

## CHAPTER 18 EXCHANGE CONTROLS

The rules relating to currency exchange in Thailand are to be found in the Exchange Control Act (1942) and regulations and notifications issued under the Act. The Act regulates the manner in which currency is brought into, taken out, exchanged, or (in the case of foreign currency) held in Thailand.

Historically, the Bank of Thailand has been in charge of enforcing the exchange control requirements. However, it has been policy for a long time for exchange controls to be gradually eased, with the responsibility for enforcement being transferred to commercial banks rather than the Bank of Thailand itself.

The exchange control regulations are complex and detailed. It is advisable for importers, exporters and any person who wishes to transfer Baht or foreign currency into or out of Thailand to seek prior advice from a commercial bank or professional advisor, as to whether the proposed transaction is permitted and whether any documentation has to be submitted.

It is also important to point out that the outbound payment of Baht may often only be permitted where evidence of a corresponding inbound payment has been made and such evidence submitted. Thus the documents relating to any inbound payment should be retained carefully.

**Definitions in exchange control regulations** The following fundamental defined terms used in exchange control regulations should be noted:

*"Investment in a business abroad"* means the establishment of a business abroad, or an investment made jointly with another person abroad, where the investor holds at least 10% of the capital.

*"Affiliated business abroad"* means an overseas branch or representative office of a Thai juristic person, a partnership abroad in which a lender holds a minimum of 10% of the capital, or an overseas company in which a lender holds a minimum of 10% of its shares. This includes other businesses abroad, in which a lender owns at least 10% of the capital.

*"Business entity"* means a partnership or a company.

*"Affiliated business entity"* means a subsidiary, associate, branch, or representative office.

*"Subsidiary"* means:

(a) an entity in which a business entity owns 50% or more of the capital, or

(b) a subsidiary of (a).

"Associate" means:

(a) An entity in which a business entity or subsidiary owns at least 10% of the capital, but it is not a subsidiary, or

(b) A subsidiary of (a).

**Deposit and exchange of foreign currency arising from exports** There is a general obligation that foreign currency arising from exports must be deposited and exchanged into Baht. There are exemptions from this general obligation.

Foreign currency obtained from exports may be retained, where it is received in Baht from a non-resident Baht account.

In the following cases, an application may be made for exemption from the obligation, with documents in support:

(1) receipt of Baht proceeds from exports to Vietnam or countries bordering Thailand,

(2) where goods are taken out of Thailand for repair, testing, exhibitions, replacement for damaged or lost goods, or in exchange for goods imported into Thailand,

(3) where foreign currency arises from exports and is retained for not more than 120 days from the date of export or specified term of payment, but not later than 360 days from the date of export,

(4) in the case of export of manufactured goods, limited to the value of raw materials brought in under a subcontract, and

(5) in the case of bilateral netting of export proceeds with other expenditure or obligations, including those of subsidiaries.

**Documents to be submitted** The following documents should be submitted:

(1) In a case of receiving Baht proceeds from exports to Vietnam or countries bordering Thailand: the declaration form indicating the importation of Baht, duly completed and signed,

(2) In a case under (2) above, relevant evidence is required,

(3) In a case under (3) above, documents from the applicant explaining the need with relevant documents e.g. documents from an overseas buyer indicating the need for payment exceeding 120 days or an extension of the payment date.

(4) In a case under (4) above, the contract showing the value of the raw materials.

(5) In a case under (5) above, related documents indicating the netting with relevant additional documents as prescribed below.

(6) In a case of transferring foreign currency to a specified person abroad, relevant documents for particular transactions (see below), or for transferring export proceeds in foreign currency to an authorised juristic person for debt repayment, a copy of the loan agreement or documents indicating the supply of credit.

(7) In a case under (5) above where payment is made on behalf of subsidiaries, evidence showing subsidiary status.

**Transferring export proceeds in foreign currency** Where a person does not wish to sell or deposit foreign currency export proceeds but wishes to:

(1) transfer export proceeds to a person abroad for authorised purposes, or

(2) transfer the export proceeds to an authorized juristic person for debt repayment in foreign currency, including payment for those purposes on behalf of subsidiaries,

permission may be granted, subject to production of the documents referred to above.

