MONEY LAUNDERING IN THAILAND

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I. INTRODUCTION

Thailand, like many countries in Asia, has faced the uneasy task of combating widespread criminal activities. Most underground operations, such as drug trafficking, corruption, human trafficking, prostitution, and extortion, committed by organized criminal groups, have generated huge sums of money. Criminals engaged in these crimes need ways to process this dirty money into legitimate funds so that their original source will not be traced; hence, the crime of money laundering. It is employed at many levels of criminality, from small-scale criminals to international criminal organizations. Money laundering at the international level has recently emerged on a massive scale in Thailand because of the globalization of the economy and the internationalization of organized crime. Dirty money from one country can be easily transferred to another country without detection or prevention by law enforcement agencies. To fight money laundering efficiently, Thailand needed a law that could combat it effectively. Finally, it was concluded that the law that allowed the authorities to put money launderers behind bars and confiscate assets suspected of being related to serious offences were the most effective tools for suppressing money laundering, which has been increasingly difficult to control.

II. ANTI-MONEY LAUNDERING ACT OF B.E. 2542 (1999)

To combat money laundering effectively, the Thai Parliament, in 1999, enacted a new anti-money laundering law which criminalizes money laundering and creates a civil forfeiture system for confiscating assets involved in predicate offences.

A. Criminal Offence

Section 5 of the Anti-Money Laundering Act of 1999 provides that whoever

(i) transfers, receives, 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

(ii) 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.

Therefore, it is a crime for a person to transfer, convert or receive the transfer of money or property arising from predicate offences for the purpose of hiding or concealing the source of the funds and is punishable under Section 60 of the Act which provides that 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 ฿20,000 to ฿200,000, (Thai Baht) or both. Moreover, Section 3 of the Act clearly provides the definition of predicate offences. Currently, there are eight predicate offences in the Act as listed below:

(1) Narcotics
(2) Trafficking in or sexual exploitation of children and women in order to gratify the sexual desire of another person
(3) Cheating and fraud on 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 an organized criminal association or an unlawful secret society
(7) Customs evasion
(8) Terrorism.

Furthermore, unlike the general criminal law rule which provides that whoever aiding, abetting or attempting to commit an offence shall be liable to two-thirds of the punishment provided for such offence,

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Section 7 of the Act provides that whoever aids or abets the offender shall receive the same penalty as the principal offender. Section 8 of the Act also provides that whoever attempts to commit an offence of money laundering shall receive the same penalty as provided by law for a successfully committed offence.

In addition, Section 4 of the Thai Penal Code provides that a person may be punished under Thai law, regardless of their nationality, if they commit an offence within Thailand. Section 5 of the Thai Penal Code also provides that even if the offence was only partially committed within Thailand, Section 5 would treat these offences as having been committed within Thailand. However, money laundering is not only a domestic crime but also a transnational organized crime with a large amount of money involved. It has also become increasingly complicated and sophisticated. Therefore, broader jurisdiction is provided in the Act in order to tackle transnational organized crimes effectively. Under Section 6 of the Act, it is a crime to commit, even partially, a money laundering offence within Thailand. In addition, a person who commits a money laundering offence outside Thailand shall receive the penalty within Thailand, if: (a) either the offender or co-offender is a Thai national or resides in Thailand; (b) the offender is an alien and has taken action to commit an offence in Thailand or it is intended to have the consequence resulting in Thailand, or the Thai Government is an injured party; or (c) the offender is an alien whose action is considered an offence in the state where it is committed under its jurisdiction, and if that individual appears in Thailand and is not extradited under the Extradition Act, Section 10 of the Thai Penal Code shall apply *mutatis mutandis*.

