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# Banking in Thailand: Resident or non resident account?



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As a foreigner in Thailand, you may wish to open a bank account in the country to accommodate your financial needs or investment portfolios. You may therefore wonder whether you can open a bank account in Thailand and what types of accounts are available to you.

There are two main types of bank accounts offered to foreigners, depending on their resident status in Thailand: a resident bank account and a non-resident bank account. This article will touch on the main differences between these account types and some other relevant conditions.

A resident bank account is, in theory, one owned by a person residing in Thailand for regular use within Thailand, while a non-resident bank account refers to one owned by a person having no presence or residence in Thailand.

For the purpose of a resident bank account, Thai residence can be proved by a permanent residence permit or a valid work permit in Thailand.

In principle, a foreigner who has no proof of residence in Thailand can only open a non-resident bank account; however, some Thai-based banks may, depending on their internal policy and discretion, accommodate requests from non-resident customers in opening a resident account with no proof of residence.

Multinational banks tend to be stricter in selecting and screening customers, and most do not allow foreigners to open a resident bank account without proof of residence in Thailand; they allow only a non-resident bank account.

Resident bank accounts and non-resident bank accounts are quite similar in terms of transferring foreign currency from abroad into the bank account for spending in Thailand.

The owner of a bank account in Thailand has the duty to file a Foreign Exchange Transaction Form (FET Form) if the amount of remittance is greater than US$50,000 or its equivalent in another currency.

This FET Form is the primary evidence of inward remittance of funds into Thailand, and it should clearly and precisely specify the purpose of the funds transfer as well as the details of the funds owner.

In certain situations (eg, repayment of a loan or return of investment), the FET Form could be an important document for transferring funds back out of Thailand.

In case the inward remittance is less than US$50,000 (or its equivalent in other currency), a statement or letter recording the transfer should be requested from the commercial bank and kept for future reference when transferring funds abroad.

Resident and non-resident bank accounts differ mainly in respect of remitting funds out of Thailand. This is because a resident bank account is considered an account within Thailand, while a non-resident bank account is treated in a manner similar to an offshore account.

The transfer of funds into a non-resident bank account is more or less comparable to the transfer to a bank account in a foreign country.

Any person in Thailand who wishes to transfer money into a non-resident account has to provide the necessary documents (relevant contracts or invoices) and prove the legitimate obligation and source of funds; however, there are fewer restrictions and reporting requirements in remittance of funds from a non-resident account abroad.

On the other hand, there is no reporting requirement for a transfer of money into or out of a resident account if the transaction occurs within Thailand, but it will be controlled by the Bank of Thailand in the event of remittance from a resident bank account abroad.

For every single baht that needs to be remitted from a resident bank account to a foreign country, there must be appropriate supporting documents (relevant contracts or invoices) to prove the legitimate obligation, source of the money and purpose of the transfer, which an account owner is obliged to maintain.

In case a non-resident foreigner decides to open a bank account in Thailand to receive money from products sold into Thailand, a non-resident bank account will allow more flexibility when transferring such money abroad; however, any person in Thailand who deposits money into the non-resident bank account has to provide supporting documents to prove a legitimate obligation of payment for each deposit made.

Of course, this reporting requirement could cause inconvenience if deposits need to be made often. But in this regard a resident bank account would help facilitate local purchasers to transfer the selling price into the bank account, without requiring submission of any supporting documents to prove the legitimate obligation and the purpose of the transfer.

A non-resident foreigner, however, has to keep all records of money transferred in and out of such a resident bank account for the purpose of transferring money in the account abroad in the future. Otherwise, the money will need to be transferred out of Thailand via another arrangement.

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