

## SITUATION ON MONEY LAUNDERING IN THAILAND

*Pol. Maj. Gen. Peeraphan Prempooti \**



### I. THE ANTI-MONEY LAUNDERING ACT B.E. 2542 (1999)

The Anti-Money Laundering Act in Thailand originated as a result of the United Nations Convention against Illicit Drug Traffic in Narcotic Drugs and Psychotropic Substances, 1988, known as the Vienna Convention 1988.

This Convention was drafted as a consequence of the belief that effective law enforcement of drug trafficking would take place if they could prosecute financiers or cut off their funds. There were several meetings among more than 100 UN member countries and the Convention was resolved on 19 December 1988. At that time, there were 71 countries to ratify the Convention. As for Thailand, we did not ratify at that time because we have to have approval from the Cabinet before endorsing any agreements. However, we presented our will by signing the Final Act.

The Office of the Narcotics Control Board (ONCB) which is the Thai coordinating body on drug matters has realized the importance of being a party to the Convention. Therefore, the ONCB set up the Ad Hoc Committee comprising of representatives from concerned government agencies to consider the Convention.

On 16 May 1990, the Ad Hoc Committee passed a resolution that Thailand could be a party to the Convention when there are sufficient domestic laws to comply with the obligations addressed in the Convention. Two years later, there was a working group, chaired by a representative from the Office of the Attorney-General, established to consider whether Thailand had sufficient domestic legal and administrative measures to comply with the Convention. At that time, there was a resolution that Thailand was not ready to be a party of the Convention because there was no domestic law concerning money-laundering control. Consequently, the ONCB and concerned government agencies drafted the Anti-Money Laundering Act. The Bill was sent to the Cabinet and Parliament for consideration. On 19 March 1999, the Parliament, which consists of members from the House of Representatives and the House of Senators, considered approving the Bill. Then, Anti-Money Laundering Act B.E.2542 (1999) was published in the Government Gazette on 21 April 1999 and came into force in the Kingdom on 19 August 1999.

In Anti-Money Laundering Act B.E.2542 (1999), there are 66 sections covering definition terms; general provisions; reporting and identification; the Money Laundering Control Board; the Business Transaction Committee; the Anti-Money Laundering Office; the procedure concerning property; and penalties. The law can be categorized by Chapter as follows:

Chapter 1: General Provisions, comprising sections 5-12

Chapter 2: Reporting and Identification, comprising sections 13-23

Chapter 3: Money Laundering Control Board, comprising sections 24-31

---

\* Secretary-General, Anti-Money Laundering Office, Thailand.

Chapter 4: Business Transaction Committee, comprising sections 32-39

Chapter 5: Anti-Money Laundering Office (AMLO), comprising sections 40-47

Chapter 6: The Procedure Concerning Properties, comprising sections 48-59

Chapter 7: Penalties, comprising sections 60-66

*(The Anti-Money Laundering Act B.E.2542 (1999) is in Appendix A)*

### **A. Section 3**

Definition terms used in this Act are prescribed in section 3. Currently, there are eight predicate offences, including a new one - terrorism - that was enacted on 11 August 2003. The eight predicate offences are as below:

- (1) Narcotics;
- (2) Trafficking in or sex exploitation of children and women in order to gratify the sexual desire of another person;
- (3) Cheating and fraud to the public;
- (4) Misappropriation or cheating and fraud under other commercial banks and financial legislation;
- (5) Malfeasance in office or judicial office;
- (6) Extortion and blackmail committed by organized criminal association or unlawful secret society;
- (7) Customs evasion;
- (8) Terrorism

The financial institutions having the legal obligation to report financial transactions to the AMLO consist of commercial banks; finance companies; securities companies; credit financiers; insurance and assurance companies; savings cooperatives; etc (such as money changers, securitization companies and investment consultants. Section 3 also gives the definition of "Transaction" and "Suspicious Transaction". The meanings of these two words are described as the following:

"Transaction" means any activity relating to a juristic act, contract, or any operation with other persons dealing with finance, business or involving properties.

"Suspicious Transaction" means a transaction that is more complicated than the norm by which that transaction is usually conducted, a transaction that lacks economic rationale; a transaction where there is probable cause to believe that it was conducted for the purpose of avoiding the compliance of this Act; or a transaction related to or possibly related to a commission of any predicate offence, whether the commission of such transaction is conducted once or more than once.

### **B. Sections 5-9**

These sections address the criminal offence on money laundering. In recent decades, crimes have become more complicated and sophisticated. Local crimes have stepped up to the level of transnational organized crime with a lot of assets involved. The significant characteristics of a transnational organized crime are as below:

- (1) The division of labour: There are specialists, such as lawyers and accountants, involved in their illegal activities so that these persons use their expertise to technically conceal or distort money derived from illegitimate sources;
- (2) The commission of many crimes: transnational organized crime tends to violate many offences at the same time. There is a cooperation and coordination network to support their group activities as well;
- (3) Maximizing the profit: The objective or final goal of any transnational organized crime is to maximize the profit or benefit to their organization. Most of the money or benefit from these illegal activities will be transformed for the purpose of concealing the illegitimate source of these funds.

The funds will be laundered so it is clean and then will be used to support their illegal activities again and again as a revolving fund. Therefore, there are special measures prescribed in these sections in order

125TH INTERNATIONAL TRAINING COURSE  
VISITING EXPERTS' PAPERS

to achieve more effective law enforcement in tackling transnational crimes. For example, (1) Transferring or transforming or disguising of properties related to an offence shall be deemed as having committed the money laundering offence. (2) Whoever commits a money laundering offence, even if the crime was committed outside the Kingdom, shall receive the penalty within the Kingdom, if: (a) either the offender or co-offender is a Thai national or resides in the Kingdom; (b) the offender is an alien and has taken action to commit an offence in the Kingdom or is intended to have the consequence resulting there from in the Kingdom, or the Royal Thai Government is an injured party; or (c) the offender is an alien whose action is considered an offence in the State where the offence is committed under its jurisdiction, and if that individual appears in the Kingdom and is not extradited under the Extradition Act, Section 10 of the Penal Code shall apply *mutatis mutandis*.

### **C. Sections 13-23**

These sections address the reporting of transactions and knowing your customer. Presently, there are three types of transactions that financial institutions and persons that have legal transaction reporting obligations have to report to the AMLO.

- (1) Any cash transaction worth Bt 2 million or more.
- (2) Any property transaction, including S.W.I.F.T. and Bahtnet transfers, worth Bt5 million or more (Bahtnet transfers are a kind of domestic money transfer between financial institutions).
- (3) Any suspicious transaction, there is no threshold. (For example, any cash transactions worth almost 2 million baht, it may be 1.8 million baht or 1.9 million baht. It seems that these transactions have been made under two million baht in order to avoid reporting to the AMLO-that have been made more than one time a day in the same bank account number, or in a different bank account number but have the same bank account holder. In addition, these transactions have taken place over a short period of time.)

However, there is the exemption for the reporting of transactions if another party is in these six categories:

- (1) Members of the Royal family.
- (2) The public sector comprising the government, central government agencies, provincial and local government administrations; state enterprises and public organizations.
- (3) The Foundations belonging to members of the Royal family comprising (a) the Chaipattana Foundation, (b) H. M. the Queen's Foundation for the Promotion of Supplementary Occupations and Related Techniques, and (c) Sai Jai Thai Foundation.
- (4) Transactions connected with property under the movable category being made with financial institutions except for: (a) domestic money transfer transactions using the Bahtnet service under the Bank of Thailand rules governing the Bahtnet service or inter-bank cross-country money transfers using the service of the Society for Worldwide Interbank Financial Telecommunication, Limited Liability Co-operative Society (S.W.I.F.T. s.c.); (b) Transactions connected with ships having tonnage from six tons or more, steam ships or motor boats having tonnage from five tons or more, including rafts; (c) The transactions connected with vehicles, instruments or any other mechanical equipment.
- (5) The execution of loss insurance contracts except for compensation under loss insurance contracts expecting to make payments of ten million baht or more.
- (6) The registration of rights and juristic acts under the category of transfer to be public benefit land or the obtainment by possession or by prescription under Section 1382 or Section 1401 of the Civil and Commercial Code.

As for reporting forms (See Appendix C), there are seven transaction reporting forms as described as below:

- (1) AMLO 1-01: The form for any cash transaction reported by financial institutions.
- (2) AMLO 1-02: The form for any property transaction reported by financial institutions.
- (3) AMLO 1-03: The form for any suspicious transaction reported by financial institutions.
- (4) AMLO 1-04-1: The form for any cash transaction reported by insurance or assurance companies.
- (5) AMLO 1-04-2: The form for any property transaction reported by insurance or assurance companies.
- (6) AMLO 1-04-3: The form for any suspicious transaction reported by insurance or assurance companies.
- (7) AMLO 1-05: The form for any suspicious transaction reported by investment consultants.

As for time periods for submitting the report to the AMLO, any cash or property transactions occurring during the first 15 days and the latter of a month must be reported to AMLO during periods of 16<sup>th</sup> day-22<sup>nd</sup> day of that month and of 1<sup>st</sup> day-7<sup>th</sup> day of the next month, respectively. Meanwhile, any suspicious transaction must be reported within seven days from the date having the reasonable suspicion.

Additionally, whoever handles any transaction with a financial institution has to present the citizen identification card or other identification cards issued by any government agencies, according to a measure on know your customer (KYC). All the above records must to be maintained for a period of five years from the date that the account was closed or the termination of relations with the customer, or from the date that such transaction occurred, whichever is longer, unless the competent official notifies that financial institution in writing to do otherwise.

#### **D. Sections 24**

This section addresses the composition of the Anti-Money Laundering Board who acts as the policy maker on money laundering issues. The Board comprises members not more than 27 persons as below:

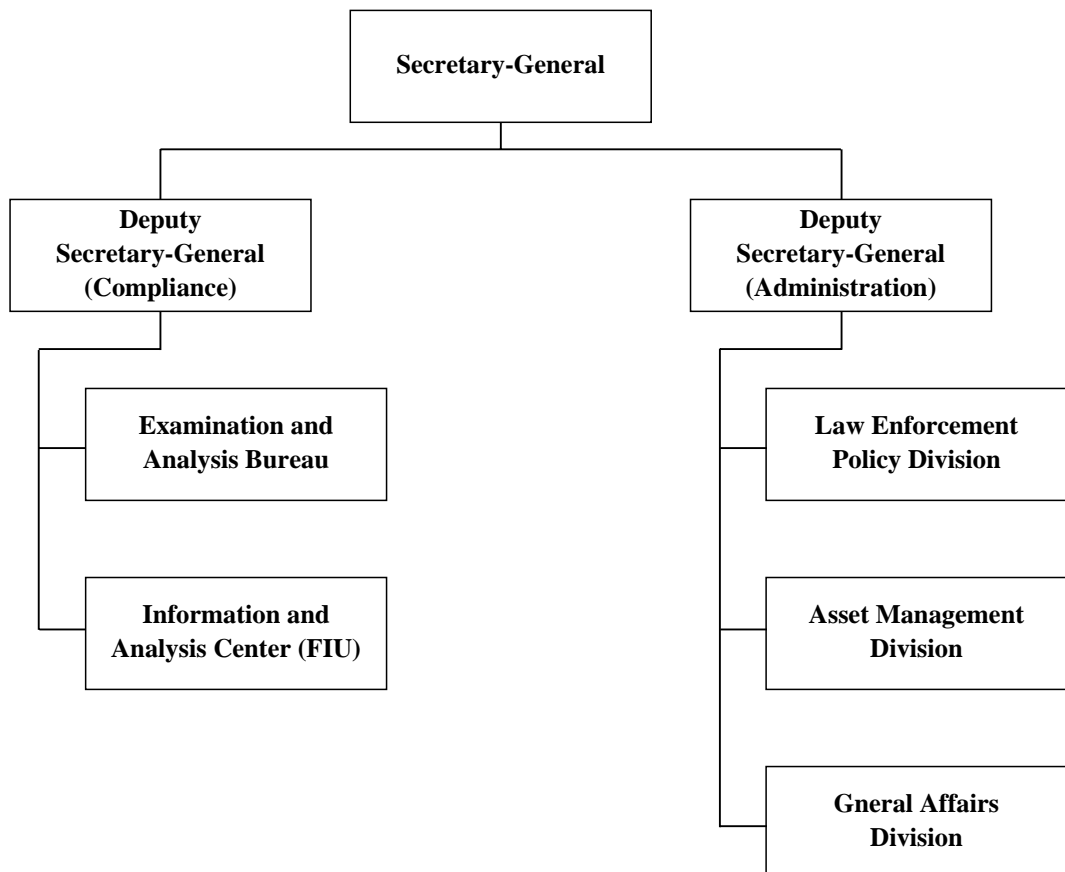
- (1) The Prime Minister; (Chairman)
- (2) Minister of Finance; (Vice-Chairman)
- (3) The Permanent Secretary of the Ministry of Justice;
- (4) The Attorney-General;
- (5) The Commissioner-General of the Royal Thai Police;
- (6) The Secretary-General of Office of the Narcotics Control Board;
- (7) The Director-General of the Fiscal Policy Office;
- (8) The Director-General of the Department of Insurance;
- (9) The Director-General of the Department of Lands;
- (10) The Director-General of the Customs Department;
- (11) The Director-General of the Revenue Department;
- (12) The Director-General of Department of the Treaties and Legal Affairs;
- (13) The Governor of the Bank of Thailand;
- (14) The President of the Thai Banking Association;
- (15) The Secretary-General of the Securities Exchange Commission;
- (16)-(24) Nine qualified experts appointed by the Cabinet from those who have expertise in economics, monetary affairs, finance, law or any other related fields beneficial to the execution of this Act with the consent of the House of Representative and the Senate respectively as a member of the Board;
- (25) The Secretary-general of AMLO as the Secretary of the Board
- (26)-(27) Two AMLO officials as the Assistant Secretaries of the Board.

**E. Section 40**

At the beginning of the office's establishment, the AMLO was supervised by the Office of the Prime Minister. Nonetheless, after the government restructuring on 2 October 2002, AMLO becomes an independent agency, under the supervision of the Minister of Justice. Functions and responsibilities of the AMLO are as follows:

- (1) Acting in accordance with the resolutions of the Board and the Transaction Committee, and to carry out other administrative functions.
- (2) Receiving transaction reports delivered in accordance with the requirements in chapter two, and to issue an acknowledgement of such report.
- (3) Collecting, tracing, monitoring, studying, and analyzing reports or any other information related to financial transactions.
- (4) Collecting evidence in order to prosecute any violator under the provisions of this Act.
- (5) Launching an education programme in order to disseminate information, educate and provide training pertaining to the undertaking of this Act, or assist or support both public and private sectors to launch such programmes.
- (6) Carrying out other functions in accordance with the provisions of this Act or other laws.