B. Investigation, Prosecution and Trial of Criminal Offences

The police are primarily responsible for investigating the criminal offence of money laundering. However, the police are not the only criminal investigative agency responsible for such investigations. The Department of Special Investigation (DSI), set up in 2004 to investigate and interrogate complicated and sophisticated criminal cases, is also responsible for investigating the criminal offence of money laundering (as distinct from civil asset forfeiture actions carried out solely by the Anti-Money Laundering Office). The DSI is under the supervision of the Ministry of Justice and is separate from the Royal Thai Police, although many DSI personnel originally were Royal Thai Police officers. The police and the DSI both have the authority to detect, identify, investigate, interrogate, and collect evidence related to the criminal offence of money laundering. In case there is probable cause to believe that a person committed such an offence, the police or the DSI will forward the case to the public prosecutor. If the public prosecutor considers that the evidence is insufficient, the public prosecutor may drop the case or instruct the police or the DSI to collect more evidence. However, if the public prosecutor considers that there is probable cause to believe that an offence has been committed, the public prosecutor will file a criminal lawsuit against the offender. The burden of proof, like other criminal cases, will be on the public prosecutor to prove beyond reasonable doubt that the defendant is guilty as charged. If the public prosecutor is unable to prove beyond reasonable doubt that the defendant committed a criminal offence of money laundering, the court will acquit the defendant. If convicted however, the defendant will receive a term of imprisonment of one to ten years, or a fine of ฿ 20,000 to ฿200,000, or both, depending on the seriousness of the crime. Of course, if either party disagrees with the verdict, they can file an appeal to the appeal court.

C. Current Situation of Criminal Offences in Thailand

The Golden Triangle, where the borders of Thailand, Myanmar (formerly known as Burma) and Laos meet, has a world reputation as a capital of opium. It is also the world's most significant area of opium and methamphetamine production. Thailand, as a regional transportation hub, serves as a major narcotics trafficking route from the Golden Triangle to other countries. Therefore, there is no doubt that a major source of money laundering in Thailand is narcotics trafficking. Plus, the majority of reported money laundering cases are narcotics-related and many of them involve transnational organized crime. The money launderers may just use traditional laundering techniques such as depositing the dirty money in a bank by opening the account in a false name, or use more complicated laundering techniques such as purchasing or selling stocks in the stock market in an effort to clean the dirty money. Although money laundering activities are quite rampant in Thailand, the criminal investigative agencies, the police and the DSI, rarely investigate it. There are two main reasons for this. First of all, the Anti-Money Laundering Act of 1999 is a new and complicated law; most police and DSI personnel, and even public prosecutors and judges, have limited knowledge of it. Secondly, and most importantly, if a person commits a criminal offence of money laundering, he or she has almost always committed a predicate offence also, such as narcotics trafficking. The police and the DSI personnel might conclude that prosecution on the predicate offence may be sufficient to meet

sentencing for a case, taking into account the difficulty in proving beyond reasonable doubt in order to punish the offender for money laundering and, normally, the predicate offences' punishment are harsher than those for money laundering.

In early July, 2006, after receiving tip-offs from British, Danish and Swedish embassies that members of the *Bandidos* motorcycle gang in Thailand had colluded with British mafia to buy up extensive commercial interests in Samui Island, a world-famous beach resort destination, the police and the DSI arrested four people, two Britons, one Dane, and one Thai. They were charged with extortion and money laundering offences. An early investigation found that they allegedly ran many businesses on the island, including property developments, restaurants, and entertainment and tourist enterprises, as fronts for unlawful activities. In addition, they were also accused of laundering criminal proceeds from the British mafia and converting them to legitimate assets. They were also believed to be members of a transnational criminal organization. At the time of writing, further investigation is still in progress.

D. Case Study

Mr. A was a drug trafficker who set up a methamphetamine-producing factory near the Thai-Myanmar border. His factory had the capacity to produce 10,000 methamphetamine tablets a day. He normally hired hill-tribe people to transport the tablets to his customers, mostly in Bangkok, by using a pick-up truck. One day his hired man was caught at the checkpoint near Phetchaboon province while transporting more than 100,000 methamphetamine tablets, worth more than ฿10,000,000 (approximately US$250,000). Because his hired man was caught red-handed, he admitted to the police that he was hired by Mr. A to transport these methamphetamine tablets to Mr. A's customers in Bangkok. The police then ran a background check on Mr. A and found that he did not have a credible profession, but owned a big luxurious wooden house and many cars and deposited a lot of money in various local banks. The police also found that Mr. A transferred money many times to Ms. B, his mistress. After the police had probable cause to believe that Mr. A committed a drug trafficking offence and a money laundering offence, and that Ms. B committed a criminal offence of money laundering, the police then asked for the approval of a judge to issue a warrant for the arrest of Mr. A and Ms. B. The police interrogated them both and questioned other witnesses. They also collected all the evidence and forwarded the case to a public prosecutor. The public prosecutor considered the case, and he had probable cause to believe that Mr. A committed a drug trafficking and a money laundering offence, and that Ms. B committed a money laundering offence. A criminal lawsuit was filed, and at the subsequent trial, both Mr. A and Ms. B were found guilty. Mr. A was sentenced to life imprisonment for committing a drug trafficking and a money laundering offence while Ms. B received two years' imprisonment for committing an offence of money laundering.

