
 Expat Counsel

By James Finch and Nilobon Tangprasit

YOUR MONEY: BRINGING IT TO THAILAND AND TAKING IT OUT PART V: Your questions

Many of you asked questions in response to our series on moving money in and out of Thailand. The following questions represent those that were most frequently asked.

Q: If I charge something in Thailand to a foreign credit card billed in another currency, what are the charges and how is the exchange rate fixed?

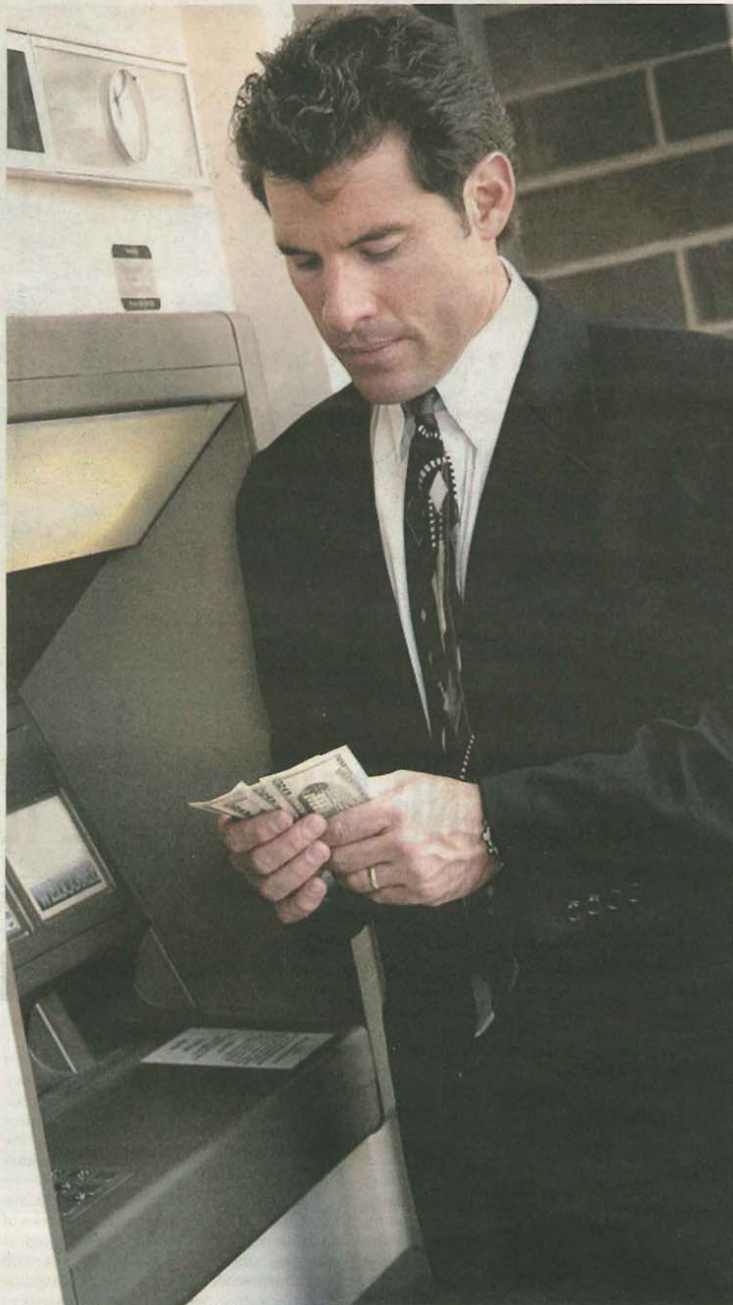
There are two possible fees. First, there will be a currency conversion fee from the credit card issuer, usually 1% of the amount charged. Second, there is a processing fee for the use of any credit card in Thailand, including locally issued cards, from the credit card company to the merchant of between 2.25% and 3.5%. Most restaurants and hotels don't pass this fee on to the consumer, but many small merchants do. Whether this fee has been passed on to you depends on the merchant or service provider and you should check the credit card charge slip to see if it has. The exchange rate is set by agreement between commercial banks in Thailand. It is practically identical or close to the forex rate published in the newspapers.

Q: If I send foreign currency from abroad to my Thai baht account in Thailand, who determines the exchange rate and what are the costs?

It is your local bank that sets the exchange rate, not the Bank of Thailand, as several readers thought. You can call your local bank or look on its website to determine the exchange rate on the day you plan to remit the funds. Your bank will charge you a fee for currency conversion, as well. For example, Bangkok Bank charges .25% for transfers in foreign currencies from abroad into local baht accounts, with a minimum fee of 200 baht up to a maximum of 500 baht.

Q: If I use an ATM machine in Thailand to get Thai baht, and this is debited from a foreign currency account overseas, how is the exchange rate fixed and what are the charges?

The exchange rate is fixed as to the date of withdrawal from the ATM and is determined by agreement between commercial banks as discussed above. You can find the exact rate on the website of the network or system of the card you use, for



example, Visa, Mastercard or Plus.

There may be a transaction fee and a foreign exchange fee from the credit card issuer outside Thailand and you should go to the website mentioned above to determine this. In addition to these charges, on March 6, the Thai Bankers' Association allowed a charge of 150 baht per ATM exchange transaction, starting on April 17. Many of the banks are not yet charging this. These fees add up because all of the banks with whom we checked limit these withdrawals to 20,000 baht a day.

Q: What are the costs if I use a foreign credit card to get baht in cash at an ATM in Thailand?

On top of the costs mentioned above in connection with funds withdrawn from a foreign bank account through an ATM, you will be charged with at least a 3% cash advance fee. You will also pay interest on the money withdrawn. Some card issuers, moreover, don't give you a grace period and start charging this interest the day after you take the cash from the ATM. You may be able to avoid the interest, but not the cash advance fee, if you have a credit balance in your credit card account.

Q: Are there restrictions on how much baht I can take in and out of Thailand?

There are no restrictions on how much baht you can bring into Thailand. Thus you can buy it outside of Thailand and bring it with you in any amount you want. The rates you get for Thai baht outside Thailand will not be as favourable to you as exchanging in Thailand, however. As to taking baht out of Thailand, if you are going to the countries bordering Thailand and Vietnam you can take up to 500,000 baht. If you're travelling to any other country you can take up to 50,000 baht. If you want to exceed these limits you must obtain approval from the Bank of Thailand. ■

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