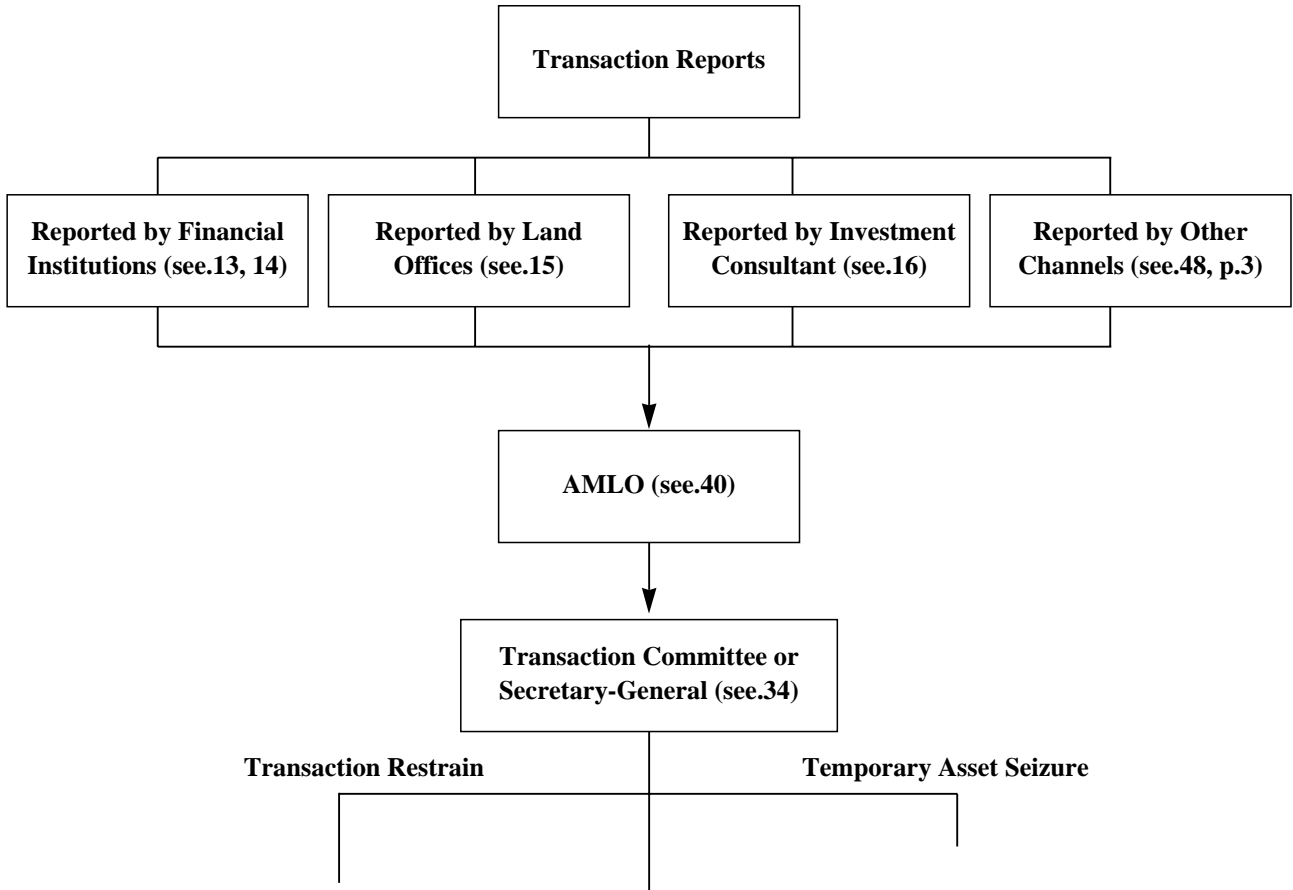
There are a Bureau and four Divisions in AMLO. The organization chart can be illustrated as below:



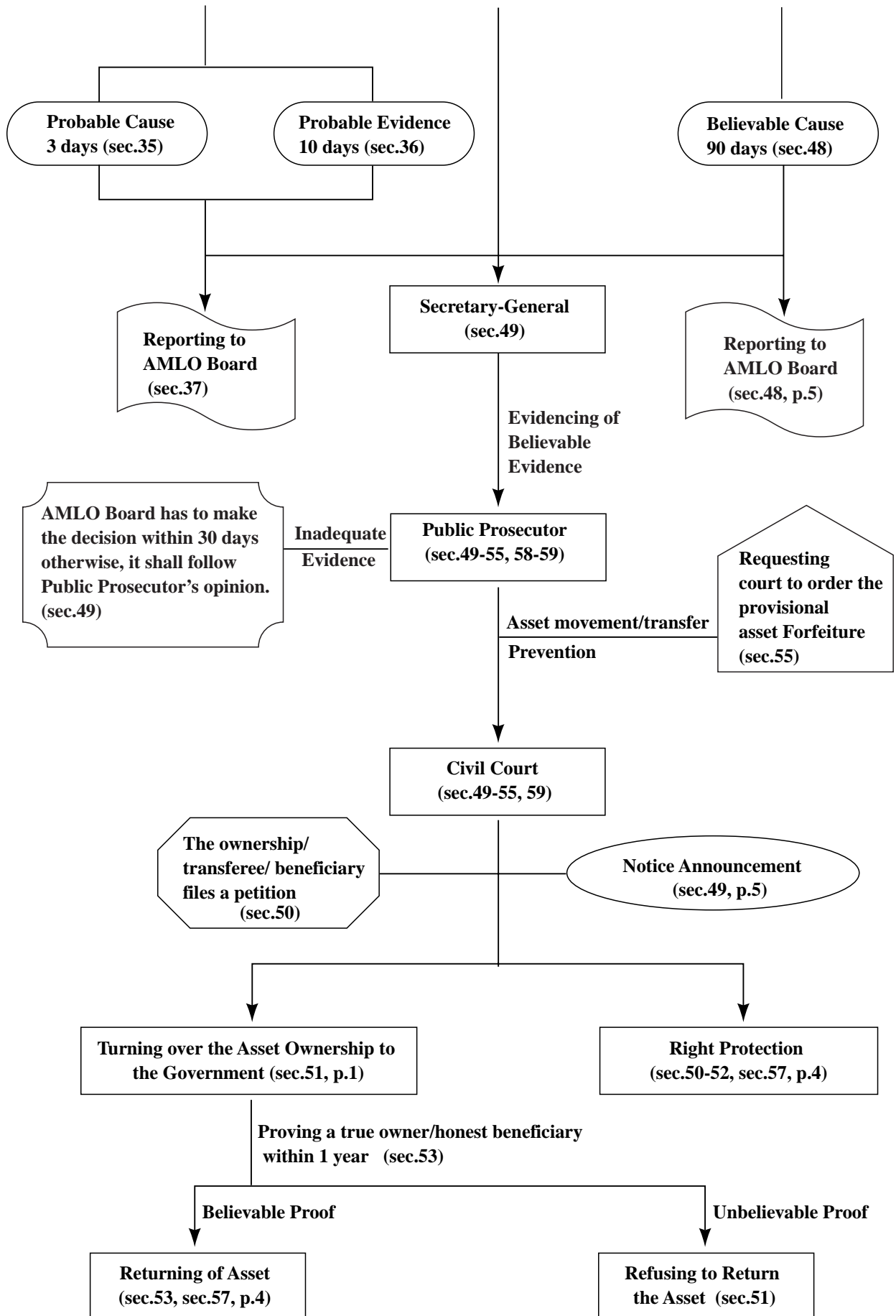
The head of the AMLO is the Secretary-General. There are two Deputy Secretary-Generals to assist the Secretary-General in supervising and administrating AMLO tasks. The Examination and Analysis Bureau is responsible for investigation and civil legal proceedings. The Information and Analysis Centre acts as the AMLO’s FIU. It is responsible for transaction reports collection and analysis. The Law Enforcement Policy Division is responsible for anti-money laundering policy, training, public relations and foreign affairs. The Asset Management Division is responsible for storing, maintaining and disposal of seized asset. The last one is the General Affairs Division; it is responsible for personnel and budget managements.

**F. Sections 48-59**

These sections address the process of report examination and procedures concerning assets. The flow chart starting from obtaining transaction reports through money laundering prosecution is shown as below:



125TH INTERNATIONAL TRAINING COURSE  
VISITING EXPERTS' PAPERS



After the AMLO have received the transaction reports, from financial institutions, land offices, investment consultants, other government agencies or even complaint letters, the AMLO will examine and analyze received transaction reports. The investigation will then be performed as well.

If there are grounds to believe that such transaction is related to predicate offences or a money laundering offence, an officer in charge will propose it to the Transaction Committee or the AMLO Secretary-General (in case of emergency) for consideration. In case the Transaction Committee considers that such transaction may be engaged with predicate offences or money laundering, the Transaction Committee has the power to restrain all transactions of involved suspected persons for three working days in case of having probable cause or for ten working days in case of having probable evidence. Furthermore, if there is a believable reason that the asset related to an offence may be transferred, distributed, moved or be transformed, the Transaction Committee has the power to seize such asset for not exceeding 90 days. All transaction restrains and temporary asset seizures shall be reported to the AMLO Board.

If the asset seized by the Transaction Committee Order or the Secretary-General Order is unsuitable to keep in custody or will be more burdensome to the Government rather than the utilization thereof for other purposes, the Secretary-General may:

- Order those who have a vested right in the asset to maintain and utilize the asset with bail or security;
- Issue an order for a sale by auction and then keep the cash in a bank account;
- Issue an order to utilize such asset for official purposes.

This is in order to prevent the devaluation of the asset occurring as a result of depreciation and of inappropriate asset maintenance. In the meantime, if at last the court issues an order to return the asset to the owner or holder or the vested interest recipient of the asset because the court believes that such person has owned the asset honestly and/or with compensation, this process would reduce damage occurring to such good faith person as well.

In case there is evidence to believe that such asset is related to an offence, the Secretary-General will forward the case to the public prosecutor to consider filing a petition to the court for the Government to take ownership of the asset. If the public prosecutor considers there is insufficient evidence to file a petition to the court, the case will be sent back to the Secretary-General for re-consideration and then to re-submit to the public prosecutor again. In case the public prosecutor still considers there is not enough evidence, the public prosecutor will urgently inform the AMLO Board via the Secretary-General for making a decision. The AMLO Board has to finish the consideration within 30 days from the date of receipt. Otherwise, the case will follow the public prosecutor's opinion.

During processing the case to the court, if there is probable cause to believe that there may be a transfer, distribution or movement of any asset related to an offence, the Secretary-General could pass the subject to the public prosecutor to file the petition to the court for the provisional asset forfeiture.

After receiving the petition to turn over the ownership of the asset to the Government from the public prosecutor, the court will make an order to post a notice at the court and to publish the notice in a local well-known newspaper for two consecutive days so that individuals who may claim ownership or have a vested interest in the asset can file an objection to the petition to the court prior to the issuance of the court order. In case the court believes that the asset named in the petition is related to an offence and the petition of the claimant has no merit, the court will give the confiscation order to turn the ownership of the asset over to the Government. However, if the court believes that the petition of the claimant has merit, the court may issue an order to protect the rights of the recipient claimant with or without conditions.



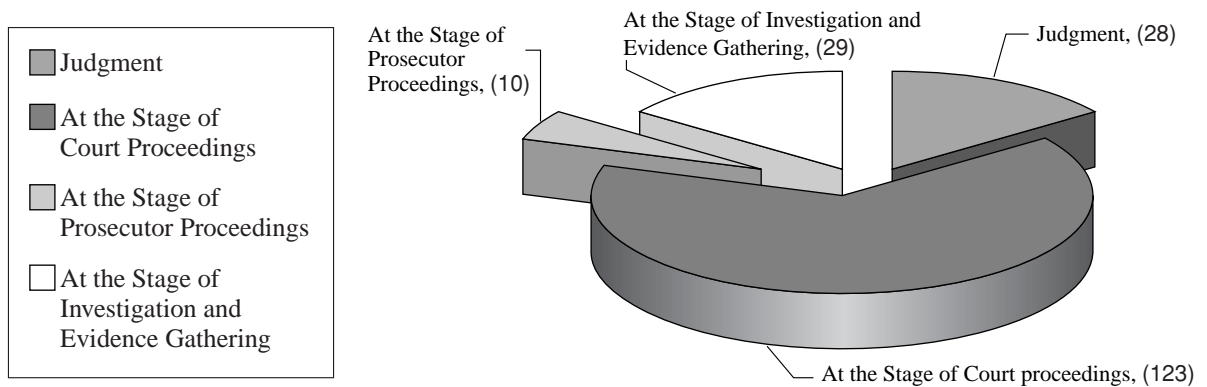
125TH INTERNATIONAL TRAINING COURSE  
VISITING EXPERTS' PAPERS

The petition for asset return must be sent to the court within 1 year from the date of the final court confiscation order. Unless the claimant has to prove that he did not file the petition within one year because he did not know of the notification or written notice of the Secretary-General. In case an owner or holder or a vested interest recipient of the asset can establish the validity of the claim to the satisfaction of the court, the court may order the return of the asset or may set any condition for claimant rights' protection.

Although the Anti-Money Laundering Act B.E.2542 (1999) has been in effect since 19 August 1999, operations of the AMLO did not start until a year later on 27 October 2000. This was because the necessary Ministerial Regulations needed to be completed.

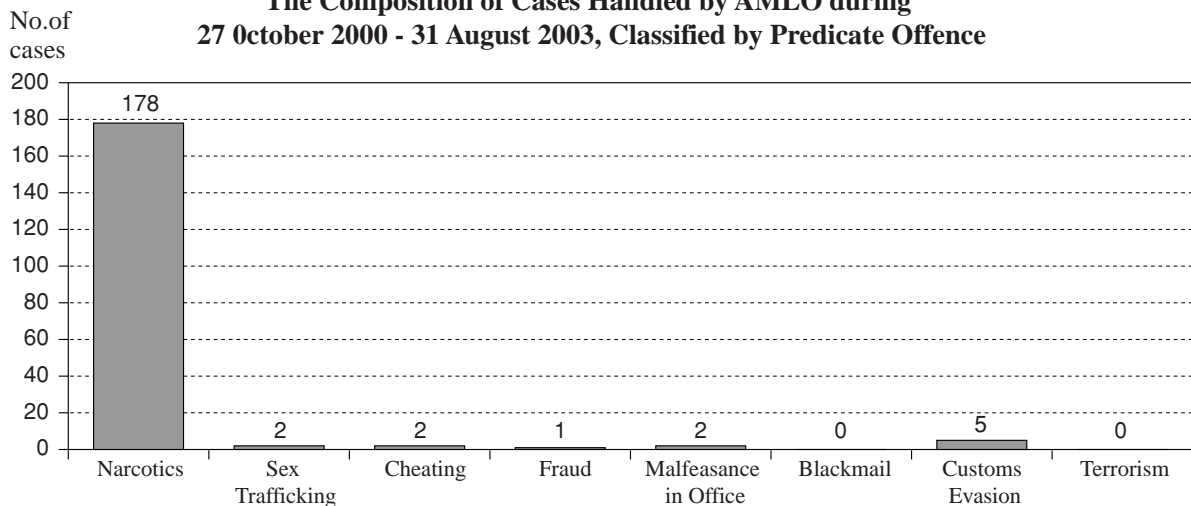
During 27 October 2000 - 31 August 2003, the AMLO handled 190 cases. There are ten cases that the court has already passed judgment. Meanwhile, most of them are in the stage of investigation and evidence gathering. Details are in the following Figure.

**The Progression of Cases Proceeded under Anti-Money Laundering Act B.E.2542 (1999) during 27 October 2000 - 31 August 2003, Classified by Stage of Proceedings**



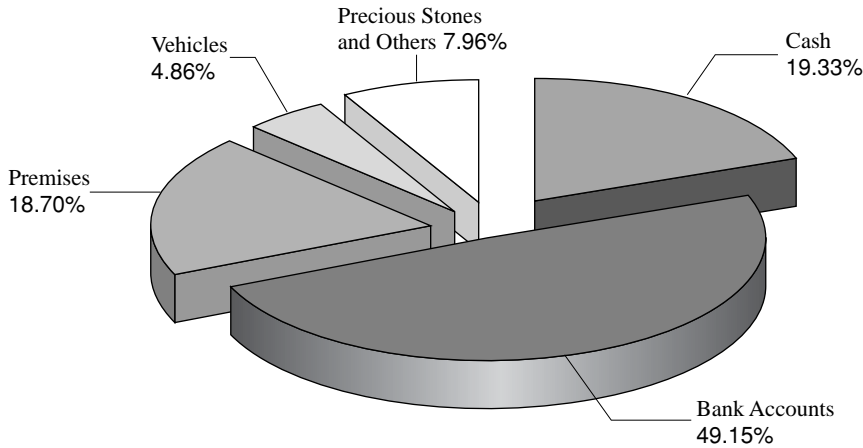
The Majority of the 190 cases are drug offences which covers 178 cases, accounting for 93.68% of total cases. The second are customs evasion offences which covers five cases, accounting for 2.63% of total cases. Meanwhile, there have been no cases concerning blackmail and terrorism as yet. Details are illustrated the following Figure.

**The Composition of Cases Handled by AMLO during 27 October 2000 - 31 August 2003, Classified by Predicate Offence**



During the period of 27 October 2000 to 31 August 2003, the AMLO seized assets pertaining to predicate offences and money laundering totalling approximately Bt 2,000 million. According to the following Figure, most of them are in form of the attached bank accounts item that took a 49.15% stake, followed by the cash item that took a 19.33% stake.