**Documents to be submitted in other cases** In other cases not referred to above, the following documents should be submitted:

(1) Regarding multilateral netting in exporting:

(a) an application explaining the reasons and necessity, details of income and expenditure to be netted, name of netting centre, netting procedure, type of foreign currency for payment, and details of the authorized juristic person providing the remittance,

(b) evidence of incorporation of a juristic person including memorandum of association, corporate affidavit, and shareholders list certified by the Ministry of Commerce

(2) In other cases:

- (a) application for exemption, with relevant details,
- (b) relevant evidence,
- (c) evidence showing the applicant's identity; or memorandum of association, corporate affidavit, and shareholders list certified by the Ministry of Commerce, in the case of a juristic person.

**Deposit and exchange of foreign currency which is not export proceeds**

Where foreign currency is received that is not export proceeds, generally it has to be exchanged or deposited in an authorised bank account, except where it is received by the following persons:

- (1) non-residents and foreigners permitted to remain in Thailand for a period not exceeding three months,
- (2) Foreign embassies and persons with diplomatic privileges,
- (3) specialized agencies of the United Nations, international organizations or institutions, including their staff, experts or other employed persons, who has been granted privileges and immunities in Thailand,
- (4) Thai emigrants who are permanent residents abroad or who work abroad, or
- (5) institutional investors, as permitted in regulations, and those permitted to invest in securities abroad where foreign currency is re-invested in securities abroad.

**Where applicant wishes to transfer foreign currency not obtained from exports** Where the applicant does not wish to sell or deposit foreign currency obtained other than from exporting, but wishes to:

- (1) transfer it to a person abroad for authorised purposes, or
- (2) transfer it to an authorized juristic person for debt repayment, including payment for those purposes on behalf of subsidiaries,

permission may be granted, subject to production of the documents referred to above.

**Purchase or exchange of foreign currency to be sent out of Thailand** Where a person in Thailand wishes to purchase or exchange foreign currency for the following purposes, this is permitted, subject to production of the relevant documents required in any particular case (see below):

(1) For investment in or lending to a business entity abroad which is not engaged in foreign securities trading, this is permitted in the following cases:

- (a) a transfer of funds to invest in, or lend to, an affiliated business entity abroad, not exceeding US\$100 million or its equivalent at market rate per year,
- (b) a transfer of funds to invest in, or lend to, a business entity abroad, which has a shareholding of at least 10% in a Thai business, and transfer of funds to invest in, or lend to, an affiliated business entity of such business abroad, not exceeding US\$100 million or its equivalent at market rate,
- (c) a transfer of funds to invest abroad under (a) or (b), by a Thai registered company listed on the Stock Exchange of Thailand, provided that the company has positive shareholders' equity as per its latest financial statements, and the company is not likely to have its registration revoked, foreign exchange may be sold or exchanged exceeding the limits specified in (a) and (b);
- (d) a transfer of funds to lend abroad under (a) or (b) by a Thai registered company listed on the Stock Exchange of Thailand, provided that the company has positive shareholders' equity as per its latest financial statements, and the company is not likely to have its registration revoked, not exceeding US\$100 million or its equivalent at market rate per year.

(2) A transfer of money owned by a Thai emigrant with permanent residence abroad, not exceeding US\$1 million or its equivalent at market rate per recipient per year.

(3) A transfer of an inheritance to a person who is a permanent resident abroad, not exceeding US\$1 million or its equivalent at market rate per recipient per year.

(4) A transfer to a family member or relative who is a permanent resident abroad, not exceeding US\$1 million or its equivalent at market rate per recipient per year.

(5) A transfer in order to purchase immovable property, not exceeding US\$5 million or its equivalent at market rate per person per year.

(6) A transfer as a donation to the public, not exceeding US\$1 million or its equivalent at market rate per person per year.

(7) A transfer to purchases shares of related companies abroad under employee benefit schemes, not exceeding US\$1 million or its equivalent at market rate per person per year.

**Documents required in particular cases** Where a person wishes to purchase or exchange foreign currency for the purposes below, the following documents should be submitted:

(1) For payment for goods imported or shipped from one foreign country to another foreign country without entering Thailand, one of the following: either (a) the purchase and sale agreement, (b) the price list, or (c) the invoice from the supplier.

