

Exchange Regulations in Thailand

A Guide for the General Public

I. EXCHANGE REGULATIONS

a. Rules and Regulations

The legal basis for exchange control in Thailand is derived from the Exchange Control Act (B.E. 2485) and Ministerial Regulation No. 13 (B.E. 2497) issued under the Exchange Control Act (B.E. 2485). These laws set out the principles of controls under which Notifications and Notices were issued.

b. Administration

The Bank of Thailand has been entrusted by the Ministry of Finance with the responsibility of administering foreign exchange. All foreign exchange transactions are to be conducted through authorized banks. Authorized persons (money changers) can only buy foreign notes and travellers' cheques and sell foreign notes.

c. Currency Regulations

1) Foreign Currency

Foreign currencies can be brought into Thailand without limit. Any person receiving foreign currencies is required to surrender foreign currencies to an authorized bank or to deposit the same in a foreign currency account within 7 days from receipt, except foreigners temporarily staying in Thailand for not more than three months, foreign embassies, and international organizations.

Foreign exchange cover with authorized banks in Thailand is generally available where a genuine underlying current or capital transaction exists and not contrary to exchange control policy at the time.

2) Local Currency

There is no restriction on the amount of Thai currency that may be brought into the country. A person travelling to Thailand's bordering countries including Vietnam is allowed to take out local currency up to 500,000 baht and to other country up to 50,000 baht respectively without authorization.

II. BANK DEPOSITS

a. Foreign Currency Account of Thai Residents

Thai individuals and juristic persons in Thailand are allowed to maintain foreign currency accounts under the following conditions:

- 1) the accounts are opened with authorized banks in Thailand and deposited with funds that originate from abroad or foreign currency borrowing from the Bangkok International Banking Facilities.
- 2) the depositor must submit evidences showing the obligations to pay in foreign currencies to persons abroad, authorized banks, the Export and Import Bank of Thailand, or the Industrial Finance Corporation of Thailand within 3 months from the date of deposit and can deposit not more than the amount of the above obligations.
- 3) the deposit of foreign currency notes and coins must not exceed US\$ 2,000 per day
- 4) debits to the accounts are permitted for payment of any external obligations upon submission of supporting evidences or for conversion into baht at authorized banks.

5) the total daily outstanding balances in all accounts must not exceed US\$5 million for a juristic person and US\$500,000 for an individual.

b. Foreign Currency Account of Nonresidents

Nonresidents can open and maintain foreign currency accounts with authorized banks in Thailand. The accounts must be deposited with funds that originate from abroad. Balances on such accounts may be transferred without restriction.

c. Nonresident Baht Account

Nonresidents may open the account with any authorized banks in Thailand. They may freely credit with:

- 1) proceeds from sale of foreign currencies that originate from abroad or foreign currencies from nonresidents' foreign currency accounts
- 2) amounts transferred from other nonresident baht accounts
- 3) obligations of residents to nonresidents

No restriction is imposed on drawing funds from the accounts including conversion into foreign currencies for remittance abroad.

III. TRADE

a. Exports

All proceeds of exports exceeding 500,000 baht must be received in Thailand immediately after payment is received which may not be later than 120 days from exportation. The proceeds must be surrendered to an authorized bank or deposited in a foreign currency account with an authorized bank in Thailand within 7 days from receipt.

b. Imports

Importers may freely buy or draw foreign exchange from their own foreign currency accounts for import payments. Letters of credit may also be opened without authorization.

c. Transactions on Invisibles

The remittance of amounts properly due to nonresidents is permitted for items of a non-capital nature such as service fees, interest, dividend, profits, or royalties provided supporting documents are presented to the authorized bank. Travelling expenses or educational expenses of residents are also freely permitted upon submission of supporting evidences.

Proceeds from invisibles must be surrendered to an authorized bank or deposited in a foreign currency account with an authorized bank in Thailand within 7 days from receipt.

IV. FOREIGN INVESTMENTS

Foreign investments in Thailand, both direct and portfolio investments are freely permitted. Nonresidents may lend in foreign currency to residents without restriction. Both capital and loans can be freely transferred into the country and must be surrendered to an authorized bank or deposited in a foreign currency account with an authorized bank in Thailand within 7 days. Foreign investments in Thailand with promotional privileges from the Board of Investment are accorded various incentives and special benefits.

Repatriation of investment funds and repayment of overseas borrowing in foreign currency can be remitted freely upon submission of supporting evidences.

Securities, promissory notes, and bills of exchange may be sent abroad without restriction.

V. CAPITAL TRANSFERS BY THAI RESIDENTS

Direct foreign investments by Thai residents or lending to their affiliated companies abroad not exceeding US\$10 million yearly do not require authorization. The remittances to Thai emigrants permanently residing abroad are allowed up to US\$1 million per person yearly provided that funds are derived from their own personal assets or inheritance. The remittances to relatives permanently residing outside Thailand are also allowed up to US\$100,000 per person yearly. Any amount above this limit, permission must be obtained from the Bank of Thailand. Buying immovable assets or securities abroad also requires approval from the Bank of Thailand.

VI. GOLD

The Ministry of Finance permits the import and export of gold without authorization. Residents may hold and trade domestically gold jewelry, gold coins, and gold bullion. Foreign tourists are also freely allowed to take out gold ornaments