**The Proportion of Seized Assets during  
27 October 2000 - 31 August 2003, Classified by Type of Asset**



**G. Sections 60-66**

These sections address penalties in cases of violating or non-complying with the Act. Significant points can be concluded as below:

- (1) An individual, who is found guilty of money laundering activities, will receive a jail term of one to ten years and/or fined from Bt 20,000 to Bt 200,000. Meanwhile, a juristic person will be fined from Bt 200,000 to Bt 1 million;
- (2) If a person having a legal transaction reporting obligation fails to report, such person will receive a jail term not exceeding two years and/or fined from Bt50,000 to Bt500,000;
- (3) Whoever discloses any official secret concerning the proceedings according to the Act without authorized legal power will receive a jail term not exceeding five years and/or fined not more than Bt100,000.

Penalties will be doubled for a public official, member of the House of Representatives, member of the House of Senators, member of a Local Administration Council, Local Administrator, Government Official, Employee of a local administration organization, or employee of an organization or a public agency, member of a board, manager, or executive official, or employee of a state enterprise, or member of a board, manager, or any individual who is responsible in the management of a financial institution, or member of any organizations under the Constitution.

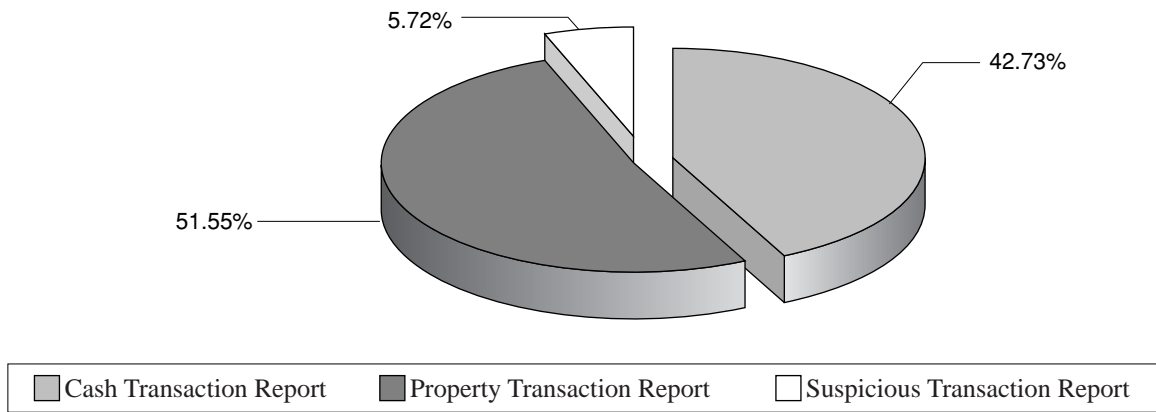
Penalties will be tripled for any member of the AMLO Board, or member of a Sub-Committee Board, or member of the Transaction Committee, or Secretary-General, or Deputy Secretary-General, or competent official, or public official empowered to act in accordance with this Act, who commits any malfeasance in office, or malfeasance in judicial office.

**II. FINANCIAL INTELLIGENCE UNIT (FIU)**

For Thailand, the Financial Intelligence Unit or FIU is a part of the AMLO. It can be said that the Information and Analysis Centre acts as the Thai FIU. Its main responsibilities can be described as the following:

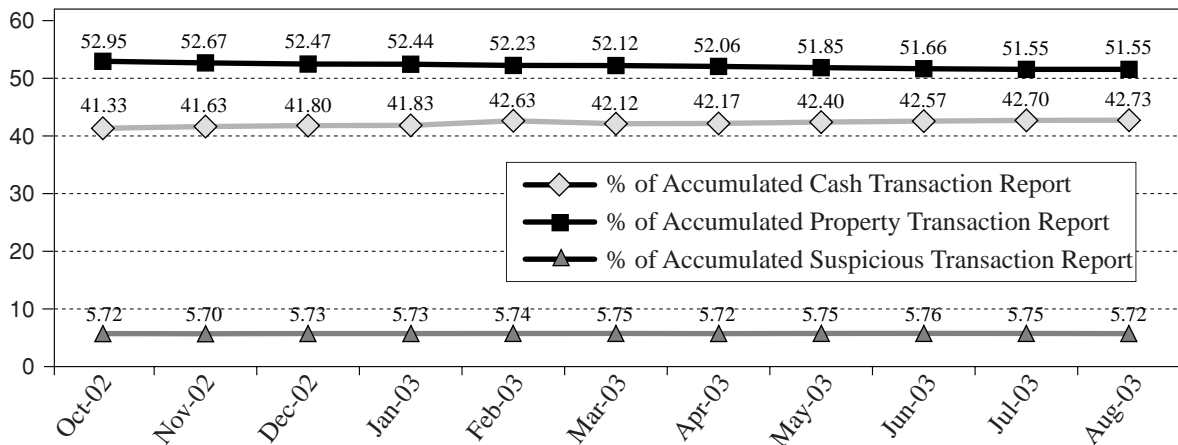
- (1) To receive and to keep electronic transaction reports derived from financial institutions and other sources;
- (2) To preliminary examine and to analyze transaction reports, particularly suspicious transaction reports, and information concerned;
- (3) To act as the central authority of Thailand in exchanging of financial information, including signing the Memorandum of Understanding (MOU) on financial information exchange, with other foreign FIUs;
- (4) To set up and to maintain an AMLO database, computer and communication systems.

**The Averaged Proportions of Received Transaction Reports Derived from 27 October 2000 - 1 August 2003, Classified by Type of Report**



According to the above Figure, at present, almost all transaction reports have been sent to the AMLO in the form of an electronic file. All the reports derived from 27 October 2000 - 31 August 2003 accumulated to 1,438,521 reports with a value of about Bt371 trillion. At the end of 31 August 2003, all these reports roughly comprised 51.55 percent of property reported; followed by a 42.73 percent cash reports and a 5.72 percent of suspicious transaction reports. These proportions are pretty constant from time to time as shown in the following figure.

**The Proportions of Transaction Reports during October 2002 - August 2003, Classified by Type of Report**



Presently, the Information and Analysis Centre or FIU has 15 manpower persons. These persons are divided into two groups: The first one is responsible for financial transaction analysis and information exchange. The other is responsible for the establishment and maintenance of the database and computer systems.

As for international cooperation, the AMLO is a member of the APG and the Egmont Groups. We have constantly supported the groups' activities and have cooperated and coordinated with member countries with our full efforts. We also realize that information exchange is one of the significant factors leading to law enforcement success. Hence, the AMLO, in association with the Ministry of Foreign Affairs, had drafted "the Memorandum of Understanding Concerning Cooperation in the Exchange of Financial Intelligence Related to Money Laundering" based on the Egmont Group Model. This MOU Draft was proposed to the Cabinet for consideration. On 12 February 2002, the Cabinet approved the MOU Draft and also authorized the AMLO Secretary-General to sign the MOU with other foreign FIUs on behalf of the AMLO. At the present time the AMLO has signed the mentioned MOU with six countries as below:

- |                   |                                 |
|-------------------|---------------------------------|
| 1. Belgium        | MOU effective 24 April 2002.    |
| 2. Brazil         | MOU effective 29 January 2003.  |
| 3. Lebanon        | MOU effective 25 February 2003. |
| 4. Indonesia      | MOU effective 24 March 2003.    |
| 5. Romania        | MOU effective 24 March 2003.    |
| 6. United Kingdom | MOU effective 11 June 2003.     |

Additionally, there are many countries in the process of MOU negotiations such as Australia, Malaysia, Russia and Korea.

As for non-MOU countries, we consider exchanging information with them on a case-by-case (based on reciprocity) basis.

### **III. THE WAR AGAINST DRUGS IN THAILAND**

Since the drug situation in Thailand has been deteriorating, there has been a drug epidemic in many areas at both the village and community levels. The increasing of drug problems in the country tends to give more negative impacts to the economy, society and political affairs. This is partly as a result of criminal adaptation operating as a network making law enforcement officers have more difficulty in detecting criminal activities.

The Government, therefore, issued many measures focusing on drug prevention and also put the drug policy in the main policy on state stability. On 14 January 2003, the Prime Minister announced a War against Drugs in Thailand. Consequently, government agencies concerning drug prevention and suppression have been assigned to determine proactive measures on drug prevention and suppression, emphasizing asset forfeiture according to the Anti - Money Laundering Act B.E.2542 (1999). This operation was first set for the period of 1 February - 30 April 2003 and then was extended to 10 August 2003.

In compliance with the said Government announcement, the AMLO as the central authority on money laundering matters has converted the policy on the war against drugs into the operation plan in order to

125TH INTERNATIONAL TRAINING COURSE  
VISITING EXPERTS' PAPERS

support operations and tasks of both itself and other agencies concerned with drug elimination. The objectives of the AMLO operation plan can be described as the following:

1. To prevent narcotic law violators, particularly, drug trafficking groups and to stop their illegal activities;
2. To contribute to other government agencies' operations by joining operations, and by exchanging information leading to the seizure of assets and the arrest of offenders;
3. To convince people collaborate on drug prevention and suppression via public relations. For example, educating people on money laundering law; allowing people to give information to the Government via a post box, telephone, letter or e-mail.

There are two expected outcomes of the AMLO operation plan as below:

1. People will collaborate with the Government in drug prevention and suppression;
2. The Government can seize more assets pertaining to drug activities. This action would put pressure on handling drug activities and would also crack drug networks.

There are three stages for implementing measures according to the AMLO operation plan comprising short-term; medium-term and long-term sub-plans. Details are as follows:

**A. Short-term Sub-plan**

1. To conduct public relations in order to let people know the policy on drug prevention and suppression. The AMLO will facilitate people in giving information via the said channels and keep the names of informants in confidence. This measure took place from 15 January to 15 April 2003;
2. To follow financial movements along the Thai borders and urge the implementation of the measure on reporting of taking-in and out of the country of foreign currency exceeding US\$10,000 or equivalent;
3. To urge the start of the enactment of the Office of the Prime Minister's Regulation on Award Payment concerning Asset Proceedings in Accordance with the Anti-Money Laundering Act B.E.2542 (1999);
4. To urge the addition of terrorism into the Anti-Money Laundering Act B.E.2542 (1999) as the eighth predicate offence and criminalizing terrorist activities in the Penal Code;
5. To arrange 24-hour-standby officers for joint operations with other government agencies such as the Bank of Thailand, the Royal Thai Police, Office of the Narcotics Control Board and Defence Ministry. This measure took place from 20 January to 30 April 2003;
6. To urge the disposal of seized assets, particularly perishable assets, high maintenance cost assets and assets that become rapidly worthless.

**B. Medium-term Sub-plan**

1. To provide instant training courses on money laundering control to government officials and financial institutions officers;
2. To urge the signing of the MOU concerning information exchange with other FIUs;
3. To request more manpower for AMLO task expansion;
4. To study and propose the issuance of Orders or the amendment of laws/regulations concerning money laundering so that operations would be more rapid and flexible.

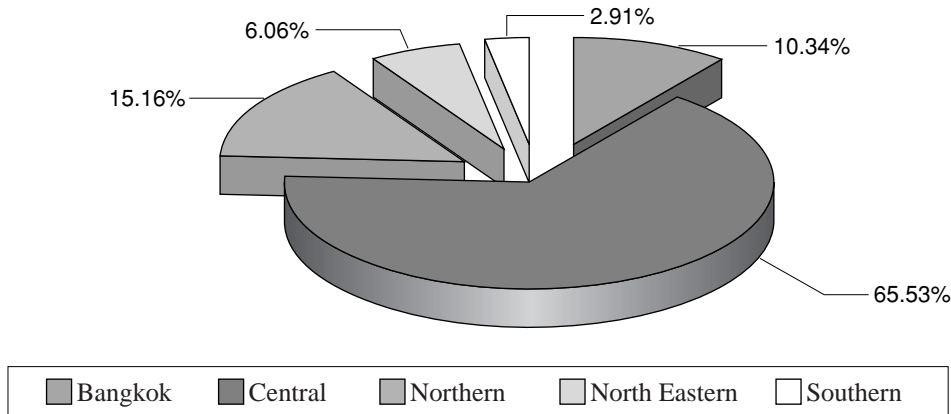
**C. Long-term Sub-plan**

1. To consider proposing additional predicate offences on money laundering;
2. To consider establishing AMLO Regional Offices and the construction of a warehouse for keeping seized assets.

By the end of the drug war policy period, Thailand was successful in dealing with drug barons and financiers. The Government seized billions bath of assets and put pressure on some drug dealers to give up the drug cycle.

As for AMLO performance, we searched 100 suspected places and investigated 721 cases during the period of 1 February - 10 August 2003. Consequently, we seized assets worth almost Bt530 million and some more after that. Two hundred and seventy cases were investigated in the Central Region, followed by 191 cases in Bangkok, 107 cases in the Southern Region, 103 cases in the Northern Region and of 47 cases in the North Eastern Region. As for asset seizures derived from this operation, about Bt347 million came from the Central Region cases, accounting for 65.53% of total seized assets of about Bt529 million. It was followed by a Bt80.25 million in seized assets from the Northern Region cases, accounting for 15.16% of total seized assets. (As shown in the following table and Figure.)

**The Proportions of Asset Seizure Derived from the War against Drugs Implementation, in Part of AMLO, Classified by Region**



**IV. THAILAND’S IMPLEMENTATION OF CFT- SIGNING, RATIFICATION, AND IMPLEMENTATION OF ANTI-TERRORISTS INSTRUMENTS**

Thailand has intensified efforts to implement the United Nations’ resolutions related to counter-terrorism. Thailand has been a party to three Conventions and one Protocol: The Convention on Offences and Certain Other Acts Committed on Board Aircraft (1963), The Convention for the Suppression of Unlawful Seizure of Aircraft (1970), and The Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, (1971), and The Protocol for the Suppression of Unlawful Acts of Violence at Airports serving the International Civil Aviation Organization (ICAO) 1988.

The Minister of Foreign Affairs of Thailand signed the International Convention for the Suppression of the Financing of Terrorism on 18 December 2001. Thailand expects to become a party to this Convention by the end of 2002. The Thai Cabinet also resolved on 11 December 2001 to endorse, for Thailand, to be a party to all the remaining conventions relating to counter-terrorism, pending the necessary amendments to the domestic laws.

On 25 February 2002, the Cabinet resolved to set up the National Committee on Consideration of Becoming a Party to International Conventions related to Counter-Terrorism to consider the remaining eight related international conventions in order to speed up the process of becoming a party to these

125TH INTERNATIONAL TRAINING COURSE  
VISITING EXPERTS' PAPERS

conventions. These conventions include the following:

- 1) Convention on the Marking of Plastic Explosives for the Purpose of Detection 1991
- 2) Convention for the Suppression of Unlawful Acts against the Safety of Maritime Navigation 1988
- 3) Protocol for the Suppression of Unlawful Acts against the Safety of Fixed Platforms located on the Continental Shelf 1988
- 4) International Convention against the Taking of Hostages 1979
- 5) Convention on the Physical Protection of Nuclear Material 1980
- 6) Convention on the Prevention and Punishment of Crimes against Internationally Protected Persons, including Diplomatic Agents 1973
- 7) International Convention for the Suppression of Terrorist Bombings 1998
- 8) International Convention for the Suppression of Financing of Terrorism 1999

*Suppression of Terrorist Financing*

Pursuant to the UN Security Council Resolutions 1267 (1999), 1269 (1999), 1333 (2001), and 1373 (2001) to counter-terrorism, Thailand issued circular letters to all related agencies to suppress the financing of terrorism and comply strictly with the UN resolutions and assigned the Council of State to consider relevant domestic laws.

**A. Prevention of Terrorist Financing**

In 1999, Thailand established the Anti-Money Laundering Office (AMLO) to take effective countermeasures against money laundering and other illegitimate financing. On 5 August 2003, the Thai Cabinet approved the two draft amendments becoming effective 11 August 2003 onwards of the Penal Code and the Anti-Money Laundering Act to prescribe financing of terrorism as a serious offence under the Thai criminal law and to empower the AMLO to freeze terrorist funds as mandated by the UNSC Resolution 1373.