(2) For purchase of immovable property abroad: a letter explaining the necessity and details of the immovable property.

(3) For purchase of shares of affiliated companies abroad under employee benefit schemes: a letter explaining the details of the employee beneficial program, documents relating to the purchase of shares issued and documents showing the relationship with the affiliated company.

(4) For investment in a business abroad: a letter explaining the reasons for the investment, details of the investment, related evidence regarding the investors e.g. corporate affidavit, and shareholders list certified by the Ministry of Commerce, and evidence confirming the investment, e.g. a joint venture agreement or share purchase agreement.

(5) For lending to an affiliated business abroad: evidence indicating ownership of the shareholding and evidence indicating the details of the loan.

(6) For remittance of funds belonging to a Thai who is a permanent resident abroad: evidence of permanent residence and evidence indicating that the funds to be sent belong to the recipient e.g. certified bank statements.

(7) For remittance of inheritance to a permanent resident abroad: evidence of permanent residence and evidence of inheritance, e.g. copy of the will or letter from the administrator of an estate which indicates the distribution of the inheritance.

(8) For remittance to a family member or a relative who is a permanent resident abroad: evidence of permanent residence and evidence indicating the family relationship.

(9) For travelling expenses abroad, either: the applicant's passport or air ticket or transport ticket.

(10) For the repayment of a foreign loan denominated in Baht or foreign currency: evidence indicating the details of the loan e.g. the loan agreement and evidence indicating the inward remittance of the loan proceeds. For a foreign currency loan exceeding US\$20,000 or its equivalent at market rate, the foreign

exchange transaction form is required. In the case of a loan of less than US\$20,000 or its equivalent at market rate and Baht loans, the credit advice is required. In the case of a loan remitted into Thailand prior to 2008, the relevant foreign exchange form is required.

(11) For interest due under a foreign loan denominated in Baht or foreign currency: evidence indicating the details of the foreign loan e.g. the loan agreement (this is only required for the first interest payment) and evidence indicating the inward remittance of the loan. In the case of a foreign currency loan exceeding US\$20,000 or its equivalent at market rate, the foreign exchange transaction form is required. In the case of a foreign currency loan of less than US\$20,000 or its equivalent at market rate, and Baht loans, the credit advice is required. In the case of the loan remitted into Thailand prior to 2008, the relevant foreign exchange form is required, and an interest debit letter or document showing the calculation of interest where such letter is not available.

(12) For repatriation of investment funds in shares, warrants, or investment units: evidence of the sale or transfer of such funds, or evidence of ownership of the investment units.

(13) For repatriation of investment in financial instruments such as bonds, debentures, promissory notes, or bill of exchange: evidence of ownership where such financial instruments are held until maturity or early redemption, and evidence indicating transfer of ownership where such instruments have been sold to others.

(14) For repatriation of capital of a branch or a representative office in Thailand:

(a) evidence of establishment of the branch or representative office in Thailand e.g. the license from the Ministry of Commerce,

(b) evidence indicating the inward remittance of funds. Where the amount exceeds US\$20,000 or its equivalent at market rate, the foreign exchange transaction form is required. Where the amount is less than US\$20,000 or its equivalent at market rate, and in the case of Baht payments, the credit advice is required. In the case of the funds remitted into Thailand before February 2008 the relevant foreign exchange form, and

(c) evidence indicating that such funds belong to the branch or a representative office in Thailand e.g. copy bank statements.

(15) For remittance of margin or profits from trading on the Agricultural Futures Exchange of Thailand (AFET), a letter from the broker is required.

(16) For repatriation of investment in mutual funds due to reduction of capital where such funds are not raised or borrowed in Thailand directly or indirectly:

(a) evidence indicating the inward remittance of funds for purchase of the investment units. Where the amount exceeds US\$20,000 or its equivalent at market rate, the foreign exchange transaction form is required. Where the amount is less than US\$20,000 or its equivalent at market rate, and in the case of Baht payments, the credit advice is required, or in the case of funds remitted into Thailand before February 2008 the relevant foreign exchange form,

(b) A copy of the resolution of the fund regarding capital reduction,

(c) The fund's certified financial statements,

(d) Details of net asset value of the mutual fund after capital reduction. and

(e) Evidence indicating the sources of funds for capital reduction.