III. CIVIL FORFEITURE

Under the Anti-Money Laundering Act of 1999, financial institutions, such as the Bank of Thailand, commercial banks, financial businesses and creditors, life insurance companies and casualty insurance companies (including the land offices) are legally obliged to report all cash transactions worth ฿2,000,000 (approximately US$50,000) or more to the Anti-Money Laundering Office (AMLO), an independent body created by the Anti-Money Laundering Act of 1999. Property transactions worth ฿5,000,000 (approximately US$125,000) or more must also be reported to the AMLO. Moreover, any suspicious transactions, even amounting to less than ฿2,000,000, must also be reported to the AMLO. If found guilty of failing to report such transactions, financial institutions will be fined up to ฿3,000,000 (US$ 7,500).

A. Investigation, Prosecution and Trial of Civil Forfeiture

When receiving transaction reports, either from financial institutions or land offices, the AMLO will process, examine and analyse the reports, followed by an investigation if necessary. If there is probable cause to believe that the transaction may be related to any predicate offences, such as narcotics trafficking, sexual offences, fraud against the public or a money laundering offence, the AMLO will report the matter to the Transaction Committee for consideration. If the Transaction Committee has *probable cause* to believe that the transaction might be related to predicate offences or money laundering offences, it has the power to issue a written order restraining that transaction for not more than three working days. Furthermore, if the Transaction Committee has *evidence* to believe that the transaction may be related to predicate offences or money laundering offences, it has the power to issue a written order restraining that transaction for not more than ten working days. Moreover, if there is probable cause to believe that assets related to predicate

offences may be transferred, distributed, placed, layered or concealed, the Transaction Committee has the power to restrain or seize those assets temporarily for a period not exceeding ninety days.

Under section 49 of the Anti-Money Laundering Act of 1999, if there is evidence to believe that assets are related to predicate offences, the AMLO Secretary-General will forward the case to the public prosecutor for consideration to file a petition to the court to order the forfeiture of those assets to the State. When the public prosecutor has filed a petition to a court, the judge will order a notice to be posted at the court and publish it in a local reputed newspaper for two consecutive days so that individuals who may claim ownership or have vested interest in the assets may file an objection petition to the court before an order is issued. After the public prosecutor has filed a petition with a court, if there is probable cause to believe that there may be a transfer, distribution, or placement of any asset related to the predicate offences, the AMLO Secretary-General may submit the facts to the public prosecutor to file a petition to the court to order a temporary seizure or restraint of the asset before the judge issues the order. The judge must consider such a petition immediately. If the petition is supported by probable cause, the judge must issue the order for temporary seizure or restraint without any delay. Before the judge issues an order to forfeit the assets related to the predicate offences to the State, an individual who claims ownership of the asset may file a petition to the court and prove to the court that he or she is the true owner and the assets are not related to any predicate offences, or that he or she has received the transfer of ownership honestly and with compensation, or that he or she has received the assets honestly and morally, or by charity. After the judge investigates the petition of the public prosecutor and the petition of the claimant, if the judge believes that the assets named in the petition are related to the predicate offences and the petition of the claimant has no merit, the judge will order the forfeiture of the assets to the State. If the claimant is related or used to be related to any person who committed the predicate offence or money laundering offence, the assets are presumably related to a predicate offence or the assets are transferred dishonestly.