On 27 October 2000, all financial institutions are required to report any transfer of funds in cash equal to or greater than 2 million Baht, or transfer of assets equal to or greater than 5 million Baht, and any suspicious financial transactions by their clients to the AMLO under the revised law. Also, the Exchange Control Act B.E. 2485 requires all persons or entities to report any remittance in the amount equal to or over US\$ 10,000 to the Bank of Thailand and will soon have to report to the AMLO which maintains these financial records in its electronic database.

*Suppression of Terrorist Financing*

The Anti-Money Laundering Office (AMLO) is now acting as the Thai national financial intelligence unit (FIU) and has become a member of the EGMONT Group of Financial Intelligence Unit since 2001. The AMLO is ready to sign an MOU with all 69 members of the EGMONT Group to help facilitate the exchange of information on terrorist financing and tracking of blacklisted groups.

**B. Financial Action Task Force on Money Laundering (FATF) Special Recommendations and Action Plan on the Suppression of Terrorist Financing**

Thailand currently completed the self-assessment against the FATF's eight special recommendations on the suppression of terrorist financing.

**C. Strengthening Aviation Security**

According to the National Security Programme, Thailand is in the progress of revising its security programme, measures, and procedures to provide tighter civil aviation security systems in airports and the screening of passengers' luggage by the end of the year 2002. Thailand has been active in conducting training for emergency responses during aircraft hijacking situations among national authorities.

#### **D. Strengthening Maritime Security**

Thailand is implementing recommendations by the International Maritime Organization (IMO) to strengthen maritime security, including the installation of Automatic Identification System (AIS) on newly built ships. Thailand welcomes technical and financial assistance from international sources to help build the capacity of government agencies in improving maritime security. Thailand also continues to promote the strengthening of domestic coordination and international cooperation to suppress piracy and armed robbery.

#### **E. National Counter-Terrorism Measures**

The Royal Thai Government set up the Committee of Counter-International Terrorism (COCIT) chaired by the Prime Minister, to be a focal point for policy formulation. The Counter International Terrorist Operations Centre (CITOC), directed by COCIT, is responsible for the coordination between the policy level and the operational units. Both agencies are mandated by the Policy on Counter International Terrorism 1993, a broad framework proposed by the National Security Council and endorsed by the Thai Cabinet of 1983.

In October 2000, the Directive Committee on the Prevention and Solution of Transnational Crime was also created as part of the Office of the National Security Council by the Prime Minister to provide guidelines for coordination among agencies on transnational crime to suppress the movement of terrorist groups.

#### **F. Progress on Energy Security**

Thailand has undertaken a study on a National Oil Stockpiling Strategy to determine the feasibility and viability of establishing an official oil stockpile. Thailand has given cooperation in improving the ASEAN Petroleum Security Agreement (APSA) aiming to achieve an efficient regional energy security mechanism. Also, Thailand is willing to participate in real time information sharing measures and actively exchange energy dialogue at both the intra-regional and inter-regional levels with a view to strengthening energy security in the region as a whole.

#### **G. Security of Information and Communication Infrastructures**

The National Intelligence Agency of Thailand is entrusted with the coordinating intelligence on counter-terrorism and maintains close communications with foreign governments to suppress terrorism. Since 11th September 2001, the Agency has stepped up its effort to closely monitor international developments related to counter-terrorism and checking background information of suspicious groups travelling in and out of the country.

In April 2001, National Electronics and Computer Technology Center (NECTEC) established ThaiCERT as an electronic discussion forum among experts, governmental agencies, and the private sector on cyber security. ThaiCert, a five-year plan, provides online services of the computer emergency response team with up-to-date bulletin/announcements on outbreaks of viruses, new security threats, a cybersecurity laboratory, and training courses. ThaiCERT is now a well recognized body in Thailand.

On 20 July 2001, the National Information Technology Committee (NITC) chaired by the Prime Minister, announced 3 sets of policy aimed at enhancing information security. These policies involve: 1) The Communication Authority of Thailand to establish a formal agreement with its licensee ISPs to (a) synchronize their system clocks, (b) maintain customer access log (with caller ID data) for at least 3 months, (c) cooperate fully with the police in case of incidents, and (d) add a clause in their service contract identifying customers' responsibility regarding inappropriate use; 2) The Telephone Organization of Thailand to maintain caller ID records for Internet investigation purposes; 3) The Royal Thai Police to set up an Internet 'hotline' for incident report and to investigate whether it is necessary and



125TH INTERNATIONAL TRAINING COURSE  
VISITING EXPERTS' PAPERS

appropriate to regulate Internet cafes.

The Thai government plans to establish the National Information Security Centre to take action in cyber security violations and to serve as the point of contact for other agencies.

#### **H. Protecting Cross-Border Security and Enhancing Business Mobility**

The Thai authorities responsible for protecting national security have created a "watch list" database of suspicious terrorists groups. The Ministry of Interior formulated policies for cross-border security and alerted rural provinces to prevent, arrest, and suppress terrorists from using Thailand as a safe haven.

The Ministry of Foreign Affairs and other relevant authorities are doing their utmost to ensure that the procedure of issuing visas for entry and exit meets international standards and has taken steps to prevent passport counterfeit. The Thai Cabinet approved the reduction in the number of countries entitled to exemption of visa requirements for a stay of up to 30 days from 57 countries to 37 countries and the number of countries entitled to a visa-on-arrival for a stay of up to 15 days from 96 countries to 15 countries.

#### **I. Countering Biological Terrorism**

Thailand has organized seminars and roundtable discussions on how to prevent the use of Weapons of Mass Destruction through biological and chemical forms and is in the process of developing an expert group to stimulate the exchange of information among all relevant agencies.

The Office of the National Security Council of Thailand, with the US embassy, arranged the Weapons of Mass Destruction (WMD) First Responder Training Programme in June 2001 and also jointly held the Postal Chemical/Biological Incident Management Training Programme for relevant governmental agencies during April 2002.

#### **J. Strengthening International Cooperation**

Thailand has made measurable progress in strengthening the regional and bilateral cooperation efforts against counter-terrorism. At the regional level for instance, Thailand has been an active participant within the ASEAN Regional Forum (ARF) to promote discussions to prevent terrorism and contribute to security within the Asia-Pacific Region.

Thailand is in the process of acceding to the Agreement on Information Exchange and Establishment of Communication Procedures to which the Philippines, Malaysia, Indonesia, and Cambodia are Parties. The scope of cooperation under this Agreement includes better coordination through the exchange of information and use of standard communication procedures, with a view to combating and preventing international terrorism and transnational organized crime.

### **V. COMPLIANCE WITH FATF'S (FINANCIAL ACTION TASK FORCE) EIGHT SPECIAL RECOMMENDATIONS**

In addition to the International Convention for the suppression of the Financing of Terrorism 1999, the United Nations Security Council passed Resolution 1373, which requires all UN member States to prevent and suppress the financing of terrorist acts and to freeze all assets linked to terrorists. Moreover, on October 2001, an emergency meeting was convened by the Financial Action Task Force [FATF] in Washington, D.C. FATF is an independent international body comprised of 29 country members and 18

regional bodies and observer organizations, which has set the international standards for anti-money laundering efforts through its issuance of the 40 Recommendations. Thailand participates in FATF through its membership in the Asia Pacific Group [APG]. At this extraordinary meeting, FATF considered what the worldwide response should be to combat terrorist financing. On October 31, 2001, FATF announced a Special Set of eight Recommendations on Terrorist Financing to supplement the existing 40 Recommendations.

The new framework announced by the FATF to assist in detecting, preventing, and suppressing the financing of terrorism and terrorists acts in which Thailand has completed the self-assessment against the FATF's eight Special Recommendations above is as follows:

## **VI. SUMMARY**

Pursuant to the U.N. Security Council Resolutions 1267 (1999), 1269 (1999), 1333 (2001), and 1373 (2001), the Thai government issued instructions to all authorities concerned to comply with these U.N. resolutions, including the freezing of funds or financial resources belonging to the Taliban and the Al-Qaeda network. The relevant authorities and the Council of State have considered relevant domestic laws and regulations in order to make necessary amendments thereto in order to implement the Resolution in full.

On 5 August 2003, the Thai Cabinet approved the two draft amendments becoming effective 11 August 2003 onwards of the Penal Code and the Anti-Money Laundering Act to prescribe financing of terrorism as a serious offence under the Thai criminal law and to empower the AMLO to freeze terrorist funds as mandated by UNSC Resolution 1373.

In effect, all financial institutions in accordance with the Anti-Money Laundering Act are required to promptly report their suspicions of any transactions that may be linked, or related to, or are to be used for terrorism, terrorist acts or by terrorist organizations.

Intelligence and security agencies in Thailand have been on high alert since the 11 September incident. Thai intelligence agencies, both civilian and military/law enforcement, have placed a high priority on information sharing and networking with their foreign counterparts, especially the U.S. agencies. The Anti-Money Laundering Office of Thailand has become a member of the EGMONT Group since 2000. The membership has enabled the Office to have access to and exchange information with other members.

Thailand also has the Mutual Assistance in Criminal Matters Act (1992), which forms a broad basis for cooperation with other countries with regard to criminal matters i.e. taking testimony and statements of persons; providing documents, records and evidence for prosecution and search and forfeiture of properties. The law is supplemented by Treaties of Mutual Assistance in Criminal Matters that Thailand has with 5 countries: namely, the United States, Canada, the United Kingdom, France and Norway.

In conclusion, Thailand has adopted a firm policy in condemning terrorism in all forms and manifestations. In practices, all authorities have done their utmost to ensure that Thailand will not be used as a base for the commission of any terrorist acts against any other country and that terrorists will never find a safe haven in Thailand.

## VII. THAILAND ASSESSMENT: EIGHT SPECIAL RECOMMENDATIONS

The framework announced by FATF to assist in detecting, preventing, and suppressing the financing of terrorism and terrorists acts in which Thailand has completed the self-assessment against the FATF's Eight Special Recommendations above is as follows:

### A. Ratification and Implementation of UN Instruments

In complying with the related U.N. resolutions concerning actions taken on the Taliban Group in particular resolutions 1267/1999, 1269/1999, the Thai Cabinet issued an instruction on 21 December 1999 to all authorities concerned to comply with these U.N. resolutions, including the freezing of transfer funds or financial resources belonging to the Taliban.

On 5 August 2003, the Thai Cabinet approved the two draft amendments becoming effective 11 August 2003 onwards of the Penal Code and the Anti-Money Laundering Act to prescribe the financing of terrorism as a serious offence under the Thai criminal law and to empower the AMLO to freeze terrorist funds as mandated by the UNSC Resolution 1373.

In effect, all financial institutions in accordance with the Anti-Money Laundering Act are required to promptly report their suspicions if any transactions that may be linked, or related to, or are to be used for terrorism, terrorist acts or by terrorist organizations.

Thailand has been party to four conventions and protocols relating to terrorism concluded in the framework of the International Civil Aviation Organization (ICAO); namely, the Convention on Offences and Certain Other Acts Committed on Board Aircraft (1963), the Convention for the Suppression of Unlawful Seizure of Aircraft (1970), the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation (1971) and the Protocol for the Suppression of Unlawful Acts of Violence at Airports Serving International Civil Aviation, Supplementary to the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation (1988).

The Minister of Foreign Affairs of Thailand signed the International Convention for the Suppression of the Financing of Terrorism on 18 December 2001. As for the other seven conventions, the Cabinet resolved on 11 December 2001 to endorse, in principle, for Thailand to be a party to all the remaining conventions relating to terrorism pending the necessary amendments of domestic laws to enable full compliance with each convention.

On 25 February 2002, the Cabinet resolved to set up the National Committee on Consideration of Becoming a Party to International Conventions relating to Terrorism as proposed by the Ministry of Foreign Affairs. This National Committee is empowered: to consider details of the remaining eight related international conventions and to enact or amend relevant domestic laws in order to implement all obligations under those conventions.

### B. Criminalizing the Financing of Terrorism and Associated Money Laundering

In 1999, Thailand established the Anti-Money Laundering Office to take effective countermeasures against money laundering and other illegitimate financing. According to the resolution of the Cabinet on 2 October 2001, the Council of State proposed the two draft amendments of the Penal Code and the Money Laundering Act. The draft amendment of the Penal Code defines the scope of terrorism and prescribes the act of terrorism as a serious offence with severe punishments under Thai criminal law.

On 5 August 2003, the Thai Cabinet approved the two draft amendments becoming effective 11 August 2003 onwards.

### **C. Freezing and Confiscating Terrorist Assets**

At present, the existing domestic laws provide a legal basis for the Anti-Money Laundering Office, to freeze the transfer of funds or financial resources of persons or entities suspected of committing or facilitating the commission of terrorist acts. The amendments to the Penal Code and to the Money Laundering Act are to make terrorist acts under the Penal Code an offence under the Money Laundering Act. Accordingly, the laws empower the Anti-Money Laundering Office to freeze the transfer of funds or financial resources of alleged terrorists and their accomplices.

### **D. Reporting Suspicious Transactions Related to Terrorism**

All financial institutions in accordance with the Anti-Money Laundering Act are required to promptly report their suspicions of any transactions that may be linked, or related to, or are to be used for terrorism, terrorist acts or by terrorist organizations.

### **E. International Cooperation**

Intelligence and security agencies in Thailand have been on high alert since the 11 September incident. Thai intelligence agencies, both civilian and military/law enforcement, have placed a high priority on information sharing and networking with their foreign counterparts, especially the U.S. agencies. The Anti-Money Laundering Office of Thailand has been a member of the EGMONT Group since 2000. The membership has enabled the Office to have access to and exchange information with other members on the basis of the memorandum of understanding (MOU).

Thailand also has the Mutual Assistance in Criminal Matters Act (1992), which forms a broad basis for cooperation with other countries with regard to criminal matters i.e. taking testimony and statements of persons; providing documents, records and evidence for prosecution and search and forfeiture of property. The law is supplemented by Treaties of Mutual Assistance in Criminal Matters that Thailand has with five countries: namely, the United States, Canada, the United Kingdom, France and Norway.

At the regional level, Thailand has strengthened its counter-terrorism cooperation within the framework of ASEAN in accordance with the ASEAN leaders' Declaration on Joint Action to Counter Terrorism of November 2001. The Terrorism component of the Work Programme to Implement the ASEAN Plan of Action to Combat Transnational Crime was adopted at the Special ASEAN Ministerial Meeting on Terrorism, held in Kuala Lumpur on 20-21 May 2002. In addition, Thailand has expressed its willingness to accede to the Trilateral Agreement on Information exchange and Establishment of Communication Procedures between Indonesia, Malaysia and the Philippines, which was signed on 7 May 2002.

### **F. Alternative Remittance**

Under the Exchange Control Act, all persons or legal entities that provide services for the transmission of money or value must be approved by the Minister of Finance under the recommendation of the Bank of Thailand. Any persons or legal entities that carry out this service illegally are subjected to civil or criminal sanctions under this law. Commercial banks are required to report all transfers made with foreign countries within three days of the transaction date. Any suspicious activity will be reported to the Anti-Money Laundering Office. A number of laws and regulations have been enacted to curb informal activities. Education as well as measures such as a reduction of registered capital for money changers have been provided to encourage informal agents to enter the system.

In addition, another measure against alternative means of cash remittances is to enact the ministerial attachment to the Exchange Control Act on the declaration of the cash transition of foreign currency equivalent to or over USD 10,000.

### **G. Wire Transfers**

Under the current Anti Money Laundering Act B.E. 2542, any person or legal entities that have the approval to provide the services for the transmission of money must require their customers to provide accurate and meaningful originator information. Furthermore, the Anti-Money Laundering Office imposes legal obligations for such persons or entities to report certain kinds of transactions namely: (1) a transaction involving cash in an amount equal to or exceeding two million baht (2) a transaction involving an asset equal to or exceeding five million baht; or (3) any suspicious transaction. If the money transmission service-providers fail to follow these instructions, they are subjected to substantial penalty fines (Bt 300,000).

### **H. Non-Profit Organizations**

The amendments to the Penal Code and the Anti-Money Laundering Act prevent the possible misuse of non-profit organizations by terrorists, and empower the relevant Thai authorities to effectively impede terrorist activities and financing.