Documents (d) and (e) must be submitted within five business days from the date of fund repatriation.

(17) For repatriation of investment funds where a company has been dissolved, capital reduction, or reduction of share value, one of the following: certificate of liquidation issued by a liquidator in the case of dissolution, or certificate of registered capital issued by the Ministry of Commerce in the case of capital reduction or reduction of share value.

(18) For remittance of proceeds from the sale of immovable property to a person abroad: the sale and purchase agreement, and evidence indicating the transfer of ownership of the immovable property.

(19) For remittance of rental income from immovable property to a person abroad: the lease agreement, and evidence of ownership of the property.

(20) For repatriation of funds that a person abroad once brought into Thailand:

(a) evidence indicating the inward remittance. Where the amount exceeds US\$20,000 or its equivalent at market rate, the foreign exchange transaction form is required. Where the amount is less than US\$20,000 or its equivalent at market rate, and in the case of Baht payments, the credit advice is required. In the case of the funds remitted into Thailand before February 2008, the relevant foreign exchange form, and

(b) evidence indicating that the funds belong to the person abroad e.g. copy bank statements.

(21) For remittance of dividends: evidence of declaration of dividend e.g. notice of dividend payment issued by the company.

(22) For the remittance of profits to a company's head office: financial statements for the current accounting period certified by an accredited auditor, or the interim financial statement certified by the company as true and correct in the case of remittance of interim profit.

(23) For educational expenditure: evidence relating to education such as a certificate issued by an educational institution or the Civil Service Commission.

(24) For the remittance of savings by foreigners working in Thailand: a certificate of income issued by the employer.

(25) For purposes other than the above: documents indicating the obligation to pay to persons abroad, such as an agreement or invoices.

In the case of selling or exchanging less than US\$20,000 in foreign currency or its equivalent at market rate, apart from cases (3) to (4) above, the remitting bank shall request any relevant documents as seem necessary and appropriate.

A purchase or exchange of foreign currency shall be made only by the obligor whose name is stated in the relevant documents. The purchase or exchange of currency by others without any obligation to pay must be supported by a power of attorney.

Regarding payment to a recipient whose name is not given in the documents, evidence may be required from the overseas beneficiary abroad, authorizing such person to receive the payment on his behalf.

**Purchase of foreign currency for debt repayment** Where a person wishes to purchase foreign currency for debt repayment in foreign currency, a copy of the loan agreement or documents indicating the provision of credit is required.

**Foreigners working temporarily in Thailand purchasing foreign currency** Should a foreigner working temporarily in Thailand wish to purchase foreign currency for deposit, he/she must complete foreign exchange forms and supply a certificate of income issued by his employer.

**Cases where prior approval is required** Should a person wish to purchase or exchange foreign currency in the following cases, prior approval is required and the following documents should be submitted:

(1) a transfer of funds for investment in a business entity abroad or lending to an affiliated business entity abroad in an amount exceeding that specified above, including investment in a business entity abroad or lending to an affiliated business entity abroad which does not comply with the prescribed requirements,

or a transfer of funds for investment in a business engaging in foreign securities trading, the following documents are required:

- (a) the application form explaining the reasons and necessity, the details of the investment or loan, the source of funds, and the benefits
- (b) the most recent financial statements of the investor or lender, certified by the auditor,
- (c) evidence of the investment, e.g. a joint venture agreement or share sale and purchase agreement (only in the case of remittance of funds for investment),
- (d) evidence indicating the shareholding structure of the investor, the lender, the recipient or borrower, and
- (e) evidence showing the applicant's identity (for natural persons), or memorandum of association, corporate affidavit and shareholders list, certified by the Ministry of Commerce in the case of a juristic person.

(2) For the purchase or exchange of foreign currency for purposes described in (2) to (7) of the penultimate paragraph above, or to deposit the same as permitted above, in an amount exceeding the specified limit, the following documents are required:

- (a) an application explaining the reasons and necessity,
- (b) evidence relevant to the case, as specified above, and
- (c) evidence showing the applicant's identity (for natural persons), or memorandum of association, corporate affidavit and shareholders' list certified by the Ministry of Commerce, in the case of a juristic person.

