

ASIAPAC BANKING GUIDE FOR NONPROFITS


*HOW TO OPEN AND MANAGE AN ORGANIZATIONAL
BANK ACCOUNT*



THAILAND



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1. OPENING AN ORGANIZATIONAL BANK ACCOUNT

a. What are the requirements to open an organizational bank account?

i. Do organizations have to be physically present in the country to open a bank account? I.e., can they operate in country X but have a bank account in country Y? Is the presence of a statutory representative required or can the presence be fulfilled through an authorization?

Generally, organizations do not have to be physically present in Thailand to open a bank account. However, the bank may make further inquiries regarding the organization's connection to Thailand and rationale for maintaining an account in Thailand.

The bank account must be opened by a statutory representative and this requirement cannot be fulfilled through an authorization.

ii. Are there specific requirements for CSOs to open accounts by law or asked in practice by the banks (e.g, years of operations, annual turnover, to have director or member of governing body to be national of the country)

There are no specific requirements for civil society organizations (“CSOs”). In general, the bank would require the following documents to open an account:

- minutes authorizing the opening of a bank account and designating the bank signatory;
- certificate of incorporation;

- articles of association;
- power of attorney of the bank signatory (required in case the bank signatory is not a statutory representative); and
- passport of the statutory representative.

However, please note that the scope of information/documentation which would be required by a particular bank may vary from case to case.

iii. Who is authorized/required to open a bank account? Can this be done online, or that person needs to be present in the country?

The bank account must be opened by a statutory representative of the CSO. The statutory representative must be physically present in the country.

The physical presence requirement cannot be fulfilled by signing the paperwork at an embassy or before a notary. Please note that certain banks may also require some of the documents to be verified by a notary public and attested by the Royal Thai Embassy or Consulate in the country where the organization is registered.

iv. What is the process of setting up a bank account? E.g., how long it takes, is there a practice to have an interview in the bank?

The process includes submitting the required documents for the bank's review and completing and signing the bank opening documents. An in-person interview with the CSO's statutory representative (or other authorized person depending on the CSO's organization structure) in the bank would be required for Know Your Customer ("KYC") purposes. If the documents are in good order, the bank account can be opened within the day of submission. Delays or failures to complete or provide documentation requested by the bank may slow down the process.

2. BANKING ACTIVITIES

a. What customer due diligence requirements are in place and what is their impact on civil society organizations' banking activities?

Banks are required to conduct customer due diligence if any of the following circumstances occurs:¹

- establishing business relationships with customers;
- carrying out occasional transactions:
 - being either in a single transaction in a value of THB 100,000 or more, or multiple consecutive transactions with a total value of THB 100,000 or more;
 - being bill payment services where each transaction values THB 500,000 or more; or
 - being electronic money services or wire transfers where each transaction values THB 50,000 or more;
- having a suspicion that it may involve a predicate offense, money laundering, or financing of terrorism and proliferation of weapons of mass destruction; or
- being doubts about the previously-obtained customer identification data.

The conduct of customer due diligence by banks includes:²

- identifying the customers and verifying the customers' identity;
- identifying the ultimate beneficial owner and taking appropriate measures to verify the identity of the ultimate beneficial owner;
- validating information of the customers and the ultimate beneficial owner against the list of designated persons specified by the Anti-Money Laundering Office (“AMLO”);
- obtaining information from the customers on the intended purpose of a transaction, to consider whether the transaction

1 Article 16 under the Ministerial Regulation on Customer Due Diligence B.E. 2563 (2020) (amlo.go.th)

2 Article 17 under the Ministerial Regulation on Customer Due Diligence B.E. 2563 (2020) (amlo.go.th)

aligns with the intended nature of the business relationship or the conduct of an occasional transaction; and

- monitoring customers during the business relationship to ensure consistency with the purpose of the intended business relationship, business profile, classified risk level, as well as source of funds and other obtained information.

Failing to do so, banks must refuse the establishment of a business relationship or the conduct of a transaction, or terminate the business relationship or the conduct of an occasional transaction with such customer and consider filing a suspicious report with the AMLO.³

b. Which internal principles or official (central bank) “suspicious transaction” monitoring criteria are in place affecting the civil society organizations? Is it publicly available?

There are no official internal principles on suspicious transaction monitoring criteria. The law rather provides the definition of “suspicious transaction” for banks to determine whether the characteristics of the transactions are suspicious or not. The definition contains the following elements:⁴

- a transaction with reasonable ground to believe that it is conducted to avoid the application of the *Anti-Money Laundering Act B.E. 2542 (1999)* (the “Act”) and to be examined by banks;
- a transaction connected, or possibly connected, with the commission of a predicate offense or terrorist financing offense (as stipulated under Section 3 of the Act), notwithstanding the transaction being single or multiple, and shall include an attempt to conduct such transaction.

It is publicly available as the definition of “suspicious transaction” is stipulated under Section 3 of the Act.