The legal regime of entities, particularly non-profit organization under the supervision of the Office of National Cultural Commission, Ministry of Culture would be reviewed to prevent any misuse for terrorist financing purposes.

APPENDIX A

ANTI-MONEY LAUNDERING ACT OF B.E. 2542 \* (TRANSLATION)

**Bhumibol Adulyadej, Rex.,  
Given on the 10th Day of April B.E. 2542  
Being the 54th Year of the Present Reign.**

His Majesty King Bhumibol Adulyadej is graciously pleased to proclaim that:

Whereas it is expedient to enact a law on the anti-money laundering;

This Act contains some provisions restricting the rights and liberties of an individual set forth in of section 29 together with section 35, section 37, section 48 and section 50 of the Constitution of the Kingdom of Thailand, which was endorsed in the enactment of this law.

Be it, therefore, enacted by His Majesty the King, by and with the advice and consent of the National Legislative Assembly as follows:

**Section 1:** This Act shall be cited the “Anti-Money Laundering Act of B.E. 2542.”

**Section 2:** This Act shall come into force on and after one hundred and twenty days of its publication in the Government Gazette.♦

**Section 3:** In this Act,  
“Predicate offence” means:

- (1) Offences relating to narcotics under the Narcotics Control Act or the Act on Measures for the Suppression of Offenders in an Offence relating to Narcotics.
- (2) Offences relating to sexuality under the Penal Code, in particular to sexual offences pertaining to procuring, seducing, or taking or enticing for indecent acts on women or children in order to gratify the sexual desire of another person, and offences relating to the trafficking in children or minors, or offences under the Measures to Prevent and Suppress Trading of Women and Children Act, or offences under the Prevention and Suppression of Prostitution Act, in particular related to offences of procuring, seducing, enticing or kidnapping a person for the purpose of the prostitution trade, or offences relating to being an owner of a prostitution business, or an operator, or a manager of a place of prostitution business, or supervising persons who commit prostitution for trade in a prostitution business.
- (3) Offences relating to cheating and fraud on the public under the Penal Code or offences pursuant to the Fraudulent Loans and Swindles Act.
- (4) Offences relating to embezzlement or cheating and fraud involving assets, or acts of dishonesty or deception as described in the law governing commercial banks, or Act on the Undertaking of Finance Business, Securities Business and Credit Financier Business, or Act governing Securities and Stock Exchange, which is committed by a director, a manager or any person who

---

\* Translated by Pol. Maj. Gen. Peeraphan Prembooti, B.A. (Pol.Sc.), LL.B., LL.M., M.P.A., Secretary-General, Anti-Money Laundering Office. Translation is for the convenience of those who are not familiar with the Thai language. For official purposes, only the Thai text will be relevant.

♦ Published in the Government Gazette Vol.116, Part 29 Gor. On the 21st Day of April of B.E. 2542 (B.E.=Buddhist Era, B.E.2542 is equivalent to A.D.1999).

125TH INTERNATIONAL TRAINING COURSE  
VISITING EXPERTS' PAPERS

is in charge of or having any vested interest relating to the management of a financial institution.

- (5) Offences relating to malfeasance in office, or malfeasance in judicial office under the Penal Code, offences pertaining to the law governing public officials of a state enterprise or government office, or offences pertaining to malfeasance or dishonesty in carrying out official duties under other related laws.
- (6) Offences relating to the commission of extortion or blackmail by a member of an unlawful secret society or organized criminal association as defined in the Penal Code.
- (7) Offences relating to customs evasion under the Customs Act.
- (8) Offences relating to terrorism under the Penal Code<sup>1</sup>.

“Transaction” means any activity related to a juristic act, contract, or any commitment with other persons dealing with finance, business or involving assets;

“Suspicious transaction” means a transaction that is more complicated than the norm by which that transaction is usually conducted, a transaction that lacks economic rationale; a transaction where there is probable cause to believe that it was conducted for the purpose of avoiding the compliance of this Act; or a transaction related to or possibly related to a commission of any predicate offence, whether the commission of such transaction is conducted once or more than once;

“Asset involved in an offence” means:

- (1) money or property derived from the commission of a predicate offence, or from aiding or abetting in the commission of a predicate offence;
- (2) money or property derived from the sale, distribution, or transfer in any manner of the money or asset in (1); or
- (3) fruits of the money and property in (1) or (2).

Notwithstanding how many times the asset in (1), (2), or (3) has been sold, distributed, transferred, or transformed, or found in whosoever possession, or being transferred to whomever, or bearing in registration or record under whosoever ownership.

“Financial institutions” means:

- (1) The Bank of Thailand under the Bank of Thailand Act, a commercial bank under the Commercial Bank Act, or a bank established under the provisions of a specific law;
- (2) Finance business and credit finance companies under the Act on the Undertaking of Finance Business, Securities Business and Credit Finance Business, and securities companies under the Securities and Exchange Act;
- (3) The Industrial Funds Corporation of Thailand under the Industrial Funds Corporation of Thailand Act, and the small and medium enterprise funds corporation under the Small and Medium Enterprise Funds Corporation Act;
- (4) Life insurance companies under the Life Insurance Act, and casualty insurance companies under the Casualties Insurance Act;
- (5) Saving cooperative companies under the Savings Cooperatives Development Act; or
- (6) Any juristic person undertaking non-bank business related to finance as provided by the Ministerial Regulations.

“Board” means the Anti-Money Laundering Board.

---

<sup>1</sup> Executive Decrees published in the Government Gazette on August 11, B.E. 2546 (2003) to amend the Penal Code Section 135 and the Anti-Money Laundering Act of B.E. 2542 (1999) Section 3.

“Board Member” means a member of the Anti-Money Laundering Board and includes its chairman.

“Competent official” means the person appointed by the Minister to act in accordance with this Act.

“Secretary-general” means the secretary-general of the Anti-Money Laundering Board.

“Deputy Secretary-general” means the Deputy Secretary-general of the Anti-Money Laundering Board.

“Office” means the Anti-Money Laundering Office.

“Minister” means the Minister who is in charge of the enforcement of this Act.

**Section 4:** The Prime Minister shall be in charge of the enforcement of this Act and has the power to appoint competent officials, and to issue Ministerial Regulations, Rules, and Notifications in accordance with this Act.

Such Ministerial Regulations, Rules, and Notifications shall come into force upon their publication in the Government Gazette.

## **Chapter 1 General Provisions**

**Section 5:** Whoever:

- (1) transfers, receives the transfer, or changes the form of an asset involved in the commission of an offence, for the purpose of concealing or disguising the origin or source of that asset, or for the purpose of assisting another person either before, during, or after the commission of an offence to enable the offender to avoid the penalty or receive a lesser penalty for the predicate offence; or
- (2) acts by any manner which is designed to conceal or disguise the true nature, location, sale, transfer, or rights of ownership, of an asset involved in the commission of an offence shall be deemed to have committed a money laundering offence.

**Section 6:** Whoever commits a money laundering offence, even if the offence is committed outside the Kingdom, shall receive the penalty in the Kingdom, as provided in this Act, if:

- (1) either the offender or co-offender is a Thai national or resides in the Kingdom;
- (2) the offender is an alien and has taken action to commit an offence in the Kingdom or is intended to have the consequence resulting therefrom in the Kingdom, or the Royal Thai Government is an injured party; or
- (3) the offender is an alien whose action is considered an offence in the State where the offence is committed under its jurisdiction, and if that individual appears in the Kingdom and is not extradited under the Extradition Act, Section 10 of the Penal Code shall apply *mutatis mutandis*.

**Section 7:** Pursuant to the offence of money laundering, whoever undertakes one of the following acts shall receive the same penalty as a principal offender of such offence:

- (1) aiding in the commission of an offence or abetting the offender, either before or during the



125TH INTERNATIONAL TRAINING COURSE  
VISITING EXPERTS' PAPERS

commission of the offence; or

- (2) procuring or supporting with money or assets, means of transportation, shelter, or any other object, or undertaking any other acts in order to assist the offender to escape or to avoid the punishment from such offence, or to gain a benefit from the commission of an offence.

The Court may not impose a lesser punishment than that provided by the law for such offence where the person who procures or provides money or assets, shelter, or hiding place in order to assist his or her father, mother, son or daughter, wife or husband to avoid apprehension.

**Section 8:** Whoever attempts to commit an offence of money laundering shall receive the same penalty as provided by the law for a successfully committed offence.

**Section 9:** Two or more persons who conspire to commit the offence of money laundering shall each receive half of the punishment provided by the law for such offence.

If a money laundering offence is committed as a result of a conspiracy under the first paragraph, the conspirator shall receive the punishment provided by the law for such offence.

If a conspirator in the commission of an offence withdraws from the conspiracy or intervenes to prevent the commission of the offence and such committed offence does not achieve its end, the conspirator who withdrew from the conspiracy or intervened to prevent it shall receive the punishment provided in the first paragraph.

If an offender, described in the first paragraph, admits to the conspiracy to a competent official prior to the commission of the offence that he or she conspired to commit, the Court may or may not impose a penalty less severe than that provided by the law for such offence.

**Section 10:** Whoever, in their capacity as a public official, member of the House of Representatives, member of the House of Senators, member of a Local Administration Council, Local Administrator, Government Official, Employee of a local administration organization, or employee of an organization or a public agency, member of a board, manager, or executive official, or employee of a state enterprise, or member of a board, manager, or any individual who is responsible in the management of financial institution, or member of any organizations under the Constitution commits an offence under this chapter shall receive two times the punishment provided by law for such offence.

Any Member of the Board, or Member of Sub-Committee, or Member of the Transaction Committee, or Secretary-general, or Deputy Secretary-general, or competent official empowered to act in accordance with this Act, who commits an offence under this chapter shall receive three times the punishment provided by law for such offence.

**Section 11:** Any Member of the Board, or Member of Sub-Committee Board, or Member of the Transaction Committee, or Secretary-general, or Deputy Secretary-general, or competent official, or public official empowered to act in accordance with this Act, who commits any malfeasance in office, or malfeasance in judicial office as provided in the Penal Code in connection with the commission of an offence provided in this chapter shall receive three times the penalty provided by law for such offence.

**Section 12:** For purposes of this Act, Member of the Board, Member of a Sub-Committee, Transaction Committee, Secretary-general, Deputy Secretary-general and competent official are also competent officials under the Penal Code.

## **Chapter 2**

### **Reporting and Identification**

**Section 13:** Whenever a transaction takes place at a financial institution, the financial institution has a responsibility to file a report of that transaction with the Office, if any transaction appears to be one of the following:

- (1) A transaction involving cash in an amount equal to or exceeding the significant amount set forth in the Ministerial Regulations;
- (2) A transaction involving an asset equal to or exceeding the significant value set forth in the Ministerial Regulation; or
- (3) Any suspicious transaction, whether or not it is in accordance with (1) or (2). A financial institution has a continuing obligation following the filing of a report to provide to the Office without delay any additional facts or significant information about which it becomes aware that is relevant to the reported transaction or to confirm or deny the original information about the reported transaction.

**Section 14:** Where a financial institution subsequently obtains probable cause to believe that any transaction previously carried out which was not reported in accordance with section 13 appears to have been a transaction that financial institution must report in accordance with section 13, then the financial institution shall report that transaction to the Office without delay.

**Section 15:** The Land Office of Bangkok Metropolitan, the Provincial Land Office, the Branch of Land Office, and the District Land Office, have a duty to report to the Office whenever a request for registration of rights and juristic act involving an immovable asset when a financial institution is not involved as any party to such request, and the transaction appears to involve any of the following:

- (1) When payment is made in cash exceeding the significant amount as set forth in the Ministerial Regulations;
- (2) When an immovable asset has an estimated value on the registration of rights and juristic act in an amount exceeding the significant amount set forth in the Ministerial Regulations, except in the case of transfer by succession to a statutory heir; or
- (3) When it is a suspicious transaction.

**Section 16:** A person who is engaged in a business of operating, or advising to engage in investment transactions, or the movement of capital has a duty to report to the Office when there is probable cause to believe that such transaction may relate to asset involved in a commission of offence or is a suspicious transaction.

A person identified in the first paragraph who is subject to the reporting rules under this section has a continuing obligation following the filing of a report to provide to the Office without delay any additional facts or significant information about which it becomes aware that is relevant to the reported transaction or to confirm or deny the original information about the reported transaction.

**Section 17:** The reporting under the provisions of section 13, 14, 15 and 16 shall be made in accordance with the format, interval, guidelines and methods prescribed in the Ministerial Regulations.

**Section 18:** Any transaction that the Minister deems fit to exempt from the reporting requirement under the provision of section 13, 15 and 16 shall be in conformity with the Ministerial Regulations.

125TH INTERNATIONAL TRAINING COURSE  
VISITING EXPERTS' PAPERS

**Section 19:** A report submitted in accordance with section 13, 14, 15 and 16 in good faith by any individual capacity if it appears to cause damage to any person, that individual shall not be liable for any damage.

**Section 20:** A financial institution shall require all customers to show identification prior to conducting any transaction on behalf of a customer, as provided by Ministerial Regulations, unless that customer has previously identified. The customer identification under the first paragraph shall be in accordance with the procedures as the Minister may prescribe.

**Section 21:** A financial institution that conducts a transaction described in section 13 shall request that the customer provide all facts in connection with such transaction. If a customer refuses to fill out a form to provide all facts in accordance with the first paragraph, the financial institution shall record such refusal and report to the Office immediately. The fact and information requirement under the first and second paragraphs shall be the form, content, guidelines, and methods prescribed in the Ministerial Regulations.

**Section 22:** Financial institution shall maintain all customer identification records under section 20, and a record of facts and information under section 21 for a period of five years from the date that the account was closed or the termination of relations with the customer, or from the date that such transaction occurred, whichever is longer, unless the competent official notifies that financial institution in writing to do otherwise.

**Section 23:** The provisions in this chapter shall not apply to the Bank of Thailand governed by the Bank of Thailand Act.

**Chapter 3**  
**Anti-Money Laundering Board**

**Section 24:** There shall be an Anti-Money Laundering Board consisting of the Prime Minister as Chairman, Minister of Finance as Vice-Chairman, the Permanent Secretary of the Ministry of Justice, the Attorney-General, the Commissioner-General of the Royal Thai Police, the Secretary-general of the Office of Narcotics Control Board, the Director-General of the Fiscal Policy Office, the Director-General of the Department of Insurance, the Director-General of the Department of Lands, the Director-General of the Customs Department, the Director-General of the Revenue Department, the Director-General of Department of the Treaties and Legal Affairs, the Governor of the Bank of Thailand, the President of the Thai Banking Association; the Secretary-general of the Securities Exchange Commission and nine qualified experts appointed by the Cabinet from those who have expertise in economics, monetary affairs, finance, law or any other related fields beneficial to the execution of this Act with the consent of the House of Representative and the Senate respectively as a member of the Board and the Secretary-general of the Office as Secretary of the Board.

The Board shall appoint no more than two government officials in the Office as the Assistant Secretary of the Board.

In case where the Chairman or Member of the Board in paragraph one can not attend the board meeting, one shall delegate a deputy who is knowledgeable relating to duties of the Board to attend that particular meeting.

**Section 25:** The Board shall have the duty to:

- (1) propose to the Cabinet measures to combat money laundering;
- (2) recommend to the Minister Ministerial Regulations, Rules and Notifications to enforce this Act;
- (3) set rules pertaining to the custody, maintenance, sale by public auction, optimum usage, and damage evaluation, and depreciation of the assets in accordance with section 57;
- (4) promote cooperation from the public in providing information to combat money laundering;
- (5) monitor and evaluate the effectiveness of the enforcement of this Act; and
- (6) perform other duties as provided in this Act or in other laws.

**Section 26:** The qualified experts appointed by the Cabinet shall serve a term of four years from the date of appointment, and shall be eligible to serve only one term.

**Section 27:** Apart from the term limit set forth in section 26. The appointment of a qualified expert by the Cabinet shall terminate from office upon:

- (1) death;
- (2) resignation;
- (3) being removed by the Cabinet by the consent of the House of Representative and the Senate respectively;
- (4) being a bankrupt;
- (5) being an incompetent or quasi-incompetent person;
- (6) being imprisoned by a final judgement to a term of imprisonment.