(3) For a transfer of funds to purchase securities abroad other than as permitted in regulations, the following documents are required:

- (a) an application explaining the reasons and necessity, and indicating details of the securities to be purchased,
- (b) evidence indicating the securities to be purchased, and
- (c) evidence showing the applicant's identity (for natural persons), or the memorandum of association, corporate affidavit and shareholders' list certified by the Ministry of Commerce in the case of a juristic person.

(4) For a transfer of funds to engage in a hedging transaction with an overseas juristic person, the following documents are required:

- (a) an application explaining the reasons and necessity and indicating the details of the contract,
- (b) evidence indicating the details of the contract and the underlying transaction, and
- (c) evidence showing the applicant's identity (for natural persons), or the memorandum of association, corporate affidavit and shareholders' list certified by the Ministry of Commerce in the case of a juristic person.

(5) For a sale or purchase of foreign currency in cases other than those specified above, the following documents are required:

- (a) an application explaining the relevant details,
- (b) relevant evidence in each case, and
- (c) evidence showing the applicant's identity (for natural persons), or the memorandum of association, corporate affidavit and shareholders' list certified by the Ministry of Commerce in the case of a juristic person.

**Depositing foreign currency with an authorised bank** Should a person wish to deposit foreign currency with an authorized bank, the following requirements must be complied with:

(1) The foreign currency to be deposited must be as follows:

- (a) it is foreign currency originating from overseas, in the amount requested by the depositor,
- (b) It is foreign currency that a resident of Thailand has purchased, exchanged, or borrowed from an authorized juristic person,
- (c) It is cash not exceeding US\$10,000 or its equivalent at market rate per day per person, except for a depositor who has been granted a foreign exchange permit.

In the case of foreign currency that a resident of Thailand has purchased, exchanged, or borrowed, the following requirements must be complied with:

- (a) the depositor must submit documents indicating an obligation to pay in foreign currency to a person abroad or an authorized juristic person and can deposit an amount not exceeding the obligation to pay in foreign

currency. The total outstanding balance in all foreign currency accounts may not exceed US\$1 million or its equivalent at market rate for a natural person, or US\$100 million or its equivalent at market rate for a juristic person,

- (b) where the depositor wishes to deposit foreign currency in an amount exceeding the limit specified above, the depositor must submit documents indicating the obligation to pay in foreign currency to a person abroad or an authorized juristic person within 12 months from the date of deposit and may deposit an amount not exceeding such obligation.

Such obligations must be those of such persons and their related companies. Regarding obligations of related companies, evidence of association must be submitted.

Where a depositor cannot submit documents showing the obligations to pay in foreign currency, he/she may deposit foreign currency in a separate account and the total outstanding balance in all foreign currency accounts may not exceed US\$100,000 or its equivalent at market rate for a natural person, and US\$300,000 million or its equivalent at market rate for a juristic person.

**Exemption from requirement to deposit foreign currency** The deposit of foreign currency acquired abroad other than export proceeds by the following persons is exempt from the requirement for it to be deposited:

- (1) Non-residents and foreigners permitted to stay in Thailand for a period not exceeding three months,
- (2) Foreign embassies and persons with diplomatic privileges,
- (3) Specialized organizations of the United Nations, international organizations or institutions, including their staff, experts or others working for such organizations or institutions, who have been granted privileges and immunity in Thailand,
- (4) Officers of foreign embassies who are not Thai nationals,
- (5) Officers of specialized organizations of the United Nations, international organizations or institutions, who are not Thai nationals,
- (6) Foreigners permitted to work temporarily in Thailand.

**Deposits of foreign currency not acquired overseas** Foreign currency that has not been acquired overseas may be deposited as follows:

- (1) Foreign currency borrowed by a person in Thailand under the Bangkok International Banking Facility,

(2) Foreign currency owned by a person in Thailand that has been transferred from other foreign currency accounts of his own, or from those of non-residents,

(3) Foreign currency owned by a non-resident transferred from other foreign currency accounts of his own or from those of non-residents,

(4) Foreign currency that a person in Thailand pays to a non-resident for purposes as specified above, subject to production of the documents specified,

(5) Foreign currency that a non-resident borrows from an authorized juristic person,

(6) Foreign currency obtained after the exchange of Baht withdrawn from a non-resident Baht account, to be deposited into a non-resident's foreign currency account, or

(7) Foreign currency that a foreigner working in Thailand purchases from an authorized juristic person for deposit.

