reported by filing a foreign exchange transaction form with the Bank of Thailand. In practice, when it receives the money, your bank will prepare the form for you and ask you to sign it and submit it for you to the Bank of Thailand. Until you sign the form, your bank won't release the funds to you.

Of course, you can do what we lawyers call "structuring", which means bring in the funds in pieces so that no piece is greater than \$20,000 and you don't have to bother with the form. If you do want to structure a transaction you should know two things, however. First, neglecting to fill out the form is a violation of Thai law. You would theoretically be exposed to a fine or imprisonment if the Thai authorities link up your transfers and they exceeded \$20,000. Second, because you will be making more than a single transfer, your transaction costs to structure it will be higher than if you declare the funds all at once.

What about physically bringing currency into Thailand? Again, there is no limit, but under Ministerial regulation No. 25 (BE 2550) you have to declare at customs any amount you bring that is more than the equivalent of \$20,000. You must then deposit these funds in a bank or convert them to baht at a bank or other licensed financial institution within a maximum of 360 days of when you brought them in or received them from someone who did. The published exceptions to this rule are foreigners in the



CLEAN SWEEP: Washing the windows of a bank and bureau de change in a Bangkok shopping centre.

PHOTO: EPA

country for less than three months and foreign missions or international organisations with diplomatic privileges.

For non-resident foreigners, the law allows you to open foreign currency accounts with banks in Thailand. You can also open two types of baht accounts:

- Non-resident baht accounts, which are used for services, trade, lending and direct

investment in Thailand.

- Non-resident baht accounts for securities, which are used to fund and receive money from financial instruments and securities in Thailand.

These activities must be kept separate. You can open more than one of each type of account. The total daily outstanding balances for all of these accounts for any

one non-resident individual, however, can't exceed 300 million baht.

The documentation for opening accounts is different among the banks, so you should check with the bank with which you are considering opening an account. As a general proposition residents have to provide the bank with passports and work permits, residence permits or certificates of residence. For non-residents, in lieu of work permits, residence permits or certificates of residence, the banks generally require a letter of recommendation from something like one of the following:

- A person acceptable to the bank and certified copies of that person's identification or
- an embassy or international organisation or
- your bank abroad, sent by Swift.

Opening accounts for foreigners, especially non-residents, is very much a matter of discretion with the banks, so don't be surprised if they are picky with your recommendations or won't do it at all. They are responsible to the Bank of Thailand to screen out money laundering and may face punishment if they are not effective in doing this.

In addition to the transactions mentioned above involving \$20,000 or more, if you are selling, withdrawing, depositing or purchasing foreign currency in the amount of \$20,000 or more for any transaction you will have to fill out a foreign exchange transaction form. The form, by the way, is a one-pager giving information about the person executing the transaction, the person receiving the funds, the account and the payment method. If a loan is involved, the basic information about it must be included. The person executing the transaction and the bank must sign it.

Next time we'll explain and compare the requirements and rates of Thai banks for depositing

funds. ■

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