If a qualified expert is appointed during the term, whether as an addition or a replacement, that qualified expert shall serve the remainder of that term.

**Section 28:** If a qualified expert has fully served the term and no new qualified expert been appointed, such qualified expert shall remain in office until such time as a new qualified expert has been appointed.

**Section 29:** The meeting of the Board shall require of no less than one half of member of the Board in the presence to constitute a quorum.

The Chairman of the Board shall chair the meeting. If the Chairman is unable to attend the meeting or cannot execute the duty, then the Vice-Chairman shall chair the meeting. If the Vice-Chairman is unable to attend the meeting or cannot execute the duty, the members of the Board who are present shall elect one of the members of the Board to chair the meeting.

A resolution of the meeting shall pass by a majority of the votes cast. Each member of the Board shall have one vote. In the event of a tie, the Chairman shall cast an additional vote to be the deciding vote.

Except, however, a decision by the Arbitrary Sub-Committee under resolution to pass under paragraph three of section 49 shall require a majority of two third of the votes cast of participating members of the Sub-Committee.

**Section 30:** The Board may appoint a Sub-Committee to study and submit recommendations on any particular subject, or to undertake any action on behalf of the Board. Section 29 shall apply mutatis mutandis to any meeting of the Sub-Committee.

**Section 31:** Members of the Board and Members of the Sub-Committee may receive remuneration as determined by the Cabinet.

**Chapter 4**  
**Transaction Committee**

**Section 32:** There shall be a Transaction Committee consisting of the Secretary-general as the Chairman of the Committee and four other qualified experts whom the Board appointed as members.

Qualification or disqualification of the Transaction Committee shall be as provided by the Minister's Announcement. A member of the Transaction Committee appointed by the Board shall serve a two year term. A member of the Transaction Committee whose term is ended may be reappointed and the provisions of section 27 and 28 shall apply mutatis mutandis, except that termination from office in accordance with section 27 (3) shall not apply.

**Section 33:** The meetings of the Transaction Committee shall be in accordance with section 29 mutatis mutandis.

**Section 34:** The Transaction Committee has the following duties:

- (1) to audit transactions or assets involved in the commission of an Offence;
- (2) to restrain a transaction under section 35 or 36;
- (3) to restrain or seize in accordance with section 48;
- (4) to report to the Board on its work performed under this Act; and
- (5) to undertake other functions designated by the Board.

**Section 35:** In case where there is probable cause that any transaction is involved or may be involved in the commission of a money laundering offence, the Transaction Committee shall have the power to issue a written order to restrain such transaction, within the time prescribed but not exceeding three business days.

In the case where it is necessary or in an emergency, the Secretary-general shall have the power to issue an order to restrain a transaction in accordance with the provisions under the first paragraph, and then report to the Transaction Committee.

**Section 36:** In the case where there is evidence to believe that any transaction is involved or may be involved in the commission of a money laundering offence, the Transaction Committee shall have the power to issue a written order to restrain that transaction temporarily within the time prescribed but not exceeding ten business days.

**Section 37:** When the Transaction Committee or the Secretary-general, whichever it may be, issues a restraining order in accordance with section 35 or 36, then the Transaction Committee shall file a report to the Board.

**Section 38:** In order to undertake a duty in accordance with this Act, the Transaction Committee, the Secretary-general and competent official designated by the Secretary-general in writing shall have the power to do the following:

- (1) inquire in writing or compel a financial institution, government agency, organization, or public office or state enterprise, whichever is the case, to send a relevant official to testify, to submit a written explanation, or to submit an account, document or any other evidence for examination or consideration;
- (2) issue a written inquiry or summons anyone to appear to testify, to submit an explanation note, or account, document or any evidence for examination or consideration;
- (3) have access into a residence, place, or any transporting conveyance in which there is probable

cause to suspect that any asset involved in the commission of an offence, or evidence involved in a money laundering offence is hidden or kept, in order to search or for the purpose of tracing, monitoring, seizing or attaching any asset or any evidence. Such access is authorized when it is too late to obtain a search warrant and the asset or evidence may be moved, concealed, destroyed, or transformed from its origin nature of appearance.

In the performance of duty under (3), the competent official designated under paragraph (1) shall produce his or her identification card and assignment document to the individual concerned.

The identification card according to paragraph (2) shall be in the form prescribed by the Minister, which is published in the Government Gazette.

The Secretary-general shall be responsible for the custody and use of all information derived from testimony, written explanation, account, document, or any other evidence which has the characteristic of being specific information of an individual, financial institution, government agency, government organization or state enterprise.

**Section 39:** Members of the Transaction Committee may receive remuneration as prescribed by the Cabinet.

## **Chapter 5**

### **The Office of Anti-Money Laundering**

**Section 40:** There shall be an Office of Anti-Money Laundering in the Office of the Prime Minister which shall have the power to:

- (1) act in accordance with the resolutions of the Board and the Transaction Committee, and to carry out other administrative functions;
- (2) receive transaction reports which are delivered in accordance with the requirements in chapter two, and to issue an acknowledgement of such report;
- (3) collect, trace, monitor, study, and to analyze reports or any other information related to financial transactions;
- (4) collect evidence in order to prosecute any violator under the provisions of this Act;
- (5) launch an education programme in order to disseminate information, educate and provide training pertaining to the undertaking of this Act, or assist or support both public and private sectors to launch such programmes; and
- (6) carry out other functions in accordance with the provisions of this Act or other laws.

**Section 41:** There shall be a Secretary-general who has the duty and responsibility to report directly to the Prime Minister, to oversee the performance of the Office in general, and to supervise the public official of the Office. There shall be a Deputy secretary-general to assist the overseeing and supervising of the performance of the Office.

**Section 42:** The Secretary-general shall be a civil servant who is appointed by His Majesty the King by and with the advice and consent of the Cabinet and the House of Representatives and the Senate respectively.

**Section 43:** The Secretary-general shall have the qualifications as follows:

- (1) knowledge and expertise in the field of economics, finance, fiscal policy or law;
- (2) be a Deputy secretary-general or a civil servant at a position classification level not less than or equivalent to a Director-General;

125TH INTERNATIONAL TRAINING COURSE  
VISITING EXPERTS' PAPERS

- (3) not be a member of any Board of any state enterprise or any other government agency; and
- (4) not be a member of the board, or manager, or consultant, or hold any similar position or have any vested interest in any limited partnership, company, financial institution, or work in any profession, vocation, or any other establishment which is in contradiction to this Act.

**Section 44:** The Secretary-general shall hold office for a term of four years from the date of the order of His Majesty the King.

The Secretary-general shall not be reappointed upon completion of the term served.

**Section 45:** Notwithstanding serving out the term as provided in section 44, the Secretary-general shall be terminated from the position in the case of:

- (1) death;
- (2) resignation;
- (3) disqualification in accordance with section 43; or
- (4) by the order of His Majesty the King, by and with the advice of the cabinet and the House of Representative and the Senate respectively.

**Section 46:** Where there is probable cause to believe that a customer's account at a financial institution, equipment or communication device, or any computer has been used or may be used for the purpose of the commission of a money laundering offence, the competent official, designated in writing by the Secretary-general, shall submit a petition to the Civil Court to issue a warrant to have access to obtain information from the account, communication data, or computer files.

In accordance with paragraph one, the Court may authorize the competent official who submits such petition to use any appropriate instrument or access device. The warrant in each endorsement shall not exceed ninety days.

Once the Court has issued a warrant in accordance with paragraph one or two, the individual concerned with the account, the communication data or the computer file shall cooperate to comply with the provisions of this section.

**Section 47:** The Office of Anti-Money Laundering shall submit an annual performance report to the Cabinet. The annual performance report shall contain essential details including, but not limited to:

- (1) a report on the management of assets and all proceedings in accordance with this Act;
- (2) problems or obstacles encountered in carrying out the responsibilities of the Office; and
- (3) a report on fact or observations made in carrying out the responsibilities of the Office, including opinions and recommendations.

The Cabinet shall submit the annual performance report described in paragraph one together with the Cabinet's observations to the House of Representative and the Senate.

**Chapter 6**  
**The Asset Management**

**Section 48:** In examining reports and data on financial transactions, if there is probable cause to believe that there may be a transfer, distribution, placement, layering, or concealment of any asset related to the commission of an offence, the Transaction Committee shall have the power to restrain or seize that asset temporarily for a period not exceeding ninety days.

In case where it is necessary or in an emergency the Secretary-general may issue an order to restrain or seize such asset in accordance with paragraph one and then report to the Transaction Committee.

The examination of reports and transaction data in accordance with paragraph one shall be as prescribed in the ministerial regulations.

Any individual who conducts any transaction or an individual who has a vested interest in the asset being seized or restrained shall produce evidence to prove that the money and asset in the transaction are not related to the commission of an offence, so that the restraint or seizure order can be withdrawn. The proceeding and guidelines shall be administered in accordance with the Ministerial Regulations.

When the Transaction Committee or the Secretary-general, whoever it may be, orders the restraint or seizure of an asset, or withdraws such an order, then the Transaction Committee shall report to the Board.

**Section 49:** Under the provisions of paragraph one of section 48, in the case where there is evidence to believe that an asset is related to the commission of an offence, the Secretary-general shall forward the case to the prosecutor for consideration to file a petition to the Court to order the forfeiture of such asset for the benefit of the State without delay.

In a case where the prosecutor deems that the evidence is inadequate to file a petition to the Court for the forfeiture of the asset, in whole or in part, the prosecutor shall inform the Secretary-general of such inadequate evidence so that he may proceed to obtain additional information.

The Secretary-general shall proceed without delay in response to paragraph two and submit additional evidence for the prosecutor to reconsider. Should the prosecutor deem that the evidence is still inadequate to file a petition to the Court for the forfeiture of an asset in whole or in part, the prosecutor shall inform the Secretary-general in order to forward the matter to Arbitrary Committee for consideration. The Arbitration Committee shall deliver the decision within thirty days as from the date of receipt from the Secretary-general.

The prosecutor and the Secretary-general shall follow the decision of the Arbitrary Committee. When the Arbitrary Committee fails to issue a decision within the prescribed time limit, then the prosecutor's determination will be final. Where the prosecutor's determination pertaining to paragraph three has been fulfilled then it shall be final. There shall be no more motion against that individual in connection with the same asset unless new crucial evidence has arisen to convince the Court to order the forfeiture of that individual asset to the State.

When the prosecutor has filed a petition to the Court, the Court shall order that a notice be posted at the Court and have it published for two consecutive days in a local, well known, newspaper so that individuals who may claim ownership or have a vested interest in the asset can file an objection to the petition to the Court prior to the issuance of an order. In addition, the Court shall send a copy of such notice to the Secretary-general to post at the Office and at the police station where the asset is located. If there is evidence of an individual who may claim ownership or has a vested interest in the asset then the Secretary-general shall send a notice to that individual and inform him/her of their rights. The notice shall be delivered via certified registered mail to the individual's last known address.

Notwithstanding paragraph one, under a probable cause to act in order to protect the right of a complainant in the predicate offence, the Secretary-general may forward the matter to the competent official who is investigating the commission of that offence on the undertaking of such law to protect the right of the victim.

**Section 50:** An individual, who claims ownership of the asset which the prosecutor has filed a petition to forfeit to the State in accordance with section 49, may file a petition before the Court issues an order under section 51 showing to the Court that:

- (1) he or she is the true owner and the asset is not related to any offence or
- (2) he or she has received the transfer of ownership honestly and with compensation, or he has acquired the asset honestly and morally, or by charity.

An individual who claims to have a vested interest in an asset on which the prosecutor has filed a petition to forfeit to the State under section 49 may file a petition for a protection of his rights before the



125TH INTERNATIONAL TRAINING COURSE  
VISITING EXPERTS' PAPERS

Court issues an order. The petitioner must satisfy the Court that he or she is an honest recipient and a bona fide purchaser or that he or she has acquired the interest honestly and morally, or by charity.

**Section 51:** If, after investigating the petition of the prosecutor in accordance with section 49, the Court believes that the asset named in the petition is related to, an offence and the petition of the claimant filed pursuant to, section 50, paragraph one, has no merit, the Court shall order the forfeiture of the asset to the State.

According to this section, if the claimant in section 50, paragraph one is related to or used to be related to any person who committed the predicate offence or the offence of money laundering, the presumption shall be that the money or asset is related to an offence or has been transferred dishonestly, whichever the case may be.

**Section 52:** Where the Court has ordered the forfeiture of the asset to the State according to section 51, and it subsequently has inquired and believes that the petition of the claimant in section 50 paragraph two has merit, the Court may issue an order to protect the rights of the recipient claimant with or without conditions.

According to this section, if the claimant of being a recipient in section 50 paragraph two is related to or used to be related to any person who committed the predicate offence or the offence of money laundering, the presumption shall be that the claimant has acquired his vested interest in possession dishonestly.

**Section 53:** If, after the Court has ordered the forfeiture of the asset to the State in accordance with section 51, the claimant, either an owner or holder or a vested interest recipient of that asset, can establish the validity of his claim under section 50 to the satisfaction of the Court, the Court may order the return of the asset or may set any condition in order to protect the rights of the claimant. If the asset can not be returned or protected any right, then the claimant shall be entitled to compensation or damage, whichever the case may be.

The petition under paragraph one shall be filed within one year from the date of the final Court order of forfeiture. The claimant has to prove that he could have filed the petition under section 50 because he or she did not know of the notification or written notice of the Secretary-general or if with any other reasons.

The Court shall inform the Secretary-general regarding the petition before issuing any order under paragraph one. The public prosecutor may object to the claimants.

**Section 54:** In the case that the Court has ordered the forfeiture of an asset to the State according to section 51, if there are additional assets related to the offence, the public prosecutor may file a motion requesting the Court to order the forfeiture of those assets to the State.

The provisions of this chapter shall apply *mutatis mutandis*.

**Section 55:** After the public prosecutor has filed a petition with the Court under section 49, if there is probable cause to believe that there may be a transfer, distribution, placement of any asset related to an offence, the Secretary-general may submit the facts to the public prosecutor to file a petition to the Court to order a provisional seizure or restraint of the asset prior to issuing the order under section 51. The Court shall consider such petition immediately. If the petition is supported by probable cause, the Court shall issue the order without delay.

**Section 56:** Once the Transaction Committee or the Secretary-general, as the case may be, issues an order to seize or restrain any asset under section 48, the designated competent official shall execute the seizure or restraining order. There will be a report of the execution along with the assessment of the value

and condition of such asset.

The seizure or restraint of the asset, and the assessment of the value of the asset seized shall be in accordance with the rules, procedure and conditions prescribed in the Ministerial Regulations; provided that, the Civil Procedure Code shall apply *mutatis mutandis*.

**Section 57:** The custody and maintenance of the asset seized or restrained by the order of the Transaction Committee or the Secretary-general, as the case may be, shall be in accordance with the Rules prescribed by the Board.

In the case that the asset under paragraph one is unsuitable to keep in custody, or there will be more burden to the Government rather than the utilization thereof for other purposes, the Secretary-general may order those who have a vested interest in the asset to maintain and utilize the asset and may require any collateral or security assurance. There will be a report to the Board if such asset is ordered to be sold by auction or used for official purposes.

The custody, maintenance, utilization of forfeited assets by those who have a vested interest, or a sale by auction, or the utilization of the asset for official purposes under paragraph two shall be in accordance with the Rules prescribed by the Board.

If it appears thereafter that the asset sold by auction, or utilized for official purposes under paragraph two, was not the asset involved in the commission of an offence, the Board shall return the asset to the rightful owner or legal custodian together with compensation and the depreciation value. If the seized asset can not be returned, then the restitution shall apply in an amount equivalent to the price of the seized asset as assessed on the day of seizure or restraint on that asset or the value realized at the auction, whichever the case may be. The rightful owner or custodian person shall receive an interest based on the amount of the restitution or compensation at the highest rate of the fixed deposit savings account of the Government Savings Bank, as the case may be.

The assessment of the compensation and the depreciation value under paragraph four shall be in accordance with the Rules prescribed by the Board.