B. The Differences Between Criminal Offences and Civil Forfeiture

Unlike a criminal offence of money laundering which the public prosecutor has to prove beyond reasonable doubt, in civil forfeiture cases, like most civil cases, the public prosecutor merely needs to prove preponderance of evidence that the assets named in the petition are related to the predicate offences (the balance of probabilities). If the public prosecutor is able to meet that standard of proof, the judge must order the forfeiture of the asset to the State. The standard of proof in the civil forfeiture case, preponderance of evidence, is not as hard to prove as the standard of proof in the criminal offence of money laundering, beyond reasonable doubt, because the public prosecutor has to prove only that the public prosecutor's evidence is of greater weight or more convincing than the evidence which is offered by the defendant or the claimant. As a result, it will encourage authorities, including AMLO and public prosecutors, to work harder to seize money or assets of money launderers. Moreover, unlike a criminal offence of money laundering that must name the defendant in a lawsuit, the civil forfeiture case does not have to name the defendant in the petition. The public prosecutor merely needs to mention in the petition that there is evidence to believe that the assets are related to the predicate offences without naming a defendant. This will be sufficient because the purpose of civil forfeiture is to go after dirty money, not the money launderers. Furthermore, a civil forfeiture case is not bound by the facts or the judgment in the criminal offence of money laundering case. Therefore, if a judge acquitted the defendant in the criminal offence of money laundering case, or even if the public prosecutor did not prosecute a defendant in the criminal offence of money laundering case, the judge presiding in the civil forfeiture case is not bound by those facts or that judgment. The court must investigate merely the evidence presented in the civil forfeiture case. If it is believed that the assets are related to the predicate offences, the judge must order the forfeiture of the assets to the State. But, if it is not believed that the assets are related to the predicate offences, the case must be dismissed. In addition, if a person claiming to be a true owner of the assets files an objection petition to the court, the public prosecutor has to merely prove that the claimant is related or used to be related to any person who committed the predicate offence or money laundering offence. If the public prosecutor is able to prove that a claimant is related or used to be related to any person who committed the predicate offence or money laundering offence, the assets are presumably related to a predicate offence or the assets are transferred dishonestly. In this case, therefore, the burden of proof will be shifted to the claimant. If the claimant is unable to prove that the assets are not related to the predicate offences and that he or she is the true owner of the assets, the judge will order the forfeiture of the assets to the State. But, if he or she is able to prove that the assets are not related to the predicate offences and that he or she is the true owner of the assets, the judge must dismiss the case.

C. Current Situation of Civil Forfeiture in Thailand

From 27 October 2000 – 31 December 2004, the AMLO handled 381 cases, with a total asset value of ฿3,810.95 million (approximately US$95 million). Of the total 381 cases, 333 cases were narcotics trafficking, accounting for 87.4% of the total cases; seven cases were sexual offences, accounting for 1.8% of the total; eleven cases were public fraud, accounting for 2.9%; eight cases were misappropriation or cheating and fraud, accounting for 2.1%; seven cases were malfeasance in office, accounting for 1.8%; one case was extortion and blackmail, accounting for 0.3%; fourteen cases were customs evasion, accounting for 3.7%. There was no case concerning terrorism. The results divided by the types of predicate offences are shown below.

Predicate Offences	Year 2000 (cases)	Year 2001 (cases)	Year 2002 (cases)	Year 2003 (cases)	Year 2004 (cases)	Total (cases)	Percentage (%)
1. Narcotics trafficking	3	65	63	129	73	333	87.4%
2. Sexual offences	-	1	-	4	2	7	1.8%
3. Public fraud	-	7	-	3	1	11	2.9%
4. Misappropriation or cheating and fraud	-	-	-	2	6	8	2.1%
5. Malfeasance in office	-	-	1	1	5	7	1.8%
6. Extortion and blackmail	-	-	-	-	1	1	0.3%
7. Customs evasion	-	3	5	2	4	14	3.7%
8. Terrorism	-	-	-	-	-	-	-
Total	**3**	**76**	**69**	**141**	**92**	**381**	**100%**
Total Value of Assets (million Baht)	**23.91**	**751.61**	**681.60**	**943.49**	**1,410.34**	**3,810.95**	-

During the period of 27 October 2000 to 31 December 2004, of the total 381 cases, the court ordered forfeiture of the assets to the State in 172 cases. Five cases were dismissed by the court; one case was suspended by the court; 121 cases are under consideration of the court at the time of writing; 13 cases are under consideration by the public prosecutor at the time of writing; and 12 cases are under investigation and collection of evidence by the AMLO. In 57 cases no motions were filed, or they were cancelled or transferred to other agencies.

The results are shown below.