**Acceptance of foreign currency for deposit – other cases** In cases other than those referred to above, foreign currency may be accepted for deposit, by submitting the following evidence:

(1) An application explaining the reasons and necessity, with relevant details,

(2) Relevant evidence. e.g. details and related documents indicating the obligation or the need for future payment,

(3) Evidence of the applicant's identity (for natural persons), or the memorandum of association, corporate affidavit, and shareholders' list, certified by the Ministry of Commerce in the case of a juristic person,

Additional documents may be requested if necessary.

**Exchange of foreign currency into another foreign currency** Exchange of foreign currency into another foreign currency before deposit, is permitted.

**Payment of interest on foreign currency accounts** Interest on foreign currency accounts can be credited in Baht or in the same foreign currency as the deposit.

**Withdrawal of money from foreign currency accounts** Money may be withdrawn from foreign currency accounts for the following purposes:

- (1) a transfer to a person abroad for purposes prescribed in regulations discussed above, including payment on behalf of subsidiaries,
- (2) a transfer to repay a foreign currency debt to an authorized juristic person, including repayment on behalf of subsidiaries,
- (3) the withdrawal of foreign currency from a non-resident account and deposit into a resident account,
- (4) the deposit of foreign currency into a foreign currency account of the same person,
- (5) the deposit of foreign currency into the foreign currency accounts of related companies to facilitate payment under (1) or (2) above, provided that the related companies have an obligation to pay to such person.

**Documents required for withdrawal of foreign currency** An application to withdraw money under the previous section, must be accompanied by the following documents:

- (1) for withdrawal under (1) above, the particular documents required, depending on the nature of the transaction, as specified above. Should the withdrawal be to facilitate payment on behalf of a subsidiary, evidence of the subsidiary's status,
- (2) for withdrawal under (2) above, a copy of the loan agreement or documents indicating the provision of credit. If the withdrawal is for debt repayment on behalf of a subsidiary, evidence of the subsidiary's status,
- (3) for withdrawal to deposit in the foreign currency account of a subsidiary under (5) above, the particular documents required, depending on the nature of the transaction, as specified above, or a copy of the loan agreement or documents indicating the provision of credit and evidence of the subsidiary's status.

**Authorised juristic persons must obtain approval for withdrawal of foreign currency** Regarding the withdrawal of foreign currency from a foreign currency account, authorized juristic persons must seek prior approval by requesting the applicant to submit documents as follows:

- (1) an application explaining the reasons and necessity with relevant details,
- (2) relevant evidence e.g. details and related documents indicating the obligation or the need for future payment,
- (3) evidence showing the applicant's identity, e.g. identity card (for natural persons), or the memorandum of association, corporate affidavit, and

shareholders' list certified by the Ministry of Commerce in the case of a juristic person.

**Exchange of foreign currency into another currency after withdrawal** Where a depositor wishes to exchange money from a foreign currency account into another foreign currency after withdrawal for permitted purposes, this is permitted subject to the following requirements:

- (1) the foreign currency is to be used for the permitted purposes immediately, and
- (2) the exchanged currency will be deposited with an authorized juristic person, where the applicant has an obligation to use it for the above purposes within six months from the date of exchange.

**Exemption** Those persons withdrawing foreign currency that is not export proceeds who are exempt from the requirements specified above, may also withdraw foreign currency for any purpose and are not subject to the requirements of the last two sections.

**Opening a non-resident Baht account** An authorized juristic person may accept a Baht deposit in a non-resident Baht account in the following cases:

- (1) the Baht value of foreign currency withdrawn from a non-resident's foreign currency account,
- (2) Baht borrowed from an authorized juristic person,
- (3) Baht paid to purchase foreign currency for which consent is not required,
- (4) Baht that a bank holding the account, being in Vietnam or countries bordering Thailand, receives from engaging in financial transactions with an authorized juristic persons,
- (5) Baht that a bank holding the account, being in Vietnam or countries bordering Thailand sends or brings into Thailand from such countries.