**Section 58:** Where the asset involved in the commission of an offence is subject to another legal process which has not yet commenced or is pending or if it would be more effective to proceed under this Act, then the Government shall proceed as provided in this Act.

**Section 59:** The Court proceeding under this chapter shall be filed with the civil court and the Civil and Commercial Code shall apply *mutatis mutandis*.

The prosecutor is exempted from all court fees in the undertaking of all proceedings.

## **Chapter 7 Penal Provisions**

**Section 60:** Any individual who is found guilty of the crime of money laundering shall receive a term of imprisonment of one to ten years, or a fine of twenty thousand to two hundred thousand Baht, or both.

**Section 61:** Any juristic person which is found guilty of an offence under sections 5, 7, 8, or 9 shall receive a fine in the amount of two hundred thousand to a million Baht.

A Director, Manager, or any person responsible for the operation of the juristic person under the first paragraph which is found guilty of an offence shall receive a term of imprisonment of one to ten years, or a fine of twenty thousand to two hundred thousand Baht, or both, unless he can prove that he had no part

125TH INTERNATIONAL TRAINING COURSE  
VISITING EXPERTS' PAPERS

in the commission of such offence of the juristic person.

**Section 62:** Any individual who is found guilty of an offence under sections 13, 14, 16, 20, 21, 22, 35, or 36 shall receive a fine not exceeding three hundred thousand Baht.

**Section 63:** Whoever reports or makes a statement according to section 13, 14, 16, or 21 paragraph two with the assertion of a falsehood or the concealment of the facts which should be revealed to the officials shall receive a term of imprisonment not exceeding two years, or a fine of fifty thousand to five hundred thousand Baht, or both.

**Section 64:** Any individual who fails to appear or refuses to testify, or to submit an explanation in writing, or to submit the account document, or evidence required under section 38 (1) or (2), or who obstructs, or fails to cooperate under section 38 (3) shall receive a term of imprisonment not exceeding one year, or a fine not exceeding twenty thousand Baht, or both.

Any individual who acts by any means to leak restricted information to others under section 38 paragraph four, except in the course of doing his/her job or according to the law, shall receive the penalty set forth in paragraph one.

**Section 65:** Any person who diverts, damages, destroys, conceals, takes away, loses or renders useless the document, memoranda, information, or asset which has been ordered seized or restrained by official action, or which one knows or should have known will be forfeited to the State according to this Act, shall receive a term of imprisonment not exceeding three years, or a fine not exceeding three hundred thousand Baht, or both.

**Section 66:** If any person who knows or should have known confidential government information in proceeding according to this Act, acts in any means to let others know or may have the knowledge of that confidential information, except in the course of conducting his/her work or according to the law, he or she shall receive a term of imprisonment not exceeding five years, or a fine not exceeding one hundred thousand Baht, or both.

Countersigned by  
Chuan Leekpai  
Prime Minister

**Principle and Rationale Accompanying  
The Anti-Money Laundering Act of B.E. 2542**

**Principle**

To enact a law to prohibit money laundering

**Rationale**

Presently offenders who violate certain laws have benefited from money or assets obtained from the offences via money laundering.

In addition, money laundering can enable these offenders to use this money or assets to further their

criminal activity and to commit other offences.

This situation has caused problems for law enforcement officers.

Existing laws are not adequate to suppress either money laundering or illegal use of crime-related money and assets.

Thus, in order to cut off this vicious circle of crimes, measures to effectively combat money laundering must be established.

Therefore, this law must be enacted.

## **APPENDIX B**

### **AMENDMENTS OF THE PENAL CODE AND ANTI-MONEY LAUNDERING ACT**

To comply with UN Resolution 1373, On August 5, 2003, Thailand has passed two major Executive Decrees to amend the Penal Code and the Anti-Money Laundering Act becoming effective from August 11, 2003 onwards.

#### **1 The Amendments to the Penal Code Section 135**

##### **Section 135/1**

Any person, committing any of the criminal offences stated below:

1. using force to cause death, damage, or serious injury to the life and freedom of an individual;
2. causing serious damage to a public transportation system, a telecommunication system, or an infrastructure facility of public use; or
3. causing damage to property, places, facilities or systems belonging to a State or government, a person or an environment system, resulting or likely to result in major economic loss;

who causes serious damages, evokes public fear, or raises civil unrest with the intention to intimidate a population, to threaten or compel the Royal Thai Government, or any government or an international organization to do or abstain from doing any act; that person shall be deemed to have committed an act of terrorism and shall receive a sentence of either a death penalty, life imprisonment, or an imprisonment from three to twenty years. The person shall also pay a fine of 60,000 to 1,000,000 baht.

Any demonstration, gathering, protest, or movement that calls for the government's assistance or for fair treatment, which under the Thai Constitution are legal exercises, shall not be regarded as a terrorist offence.

##### **Section 135/2**

Any person who:

1. threatens to commit a terrorist act and shows behaviour convincing enough to believe that the person will do as said;
2. collects manpower or stockpiles weapons, provides or compiles any property, or organizes any preparation or conspires for the purpose of committing a terrorist act; or commits any offence which is part of a terrorist plan; or abets persons to participate in the commission of terrorism; or is aware of the act of terrorism and conceals such act; that person shall receive a sentence of imprisonment from

125TH INTERNATIONAL TRAINING COURSE  
VISITING EXPERTS' PAPERS

two to ten years and shall pay a fine of 40,000 to 200,000 baht.

**Section 135/3**

Any person who is involved or collaborates with the offender as stated in 135/1 or 135/2 shall receive identical punishment.

**Section 135/4**

Any person who is a member of a group of people classified as a terrorist organization by either the United Nations Security Council resolution or declaration, which Thailand has endorsed; that person shall be deemed to have committed an act of terrorism. The person shall receive a sentence of imprisonment not exceeding seven years and shall pay a fine not exceeding 140,000 baht.

**2 The Amendments to the Anti-Money Laundering Act (2542/1999) Section 3**

**Section 3/8**

**Offences relating to terrorism under the Penal Code**

Once the offences involving terrorist acts have been enacted, suspicious activity reporting [SAR] will automatically extend to this new offence.

APPENDIX C

The Foreign Banks' Association

<b>Cash Transaction Report</b>		PorPorNgor. 1-01 Form
(Please check boxes that apply and complete all applicable parts)		Report Number
Number <input type="text"/> - <input type="text"/> - <input type="text"/>		Financial Institution Branch B.E. (last 2 digits)
<input type="checkbox"/> Main report <input type="checkbox"/> Amended report No. _____ Date _____		Total no. of pages _____
<b>Part 1 Transacting Person</b>		
1.1 First name, Last name _____ <input type="checkbox"/> Transact for own account (specify details of other persons in part 2 in case of joint account) <input type="checkbox"/> Transact on behalf of another person (please specify details of person on whose behalf transaction is conducted in part 2) 1.2 Address _____ _____ Telephone _____ Fax _____ 1.3 Occupation _____ Company's name _____ Telephone _____ 1.4 Contact address _____ _____ Telephone _____ Fax _____ 1.5 Verification evidence <input type="checkbox"/> ID/Government employee/State enterprise employee ID <input type="checkbox"/> Passport <input type="checkbox"/> Alien ID <input type="checkbox"/> Other (please specify) _____ Number _____ Issued by _____ On _____ Expiry Date _____		Please enter ID number. Foreigner, please enter passport number or number of other ID. Enter the first digit in the left-most box.
<b>Part 2 Person Who Jointly Conducts Transaction, on Whose Behalf Transaction is Conducted or Who Grants Power of Attorney (POA)</b>		
2.1 Name _____ 2.2 Address _____ _____ Telephone _____ Fax _____ 2.3 Occupation _____ Company's name _____ Telephone _____ Juristic person, specify type of business _____ 2.4 Contact address _____ _____ Telephone _____ Fax _____ 2.5 Verification evidence <input type="checkbox"/> ID/ Government official/State enterprise employee ID <input type="checkbox"/> Passport <input type="checkbox"/> Alien identification <input type="checkbox"/> Copy of registration issued by Registrar within 1 month <input type="checkbox"/> Other (specify) _____ Number _____ Issued by _____ On _____ Expiry Date _____		Please enter ID number. Juristic person, please enter taxpayer's ID number. Foreigner, enter passport number or number of other ID. Enter the first digit in the left-most box.
<b>Part 3 Details of Transaction</b>		
Date of transaction _____		
3.1 Type and amount of transaction		
<input type="checkbox"/> Deposit Account number <input type="text"/> Related account (if any) <input type="text"/> <input type="checkbox"/> Purchase of financial instrument <input type="checkbox"/> Cheque <input type="checkbox"/> Draft <input type="checkbox"/> Other <input type="checkbox"/> Purchase of foreign currency (specify currency) <input type="checkbox"/> Other (specify) Total _____ (Amount in writing)	<input type="checkbox"/> Withdrawal From account number <input type="text"/> Related account (if any) <input type="text"/> <input type="checkbox"/> Sale of financial instrument <input type="checkbox"/> Cheque <input type="checkbox"/> Draft <input type="checkbox"/> Other <input type="checkbox"/> Sale of foreign currency (specify currency) <input type="checkbox"/> Other (specify) Total _____ (Amount in writing)	Amount (Baht) _____ Amount (Baht) _____
3.2 Name of beneficiary (if any) _____		
3.3 Objective of transaction _____		
<b>Part 4</b> <input type="checkbox"/> Completed by financial institution (Day/month/year of completion) <input type="checkbox"/> Signature is not provided by customer		(Day/month/year of report)
Signature of Transacting Person/ Person who Completes this Form		Signature of Reporter

125TH INTERNATIONAL TRAINING COURSE  
VISITING EXPERTS' PAPERS

-2-

**Explanation**

1. Cash transaction means any legally and binding activity conducted with financial institution involving cash.
2. Cash means banknotes and coins legally used to repay debt.
3. Transacting Person means an individual who conducts transaction with financial institution.
4. Person on whose behalf transaction is conducted means a person, who assigns another person to conduct transaction on their behalf, irrespective of whether there is a proxy.
5. Person who grants power of attorney means a person assigning another person to conduct transaction on his/her behalf by a signed power of attorney. In case of juristic person granting power of attorney, the power of attorney must have signature(s) of authorized signatories of that juristic person accompanied by the affixing of corporate seal.
6. Reporter means an officer of financial institution with whom this transaction is conducted.

**Instructions for completion of Cash Transaction Report**

1. For cash transaction of 2 million Baht or more, transacting person must complete the report by marking "Main report" box. If prior report has been filed and correction or amendment is required, then select "Amended report" box. Number of times that the report has been amended must be specified together with reporting date.
2. If provided space is insufficient to fill in all information or additional details, use A4 sized paper and attach it to this report. Total number of pages must be specified in "Total no. of pages \_\_\_\_\_".
3. Part 1: Transacting Person. Following details must be entered:
  - 1.1 First name- last name of transacting person. For individual, ID number must be entered in the boxes on the right-hand side. For foreigner, specify passport number or other identification number. For individual conducting transaction for own account, choose "Transact for own account". If this transaction is being conducted by more than one person, enter information of the other person(s) in part 2. If this transaction is conducted on behalf of another person, choose "Transact on behalf of another person" box and enter information of the assigning person in part 2.
  - 1.2 Enter the address according to household registration of the transacting person or address in Thailand for foreigner together with telephone or fax number.
  - 1.3 Specify occupation, company's name or work place, and telephone number of the transacting person.
  - 1.4 Enter contact address and telephone or fax number (if different from 1.2 and 1.3).
  - 1.5 Specify type and details of evidence used to verify the transacting person.
4. Part 2: Person Who Jointly Conducts Transaction, on Whose Behalf Transaction is Conducted or Who Grants Power of Attorney. Following details must be entered:
  - 2.1 Name(s) of the person who jointly conducts transaction, on whose behalf transaction is conducted or who grants power of attorney (POA) (select appropriate box at the end of the names). The person may be an individual or a juristic person. For an individual, ID number must be entered in the boxes on the right. For a juristic person, enter taxpayer's ID number. For a foreigner, passport number or number of other identification must be specified.
  - 2.2 Enter address according to household registration of the person who jointly conducts transaction, on whose behalf transaction is conducted or who grants power of attorney (POA) or address in Thailand for foreigner (or location of the juristic person) including telephone or fax number.
  - 2.3 For individual, specify occupation, company's name or work place, and telephone number of the person who jointly conducts transaction, on whose behalf transaction is conducted or who grants power of attorney (POA). For juristic person, type of business such as selling construction materials, auditing company, etc. must be specified.
  - 2.4 Enter contact address and telephone or fax number (if different from 2.2 and 2.3).
  - 2.5 Specify type and details of evidences used to verify the person who jointly conducts transaction, on whose behalf transaction is conducted or who grants the power of attorney (POA).
5. Part 3: Details of Transaction. Specify details as follows (enter date of transaction on the right-hand side).
  - 3.1 Specify type and amount of reported transaction, in the appropriate space. Transactions are separated into two types. One is inward transaction (financial institution is the receiver of cash) such as deposit (specify account number and related account numbers if the cash is deposited into more than 1 account), purchasing of financial instruments on cash such as cheque, draft, etc. The other is outward transaction (financial institution is the payer to the person conducting the transaction) such as withdrawal (specify account number and related account numbers if withdrawal is from more than 1 account), or when there is purchasing/ selling of foreign currencies, specify currencies.
  - 3.2 Specify beneficiary of the transaction (if any) such as name(s) of the owner(s) of the account for which cash is deposited or beneficiary of the purchased instrument.
  - 3.3 Specify objective of the transaction such as deposit to receive interest, withdrawal for business operation, purchasing cheque to pay for goods, etc.
6. Part 4: Section 1: Transacting person or person who completes the report, must provide signature including legible first and last name in a parenthesis. Specify date of which this form is completed on upper right side of the section.  
Section 2: (Bank) officer with whom the transaction is conducted and who has the responsibility to submit the report must sign and include legible first and last name in a parenthesis. Specify reporting date on upper right side of the section.

**Note**

1. Transacting person must complete this report form by the virtue of Section 13, Section 14, Section 17, and Section 21 of Anti-money Laundering Act B.E. 2542.
1. If a report made in earnest causes damages to any parties, the reporter is not held liable by virtue of Section 19 of Anti-money Laundering Act B.E. 2542.
2. Reporter, making false statement or concealing any required information, is subject to imprisonment with maximum term of 2 years, a fine of no less than 50,000 and no more than 500,000 Baht or both.





125TH INTERNATIONAL TRAINING COURSE  
VISITING EXPERTS' PAPERS

-2-

**Explanation**

1. Asset transaction means any legally and binding activity conducted with financial institution involving asset.
2. Asset means any movable and immovable property (according to the Civil and Commercial Code).
3. Transacting Person means an individual who conducts transaction with financial institution.
4. Person on whose behalf transaction is conducted means a person, who assigns another person to conduct transaction on their behalf, irrespective of whether there is a proxy.
5. Person who grants power of attorney means a person assigning another person to conduct transaction on his/her behalf by a signed power of attorney. In case of juristic person granting power of attorney, the power of attorney must have signature(s) of authorized signatories of that juristic person accompanied by the affixing of corporate seal.
6. Reporter means an officer of financial institution with whom this transaction is conducted.