Activities	Predicate offences	Number of Cases	Value (Baht)
1. Court ordered to forfeit the assets to the State	Narcotics trafficking	170	464,252,334.07
	Sexual offences	1	1,006,473.53
	Customs evasion	1	7,223,448.65
2. Case dismissed by the Court	Narcotics trafficking	5	31,055,576.12
3. Case suspended by the Court	Narcotics trafficking	1	19,107,522.00
4. Under consideration of the Court	Narcotics trafficking	98	1,946,544,559.48
	Sexual offences	6	67,774,458.40
	Public Fraud	3	11,655,244.25
	Misappropriation or cheating and fraud	3	118,511,570.92
	Malfeasance in office	3	15,138,498.13
	Customs evasion	8	260,445,684.96
5. Under consideration of the public prosecutor	Narcotics trafficking	13	57,967,648.84
6. Under investigation and collection of evidence of AMLO	Narcotics trafficking	11	18,419,070.38
	Extortion and Blackmail	1	30,000,000.00
7. No motion filed/cancelled/transferred to other agencies	-	57	761,844,135.20
Total	**-**	**381**	**3,810,946,224.93**

D. Case Study

The AMLO received a tip-off from the Narcotics Prevention and Suppression Center that Mr. X, a former provincial mayor, might be involved with narcotics trafficking and organized crime. After receiving a tip-off, the AMLO ran a background check on Mr. X and found that although he did not have other credible professions, he was unusually rich, owned a big house, many cars, and possessed tens of plots of lands. The AMLO started investigating and found that Mr. X frequently went on field trips to northern Thailand, where part of the Golden Triangle is located. On his return, he would hide methamphetamine tablets that he bought from a major drug trafficker, who had connections with organized crime, in his car. When he returned to his province, he would hand the methamphetamine tablets to his close aides. These aides then sold the methamphetamine tablets to the customers. When the AMLO had probable cause to believe that Mr. X's assets were related to narcotics trafficking, it asked approval from a judge to issue a warrant to search Mr. X's house. While searching his house, the AMLO personnel seized many documents related to Mr. X's assets. The AMLO then asked the Transaction Committee to temporarily seize Mr. X's assets for ninety days. After due consideration, the AMLO concluded that it had evidence to believe that Mr. X's assets were related to narcotics trafficking. The AMLO Secretary General forwarded the case to the public prosecutor for consideration to file a petition to the court to order the forfeiture of Mr. X's assets to the State. The public prosecutor then filed the petition to the court; Mr. X's wife and daughter also filed an objection petition to the court claiming that they were the true owner of Mr. X's assets and the assets in dispute were not related to narcotics trafficking. After due consideration and thorough investigation of both the public prosecutor's petition and Mr. X's wife and daughter's petition, the judge ruled that Mr. X's assets were related to narcotics trafficking, and judge ordered the forfeiture of Mr. X's assets, worth a total of ฿ 18,000,000 (approximately US$ 500,000) to the State. Moreover, the narcotics trafficking and criminal offence of money laundering cases against Mr. X have been under consideration of the court.

IV. SPECIAL INVESTIGATIVE TECHNIQUES

Traditional investigative methods for money laundering tend to be passive and to focus on following the paper trail or search of a suspect's house under the authority of a search warrant. These traditional methods may be successful in some cases. It can, nonetheless, be time consuming, resource intensive, and may not always provide the best evidence to prosecute the offenders or identify and seize the assets. Investigators need to use alternative methods to combat money laundering effectively. Such special investigative techniques normally include electronic surveillance, controlled delivery and undercover operations.

A. Electronic Surveillance

Wiretapping, the most commonly known type of electronic surveillance, is a criminal offence under the Telegraph and Telephone Act of 1934. The violators could face up to five years in prison. However, under section 46 of the Anti-Money Laundering Act of 1999, if the AMLO has probable cause to believe that communication devices, such as phone and computers, may be used for the purposes of money laundering, the AMLO may ask the court to issue a warrant to wiretap communication devices or computers for no more than 90 days. Moreover, under section 14 of the Narcotics Act of 1979 (Amendment 2002), if the Drug Enforcement Agency (DEA), has probable cause to believe that telegraphs, telephones, computers or other communication devices may be used for the purposes of committing narcotics offences, the DEA may ask the court to issue a warrant to wiretap telegraphs, telephones, computers or other communication devices.

B. Controlled Delivery

There is only one piece of legislation concerning controlled delivery. The Narcotics Act of 1979 (Amendment 2002) provides that controlled delivery of importing or exporting narcotics may only be used in cases of national interest and must have the approval of the public health minister. Although there is merely one law concerning controlled delivery, law enforcement officials have used controlled delivery techniques as a method for conducting criminal investigation, especially for narcotics trafficking, for years.

C. Undercover Operations

Although no single piece of legislation mentions them, undercover operations remain one of the most widely used and effective investigative techniques in Thailand. Law enforcement agencies rely on these undercover agents to penetrate criminal organizations and organized crime to obtain significant information and evidence. The evidence obtained by undercover agents will be new and direct evidence relating to actions of the suspects. Moreover, information gained through the undercover agents will often open up new lines of enquiry leading to the identification of co-conspirators, the ringleaders and the location and description of available assets. More importantly, the evidence obtained by undercover agents is admissible in court.

