EXCHANGE CONTROL REGULATIONS IN THAILAND
A Guide for the General Public

I. EXCHANGE CONTROL 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. These laws set out the principles of controls under which Notifications of the Ministry of Finance and Notices of the Competent Officer are issued.

b. Administration

The Bank of Thailand has been entrusted by the Ministry of Finance with the responsibility of administering foreign exchange. The governor of the Bank of Thailand shall appoint the officials of the Bank of Thailand as the Competent Officers under the Exchange Control Act (B.E. 2485).

All foreign exchange transactions are to be conducted through commercial banks and through authorized non-banks, namely authorized money changers, authorized money transfer agents, and authorized companies, that are granted foreign exchange licenses by the Minister of Finance. Any transactions not conducted through the above-mentioned licensees require approval from the Competent Officer on a case by case basis.

c. Currency Regulations

1. Foreign Currency

Foreign currencies can be transferred or brought into Thailand without limit. Any person receiving foreign currencies from abroad is required to repatriate such funds immediately and sell to an authorized bank or deposit them in a foreign currency account with an authorized bank within 360 days of receipt, except for foreigners temporarily staying in Thailand for not more than three months, foreign embassies, international organizations including their staff with diplomatic privileges and immunities, and Thai emigrants who are permanent residents abroad or working abroad.

Purchase of foreign currency from authorized banks is generally allowed upon submission of documents indicating international trade and investment. Companies in Thailand can engage in derivatives transactions with authorized banks to hedge against foreign exchange risk provided that supporting documents indicating future foreign currency receipts or obligations are submitted.

Any person bringing into or taking out of Thailand foreign currency bank notes in an aggregate amount exceeding USD 20,000 or its equivalent must declare to a customs officer.

2. Local Currency

There is no restriction on the amount of Thai baht bank notes that may be brought into the country. A person traveling to Thailand’s bordering countries including Vietnam is allowed to take out up to THB 500,000 and to other countries up to THB 50,000, respectively, without authorization.
II. BANK DEPOSITS

a. Foreign Currency Account of Thai Residents

Thai residents are allowed to maintain foreign currency accounts with authorized banks, and deposit or withdraw funds from such accounts under the following conditions:

1. Deposit

(1) Foreign currencies originating from abroad (foreign-source) can be deposited into foreign currency accounts without limit.

(2) Foreign currencies purchased or borrowed from authorized banks (domestic-source) can be deposited into 2 types of foreign currency accounts:

   (i) Foreign currency accounts with future obligations: deposits can be made in an amount not exceeding future obligations to pay in foreign currencies to entities abroad. The total outstanding balance shall not exceed USD 1 million for a natural person and USD 100 million for a juristic person. For amount exceeding such limits, authorized banks may accept such a deposit up to the obligations to pay in foreign currencies abroad within 12 months. Such obligations include loan repayment to authorized banks.

   (ii) Foreign currency accounts without future obligations: the total outstanding balance shall not exceed USD 500,000 for both a natural person and a juristic person.

(3) Deposit of foreign currency notes and coins must not exceed USD 10,000 per person per day.

2. Withdrawal

(1) For payment to entities abroad of the account holder’s own obligations or its subsidiaries’ obligations.

(2) For payment to authorized banks of the account holder’s own foreign currency liabilities or its subsidiaries’ foreign currency liabilities.

(3) For deposit into another foreign currency account of the same account holder.

(4) For conversion into another foreign currency, prior to depositing into another foreign currency account of the same account holder, or for payment to an entity abroad, or for payment of liabilities to an authorized bank.

(5) For conversion into baht.

Thai companies having export proceeds in foreign currency from overseas are allowed to transfer funds from their foreign-source foreign currency accounts to deposit into foreign currency accounts of their counterparties in Thailand for payment of goods or services.

b. Foreign Currency Account of Nonresidents

Nonresidents may maintain foreign currency accounts with authorized banks in Thailand without limit. The accounts can be freely credited with funds originating from abroad. Payments from Thai residents or borrowing from authorized banks can be deposited subject to supporting evidences. Balances on such accounts may be freely withdrawn.

c. Nonresident Baht Account

Nonresidents may open Thai Baht accounts with authorized banks in Thailand as follows:

(1) Non-resident Baht Account for Securities (NRBS): The account may be debited or credited for the purpose of investment in securities and other financial instruments such as equity
instruments, debt instruments, unit trusts, derivatives transactions traded on the Thailand Futures Exchange and the Agricultural Futures Exchange of Thailand.