**Instruction for completion of Asset Transaction Report**

1. For transaction involving asset with value of 5 million Baht or more, transacting person must complete the report by marking "Main report" box. If prior report has been filed and correction or amendment is required, then select "Amended report" box. Number of times that the report has been amended must be specified together with reporting date.
2. If provided space is insufficient to fill in all information or additional details, use A4 sized paper and attach it to this report. Total number of pages must be specified in "Total no. of pages \_\_\_\_\_".
3. Part 1: Transacting Person. Following details must be entered:
  - 1.1 First name- last name of transacting person. For individual, ID number must be entered in the boxes on the right-hand side. For foreigner, specify passport number or other identification number. For individual conducting transaction for own account, choose "Transact for own account". If this transaction is being conducted by more than one person, enter information of the other person(s) in part 2. If this transaction is conducted on behalf of another person, choose "Transact on behalf of another person" box and enter information of the assigning person in part 2.
  - 1.2 Enter the address according to household registration of the transacting person or address in Thailand for foreigner together with telephone or fax number.
  - 1.3 Specify occupation, company's name or work place, and telephone number of the transacting person.
  - 1.4 Enter contact address and telephone or fax number (if different from 1.2 and 1.3).
  - 1.5 Specify type and details of evidence used to verify the transacting person.
4. Part 2: Person Who Jointly Conducts Transaction, on Whose Behalf Transaction is Conducted or Who Grants Power of Attorney. Following details must be entered:
  - 2.1 Name(s) of the person who jointly conducts transaction, on whose behalf transaction is conducted or who grants power of attorney (POA) (select appropriate box at the end of the names). The person may be an individual or a juristic person. For an individual, ID number must be entered in the boxes on the right. For a juristic person, enter taxpayer's ID number. For a foreigner, passport number or number of other identification must be specified.
  - 2.2 Enter address according to household registration of the person who jointly conducts transaction, on whose behalf transaction is conducted or who grants power of attorney (POA) or address in Thailand for foreigner (or location of the juristic person) including telephone or fax number.
  - 2.3 For individual, specify occupation, company's name or work place, and telephone number of the person who jointly conducts transaction, on whose behalf transaction is conducted or who grants power of attorney (POA). For juristic person, type of business such as selling construction materials, auditing company, etc. must be specified.
  - 2.4 Enter contact address and telephone or fax number (if different from 2.2 and 2.3).
  - 2.5 Specify type and details of evidences used to verify the person who jointly conducts transaction, on whose behalf transaction is conducted or who grants the power of attorney (POA).
5. Part 3: Details of Transaction. Specify details as follows (enter date of transaction on the right-hand side).
  - 3.1 Specify type of transaction by selecting appropriate box. For non-specified transaction, select "Other \_\_\_\_\_"
  - 3.2 Specify type of asset used in the transaction by selecting appropriate box. For non-specified type, select "Other \_\_\_\_\_"
  - 3.3 Specify value of the involved asset. If it is foreign currency, please specify amount, currency and written amount in the box on the right.
  - 3.4 If transaction involves an account at the financial institution, specify the account number.
  - 3.5 If other accounts are involved, specify other account number.
  - 3.6 Specify beneficiary of the transaction (if any). For example, for whose benefit the mortgage renders or name of the recipient of the money transfer.
  - 3.7 Specify objective of the transaction. For example, property serves as collateral for a loan, etc.
- Part 4: Section 1: Transacting person or person who completes the form, must provide signature including legible first and last name in a parenthesis. Specify date of which this form is completed on upper right side of the section.  
Section 2: (Bank) officer with whom the transaction is conducted and who has the responsibility to submit the report must sign and include legible first and last name in a parenthesis. Specify reporting date on upper right side of the section.

**Note**

1. Transacting person must complete this report form by the virtue of Section 13, Section 14, Section 17, and Section 21 of Anti-money Laundering Act B.E. 2542.
2. If a report made in earnest causes damages to any parties, the reporter is not held liable by virtue of Section 19 of Anti-money Laundering Act B.E. 2542.
3. Reporter, making false statement or concealing any required information, is subject to imprisonment with maximum term of 2 years, a fine of no less than 50,000 and no more than 500,000 baht or both.

<b>Suspicious Activity Report</b>		Number	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	-	<input type="text"/>	<input type="text"/>	<input type="text"/>	
(Please check boxes that apply and complete all applicable parts)		Financial institution	Branch	B.E. (last 2 digits)		Report number					
<input type="checkbox"/> Main report <input type="checkbox"/> Amended report No. _____ Date _____										Total no. of pages _____	
<b>Part 1 Transacting Person</b>											
1.1 First name, last name _____		Please enter ID number.									
<input type="checkbox"/> Transact for own account (specify details of other persons in part 2 in case of joint account)		Foreigner, please enter passport number or number of other ID. Enter the first digit in the left-most box.									
<input type="checkbox"/> Transact on behalf of another person (please specify details of person on whose behalf transaction is conducted in part 2)											
1.2 Address _____											
Telephone _____		Fax _____									
1.3 Occupation _____		Office _____		Telephone _____							
1.4 Contact address _____											
Telephone _____		Fax _____									
1.5 Verification evidence <input type="checkbox"/> ID/Government employee/State enterprise employee ID <input type="checkbox"/> Passport <input type="checkbox"/> Alien ID											
<input type="checkbox"/> Others (please specify) _____											
Number _____		Issued by _____		On _____			Expiry Date _____				
<b>Part 2 Person Who Jointly Conducts Transaction, on Whose Behalf Transaction is Conducted or Who Grants Power of Attorney (POA)</b>		<input type="checkbox"/> Person jointly conducting this transaction									
		<input type="checkbox"/> Person on whose behalf transaction is conducted		Please enter ID number.							
2.1 Name _____		<input type="checkbox"/> Person granting POA		Juristic person, please enter taxpayer's ID number. Foreigner, enter passport number or number of other ID. Enter the first digit in the left-most box.							
2.2 Address _____											
Telephone _____		Fax _____									
2.3 Occupation _____		Company's name _____			Telephone _____						
Juristic person, specify type of business _____											
2.4 Contact address _____											
Telephone _____		Fax _____									
2.5 Verification evidence <input type="checkbox"/> ID/ Government official/State enterprise official ID <input type="checkbox"/> Passport <input type="checkbox"/> Alien ID											
<input type="checkbox"/> Copy of registration issued by Registrar within 1 month <input type="checkbox"/> Other (please specify) _____											
Number _____		Issued by _____		On _____			Expiry Date _____				
<b>Part 3 Details of Transaction</b>		Date of Transaction _____									
3.1 Value of transaction _____ Baht		(Amount in writing)									
(If value is in another currency, please specify amount and currency. _____)											
3.2 Type of transaction <input type="checkbox"/> Cash Transaction (please specify type) _____											
<input type="checkbox"/> Asset Transaction (please specify type of asset) _____											
3.3 Account number _____											
Name of account _____		Owner of account _____									
3.4 Related account (if any) _____											
Name of account _____		Owner of account _____									
Relationship _____											
3.5 Name of beneficiary (if any) _____											
3.6 Objective of transaction _____											
<b>Part 4</b>		(Day/month/year of completion)									
Signature of Person who Completes this Form											
(If Cash Transaction Report or Assets Transaction Report has been submitted, enter the reference number of the main report and complete only Part 5 Cause of Suspicion. )											



RESOURCE MATERIAL SERIES No. 65

PorPorNgor. 1-04-1 Form

**Cash Transaction Report (Life Insurance)** No.     -        
 (Please check boxes that apply and complete all applicable parts) Company Branch B.E. (last 2 digits) Report number

Main report  Amended report No. \_\_\_\_\_ Date \_\_\_\_\_ Total no. of pages \_\_\_\_\_

**Part 1. Details of Transaction**

Date of contract	Policy number	Insurer's name	ID number	Total insured amount (Baht)	Insurance premium (baht)

**Part 2. Others** \_\_\_\_\_

**Part 3**

<input type="checkbox"/> Completed by financial institution (Day/month/year of completion) <input type="checkbox"/> Signature is not provided by customer  Signature of Transacting Person/ Person who Completes this Form	(Day/month/year of report)  Signature of Reporter
---	---

**Explanation of Cash Transaction (Life Insurance)**

1. Cash transaction means any legally and binding activity conducted with financial institution involving cash.
2. Cash means banknote and coins legally used to repay debt.
3. Transacting Person means an individual who conducts transaction with company such as insurer.
4. Reporter means an officer of the company with whom this transaction is conducted.

**Instructions**

- 1 For cash transaction of 2 million Baht or more, transacting person must complete the report by marking "Main report" box. If prior report has been filed and correction or amendment is required, then select "Amended report" box. Number of times that the report has been amended must be specified together with reporting date.
- 2 Part 1:Details of Transaction. Enter contract date for life insurance as well as policy number, insurer's name and ID number. For foreigner, enter passport number or other identification number and specify type of documents and total insurance amount. For "insurance premium" bracket, specify amount of insurance premium paid in cash for each transaction.
- 3 Part 2: Others. Specify details of transaction involving cash other than payment of insurance premium such as debt repayment, etc.
- 4 Part 3: Section 1: Transacting person or person who completes the form, must provide signature including legible first and last name in a parenthesis. Specify date of which this form is completed on upper right side of the section.  
 Section 2: Officer with whom the transaction is conducted and who has the responsibility to submit the report must sign and include legible first and last name in a parenthesis. Specify reporting date on upper right side of the section.
5. If provided space is insufficient to fill in all information or additional details, use A4 sized paper and attach it to this report. Total number of pages must be specified in "Total no. of pages \_\_\_\_\_".

**Note**

1. Transacting person must complete this report form by the virtue of Section 13, Section 14, Section 17, and Section 21 of Anti-money Laundering Act B.E. 2542.
2. If a report made in earnest causes damages to any parties, the reporter is not held liable by virtue of Section 19 of Anti-money Laundering Act B.E. 2542.
3. Reporter, making false statement or concealing any required information, is subject to imprisonment with maximum term of 2 years, a fine of no less than 50,000 and no more than 500,000 Baht or both.

125TH INTERNATIONAL TRAINING COURSE  
VISITING EXPERTS' PAPERS

**Asset Transaction Report**

PorPorNgor. 1-04-2 Form

(Redemption of property and casualty insurance)	Number	<table border="1" style="width: 100%; height: 15px; border-collapse: collapse;"> <tr><td style="width: 20px; height: 15px;"></td><td style="width: 20px; height: 15px;"></td><td style="width: 20px; height: 15px;"></td></tr> </table>				-	<table border="1" style="width: 100%; height: 15px; border-collapse: collapse;"> <tr><td style="width: 20px; height: 15px;"></td><td style="width: 20px; height: 15px;"></td></tr> </table>			<table border="1" style="width: 100%; height: 15px; border-collapse: collapse;"> <tr><td style="width: 20px; height: 15px;"></td><td style="width: 20px; height: 15px;"></td></tr> </table>			<table border="1" style="width: 100%; height: 15px; border-collapse: collapse;"> <tr><td style="width: 100%; height: 15px;"></td></tr> </table>	
(Please check boxes that apply and complete all applicable parts)		Company	Branch	B.E. (last 2 digits)	Report number									

Main report     Amended report No. \_\_\_\_\_ Date \_\_\_\_\_ Total no. of pages \_\_\_\_\_

**Part 1. Details of Transaction**

Date (D/M/Y) (Of incident)	Policy number	Insurer's name	Name, address of recipient of redemption	ID number or taxpayer number	Expected redemption payable (Baht)

**Part 2.**

<input type="checkbox"/> Completed by financial institution (Day/month/year of completion) <input type="checkbox"/> Signature is not provided by customer	<div style="text-align: right;">(Day/month/year of report)</div>    <div style="text-align: center;">Signature of Reporter</div>
Signature of Transacting Person/ Person who Completes this Form	

**Explanations for Asset Transaction Report (Redemption of property and casualty insurance)**

1. Transaction person means an individual conducting transaction with company such as insurer.
2. Reporter means an officer of the company with whom this transaction is conducted.

**Instructions**

1. When payable redemption is expected to be "10 million Baht or more", reporter must complete this form by selecting "Main report" box. If prior report has been filed and correction or amendment is required, then select "Amended report" box. Number of times that the report has been amended must be specified together with reporting date.
2. Part 1. Details of Transaction. Enter date of incident together with policy number, insurer's name, name & address of the recipient of redemption and ID number of the recipient. For foreigner, enter passport number or number of other identification and specify the type of document. For juristic person, enter tax ID number. Specify expected redeeming amount from 10 million Baht or more.
3. Part 2: Section 1: Transacting person or person who completes the form, must provide signature including legible first and last name in a parenthesis. Specify date of which this form is completed on upper right side of the section.  
Section 2: Officer with whom the transaction is conducted and who has the responsibility to submit the report must sign and include legible first and last name in a parenthesis. Specify reporting date on upper right side of the section.
4. If provided space is insufficient to fill in all information or additional details, use A4 sized paper and attach it to this report. Total number of pages must be specified in "Total no. of pages \_\_\_\_\_".

**Note**

1. Transacting person must complete this report form by the virtue of Section 13, Section 14, Section 17, and Section 21 of Anti-money Laundering Act B.E. 2542.
2. If report made in earnest causes damages to any parties, reporter is not held liable by virtue of Section 19 of Anti-money Laundering Act B.E. 2542.
3. Reporter, making false statement or concealing any required information, is subject to imprisonment with maximum term of 2 years, a fine of no less than 50,000 and no more than 500,000 Baht or both.

RESOURCE MATERIAL SERIES No. 65

PorPorNgor. 1-04-3 Form

**Suspicious Activity Report** Number     -       Report number

(Please check boxes that apply and complete all applicable parts) Company Branch B.E. (last 2 digits)

Main report  Amended report No. \_\_\_\_\_ Date \_\_\_\_\_ Total no. of pages \_\_\_\_\_

**Part 1. Life Insurance**

1.1 Details of Transaction

Date of contract	Policy number	Insurer's name	ID number	Total insured amount (baht)	Insurance premium (baht)

1.2 Others \_\_\_\_\_

**Part 2. Property and Casualty Insurance**

Date (D/M/Y) (Of incident)	Policy number	Insurer's name	Name, address of receiver of redemption	ID number or taxpayer number	Expected redemption payable (Baht)

**Part 3.**

(Day/month/year of completion)

Signature of Person who Completes this Form

(If Cash Transaction Report or Assets Transaction Report has previously been submitted, enter the reference number of the main report and complete only Part 5 Cause of Suspicion.	Report number <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> - <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> - <input type="text"/> <input type="text"/> - <input type="text"/> <input type="text"/> Report number Company Branch B.E. (last 2 digits) Report number
--	--

125TH INTERNATIONAL TRAINING COURSE  
VISITING EXPERTS' PAPERS

**Part 4. Cause of Suspicion**

---

---

---

---

---

---

---

---

---

---

**Part 5.**

(Day/month/year of report)
Signature of Person who Completes this Form

**Explanation**

1. Suspicious activity means an intricate transaction deviated from normal practice of similar transaction, a transaction which does not make economic sense, a transaction believed to have executed to evade Anti-money Laundering Act B.E. 2542, or any activity pertaining to or may be involved with basic wrongdoing, regardless of the number of transactions.
2. Transacting Person means an individual who conducts transaction with company such as insurer.
3. Reporter means an officer of the company with whom this transaction is conducted.

**Instructions**

1. When a suspicious transaction occurs, reporter must complete this form by selecting "Main report" box. If prior report has been filed and correction or amendment is required, then select "Amended report" box. Number of times that the report has been amended must be specified together with reporting date.
2. Part 1. Life Insurance 1.1 Details of Transaction. Specify date of contract of life insurance together with policy number, insurer's name, ID number (for foreigner, specify passport number or number of other identification and specify type of such documents), total amount of insured money. For "insurance premium" bracket, enter amount of insurance premium paid in cash for each transaction.  
1.2 Others. Specify details of cash transaction other than payment of insurance premium such as debt repayment, etc.
3. Part 2. Non-life Insurance. Specify date of incident together with policy number, insurer's name, name and address of recipient of redemption and ID number of recipient. Foreigner, specify passport number or number of other identification and type of such documents. Juristic person, specify taxpayer ID number. In addition, specify expected amount of redemption.
4. Part 3. Person who completes the report must provide signature including legible first and last name and completion date of the report on the upper right.
5. Part 4. Specify cause of suspicion in detail
6. Part 5. Officer with whom the transaction is conducted and who has the responsibility to submit the report must sign and include legible first and last name in a parenthesis. Specify reporting date on upper right side of the section.
7. If provided space is insufficient to fill in all information or additional details, use A4 sized paper and attach it to this report. Total number of pages must be specified in "Total no. of pages \_\_\_\_\_".

**Note:**

1. Transacting person must complete this report form by the virtue of Section 13, Section 14, Section 17, and Section 21 of Anti-money Laundering Act B.E. 2542.
2. If a report made in earnest causes damages to any parties, the reporter is not held liable by virtue of Section 19 of Anti-money Laundering Act B.E. 2542.
3. Reporter, making false statement or concealing any required information, is subject to imprisonment with maximum term of 2 years, a fine of no less than 50,000 and no more than 500,000 Baht or both.