³ Article 23 under the Ministerial Regulation on Customer Due Diligence B.E. 2563 (2020) (amlo.go.th)

⁴ Section 3 under the Anti-Money Laundering Act B.E. 2542 (1999) (amlo.go.th)

c. Do the banks in the country of operations have any restrictions/limitations to bank transactions and transfers to certain jurisdictions (such as high-risk ones).

i. If yes, is the list of jurisdictions publicly available?

Yes, and there is a list of jurisdictions publicly available. The laws restrict or limit banking activities in the form categorized by both lists of designated persons and jurisdictions.⁵ Banks will, among other things, (i) freeze the assets of the designated persons, or persons acting on behalf of them, or suspend the undertakings owed or controlled by such persons, (ii) inform the AMLO of the frozen assets and banks' customers who are listed in the list of designated persons, (iii) limit the business relationship or conducting of transaction, (iv) review the establishment of a business relationship, and (v) perform enhanced due diligence.⁶

It is also worth noting that foreign banks may maintain a list of sanctioned countries per their respective international regulations, prohibiting them from conducting transactions with certain nationals.

⁵ Designated persons: <https://amlo.go.th/index.php/en/high-risk-countries-designated-list/2016-06-04-14-50-52/examining-the-name-of-designated-person>; and

Designated jurisdictions: Clause 1 under the Anti-Money Laundering Office Notification Concerning High-risk Areas or Jurisdictions Subject to Application of Enhanced Due Diligence and Countermeasure issued on 15 October 2020 and the Anti-Money Laundering Office Notification Concerning High-risk Area or Jurisdiction Subject to Application of Enhanced Due Diligence issued on 19 December 2023. (amlo.go.th)

⁶ Section 8 and Section 17 under the Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing Act B.E. 2559 (2016) ([CTPF Act 1 9197.pdf \(amlo.go.th\)](https://amlo.go.th/CTPF-Act-1-9197.pdf)), and

Clause 2 (1) and (2) under the Anti-Money Laundering Office Notification Concerning High-risk Areas or Jurisdictions Subject to Application of Enhanced Due Diligence and Countermeasure issued on 15 October 2020 and the Anti-Money Laundering Office Notification Concerning High-risk Area or Jurisdiction Subject to Application of Enhanced Due Diligence issued on 19 December 2023 (amlo.go.th)

ii. What would be the procedures the bank would follow in this case for their CSO clients?

As part of the customer due diligence process, banks must check whether their customers are listed under the (i) list of designated persons specified by the AMLO, or (ii) list of sanctioned countries per their international regulations (in case of foreign bank), before further proceeding with the transaction.

If the customers are considered high-risk but not listed in the AMLO list or sanctioned countries list, banks may still conduct transactions with them.

3. OBLIGATIONS AND REPORTING REQUIREMENTS

a. Are banks required to provide CSO clients' financial information to CSO regulatory authorities or public officials? If yes, under what circumstances must banks do so, and what types of information must they provide?

Generally, banks must report financial information of customers to the AMLO when there is:⁷

- a cash transaction of THB 2 million or more;
- a property-related transaction which may be appraised from THB 5 million or more; or
- a suspicious transaction.

If reporting is required, banks must report to the AMLO personal information of customers and persons engaging in the transaction as well as transaction information, such as name of customers and persons engaging in the transaction, value of transaction, and property relating to the transaction.

In addition, a Transaction Committee member, Secretary-General of the Transaction Committee, and competent official assigned in writing by the Secretary-General of the AMLO has the power to request evidence/documentation from banks for investigation, including financial information of customers.⁸

⁷ Section 13 under the Anti-Money Laundering Act B.E. 2542 (1999) (amlo.go.th)

⁸ Section 38 (1) under the Anti-Money Laundering Act B.E. 2542 (1999) (amlo.go.th)

b. What obligations do banks have to protect the privacy of clients' information?

Banks must protect the privacy of customers' information under the Personal Data Protection Act B.E. 2562 (2019), to securely protect customers' information to be used in accordance with the purpose of the customers' consent, unless banks are required to reveal such information by virtue of laws.⁹

c. Are there specific reporting obligations for banks to inform governments on civil society banking in certain circumstances?

There are no specific reporting obligations for banks to inform the government on CSO banking activities.

d. Are you aware of any change in regulation/practice due to the Russian sanctions?

No regulatory changes have been made in Thailand due to the ongoing Russian sanctions. However, with regard to practice, banks may make further inquiries when Russian nationals are involved and may require additional documents. Therefore, this may lengthen the procedure for opening a bank account.

It is also worth noting that foreign banks may maintain a list of sanctioned countries per their respective international regulations, prohibiting them from conducting transactions with certain nationals.

⁹ Section 21 under the Personal Data Protection Act B.E. 2562 (2019) ([Personal Data Protection Act, B.E. 2562 \(2019\) - PDPC](#))



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