**Documents required to set up non-resident Baht accounts** An authorized juristic persons must require a depositor to submit documents to open the account as follows:

- (1) in the case of Baht value of foreign currency remitted from overseas or withdrawn from the foreign currency account of a non-resident: proof of sale of the foreign currency,

(2) in the case of Baht borrowed from an authorized juristic person: the loan agreement or proof of provision of credit,

(3) in the case of Baht paid for to purchase foreign currency for which consent is not required, the documents as specified above,

(4) in the case of Baht that banks in Vietnam or in countries surrounding Thailand receive from authorised juristic persons: proof of engaging in financial transactions with an authorized juristic person is required, and

(5) in the case of Baht that banks in Vietnam or in countries surrounding Thailand send or bring into Thailand: proof of the declaration of Baht brought into Thailand, payment of stamp duty and signed by a customs officer.

**Where Baht may be deposited without observing the requirements above**

An authorized juristic person may accept Baht deposits from the following persons, without having to comply with the rules above:

(1) Foreign embassies, specialized organizations of the United Nations, international organizations or institutions located in Thailand,

(2) Thai nationals living abroad for at least one year,

(3) Persons who are residents of countries bordering Thailand, excluding banks.

**Accepting Baht deposits in other cases** The acceptance of Baht deposits into a non-resident Baht accounts in cases other than those above, is subject to the depositor completing an application and submitting relevant document.

**Netting** The transfer of Baht on a net basis via an internal account between the bank's head office and its branch abroad may be conducted only for the transfer between the branch and the head office. The settlement of Baht for international transactions of customers must be carried out through the customers' non-resident Baht account only. Accepting deposits and withdrawal from accounts should comply with the requirements above.

**Lending in foreign currency** Juristic persons established by specific law who are authorized to transact business relating to foreign means of payment, may lend in foreign currency.

**Borrowing in foreign currency** Any person other than a non-resident may borrow or receive foreign currency from an authorized juristic person for the following purposes:

(1) where it is for the purposes stated in regulations: documents as prescribed above must be submitted,

(2) where it is for sale to an authorized juristic person,

(3) where it is a repayment of foreign currency to an authorized juristic person: a copy of loan agreement or proof of provision of credit must be submitted.

When the authorized juristic person has found that the documents are true and correct and such borrowing is for the stated purpose, it is permitted to lend foreign currency to the applicant.

**Lending limit to non-residents** An authorized juristic person may lend foreign currency to a non-resident in an amount exceeding US\$5 million or its equivalent at market rate.

**Documents to be submitted by importers and exporters** Importers and exporters must submit a list of goods imported or exported and prices through a customs officer using a bill of lading in the prescribed form.

Importers and exporters do not have to submit a list, where the goods are samples or personal belongings of a person travelling into or out of Thailand, and in several other cases, including where the goods have a value of less than US\$20,000 or its equivalent at market rate, or where no bill of lading is required under the Customs Act.

**Submitting foreign exchange transaction form** A person wishing to purchase, sell, deposit or withdraw foreign currency or neither sell nor deposit it with an authorized juristic person, in an amount of at least US\$20,000 or its equivalent at market rate, must submit a foreign exchange transaction form. Where the authorized juristic person purchases or sells foreign currency, it must declare the amount, the exchange rate and the transaction date in the form.

Where foreign currency is not sold or deposited with an authorized juristic person and exceeds US\$20,000 or its equivalent at market rate, it must request the applicant to submit a foreign exchange transaction form in order to clarify the details of the receipt and payment of foreign currency separately.

Where a person wishes to purchase, sell, deposit, or withdraw foreign currency or neither sell nor deposit it with an authorized juristic person in an amount less than US\$20,000 or its equivalent at market rate, it must issue evidence of the transaction, and declare the amount, exchange rate, transaction date and purpose, and provide a copy for the applicant.

**Retention of records** Authorized juristic persons must keep foreign exchange transaction forms, orders or messages via SWIFT, application forms, documents issued by them including related documents for not less than three years.

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