(2) Non-resident Baht Account (NRBA): The account may be debited or credited for general purposes (i.e. other than investment in securities) such as trade, services, foreign direct investment, investment in immovable assets, and loans.

The total daily outstanding balances for each type of account shall not exceed THB 300 million per nonresident. Transfers between different types of accounts are not allowed.

III. TRADE AND SERVICES

a. Exports

Export proceeds in an amount equivalent to USD 50,000 or above shall be repatriated immediately after payment is received and within 360 days from the export date. The proceeds must be sold to or deposited in a foreign currency account with an authorized bank in Thailand within 360 days of receipt.

b. Imports

Importers may purchase or withdraw foreign currencies from their own foreign currency accounts for import payments upon submission of supporting documents. Letters of credits may also be opened without authorization.

c. Services

All proceeds from services in an amount equivalent to USD 50,000 or above shall be repatriated immediately after payment is received and within 360 days from the transaction date. The proceeds must be sold to or deposited in a foreign currency account with an authorized bank in Thailand within 360 days of receipt.

Outward remittances of amounts properly due to nonresidents are permitted for items of a non-capital nature such as service fees, interest, dividends, profits, or royalties provided that supporting documents are submitted to an authorized bank. Traveling expenses or educational expenses of residents are also freely permitted upon submission of supporting documents.

IV. FOREIGN INVESTMENTS

Transfers in foreign currency for direct and portfolio investments in Thailand are freely permitted. Proceeds must be surrendered to an authorized bank or deposited in a foreign currency account with an authorized bank in Thailand within 360 days.

Repatriation of investment funds and repayment of overseas loans can be remitted freely upon submission of supporting documents to an authorized bank. For repatriation of investment funds, evidence of sale or transfer of such investment shall be submitted. For loan repayment, evidence of inward remittance of such loan and loan agreement shall be submitted.

V. CAPITAL TRANSFERS BY THAI RESIDENTS

a. Direct Investment and Lending Abroad
(1) A Thai company is allowed to invest in an overseas business entity whose shares are held by the Thai company by not less than 10%, or to invest or lend to affiliated business entities abroad as necessary.

(2) A Thai company is allowed to lend to non-affiliated business entities abroad up to USD 50 million per year.

(3) A Thai natural person is allowed to invest in an overseas business entity whose shares are held by that person by not less than 10% in an amount not exceeding USD 100 million per year.

Fund transfers for such investment or lending to business entities abroad must be in foreign currencies only, whereas fund transfers for investment or lending to business entities in Vietnam or Thailand’s neighboring countries for trade and investment in Thailand or those countries can be in foreign currencies or in Thai Baht.

b. Portfolio Investment Abroad

(1) Institutional investors, namely Government Pension Fund, Social Security Fund, provident funds, mutual funds (excluding private funds), securities companies, insurance companies, specialized financial institutions and Thai juristic persons with assets of at least THB 5,000 million, are allowed to invest in securities issued abroad by Thai juristic persons without limit, and to invest in foreign securities up to the outstanding balance of USD 50 million provided that such investment shall not exceed the limit set by the supervisory authority, directors or managements of each institutional investor. Investments exceeding such limit require approval from the Bank of Thailand.

(2) Individuals are allowed to purchase shares of related companies abroad under employee benefit plans up to USD 1 million per person per year.

(3) Individual or corporate investors can invest in securities abroad, other than those under employee benefit plans, through private funds or securities companies subject to the Securities and Exchange Commission’s guidelines and approval from the Bank of Thailand.

c. Transfers for Other Purposes

(1) Outward remittances to Thai emigrants who are permanent residents abroad provided that funds are derived from their own assets, from their families or relatives, or from their inheritances are allowed up to USD 1 million per recipient per year for each purpose. Fund transfers to public for donation are allowed up to USD 1 million per person per year.

(2) Purchase of immovable properties abroad is allowed up to USD 10 million per person per year.

VI. REPORTING

Any person purchasing, selling, depositing, or withdrawing foreign currencies with an authorized bank in an amount of USD 50,000 or above shall be required to report such foreign exchange transactions to the authorized bank in the form as prescribed by the Competent Officer.

Exchange Control and Credits Department
Bank of Thailand
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