V. THE WITNESS PROTECTION ACT OF 2003

The Thai criminal justice system demands that the court must believe beyond reasonable doubt that a defendant is guilty of the offence with which he or she has been charged before he or she can be convicted. Therefore, one of the most powerful vehicles to link a defendant to a crime is the testimony of a reliable witness who can give direct and crucial evidence. However, in cases of organized crime or money laundering offences people hesitate, understandably, to risk their lives by coming forward to testify against these powerful criminals. Fear of revenge is the biggest obstacle in preventing people from coming forward to testify. If a person is not offered any protection or support, it is unlikely that he or she will put his or her life or well-being at risk by testifying against criminals. To solve these problems, the Thai parliament, in 2003, enacted a witness protection law that aims to look after key witnesses who can provide essential evidence, generally in relation to the most serious crimes such as organized crime, narcotics trafficking, money laundering, corruption, national security, and sexual offences. When the witnesses are under the witness protection programme, they are entitled to relocate to a new place, change identities and receive daily expenses for up to two years.

Furthermore, at the international level, the Thai government should recognize the globalization of organized crime and money laundering; efforts must be made to develop co-operation through exchanging information, sharing experiences and training opportunities. Moreover, as the world is shrinking, international relocation of witnesses should be considered as another option of witness protection. Finally, as witness protection is a new concept and is rarely used in Thailand, the public needs to know more about

witness protection programmes in general. Without concerted efforts to raise public awareness, the witness protection programme will remain anonymous. For instance, the government must dramatically increase the amount of airtime on television and radio stations to publicize the witness protection programme and the importance of witness protection for the entire criminal justice system.

Surprisingly, immunity from prosecution currently does not exist in Thailand. Therefore, if persons who participate in organized criminal groups supply information and co-operate with the law enforcement officials, they will not be granted immunity from prosecution. However, as is common practice in Thai criminal justice, the public prosecutor will not prosecute them; instead they will be employed as a key witness to testify against their colleagues in court. Of course, if they wish, they can participate in the witness protection programme.

VI. INTERNATIONAL CO-OPERATION

Thailand is a founding member of the Asia-Pacific Group on Money Laundering (APG), which is a regional anti-money laundering group. The APG was established in 1997 to help jurisdictions within the Asia-Pacific region to adopt and enforce internationally accepted standards. This includes enacting laws which criminalize the laundering of the proceeds of crime, and dealing with mutual legal assistance, confiscation, forfeiture and extradition. It also provides guidance for setting up systems to report and investigate suspicious transactions. In addition, Thailand has also signed Mutual Legal Assistance Treaties (MLATs) with the United States, Canada and the United Kingdom. The MLATs generally allow the exchange of evidence and information in criminal and related matters. In money laundering and asset forfeiture cases, they can be extremely useful as a method of exchanging banking and other financial records. The MLATs are an assurance of formal mutual legal assistance, but most international co-operation conducted in Thailand is by direct contact between Thai police their foreign counterparts. Such co-operation has been given and received on the basis of goodwill, mutual respect and common interest in fighting crime. Moreover, Thailand is also a member of the Egmont Group, which is an international group of Financial Intelligence Units from 95 member countries. It serves as a co-ordinating centre for the exchange of information on financial transactions in the prevention and suppression of money laundering. To date, Thailand has signed the Memorandum of Understanding Concerning Cooperation in the Exchange of Financial Intelligence Related to Money Laundering (MOU) with 23 countries: Andorra, Australia, Belgium, Brazil, Bulgaria, Estonia, Finland, Georgia, Indonesia, Korea, Lebanon, Malaysia, Mauritius, Monaco, Myanmar, the Netherlands, the Philippines, Poland, Portugal, Romania, St. Vincent and the Grenadines, Ukraine and the United Kingdom. In addition, Thailand actively exchanges information with nations with whom it does not have an MOU, including Canada, Singapore and the United States. Furthermore, Thailand also co-operates with other countries' law enforcement officials on a range of investigations related to money laundering and narcotics trafficking. Additionally, Interpol is also a key player in facilitating co-operation in investigations and in tracing and arresting international offenders.

VII. CONCLUSION

As an economic and transport hub of South East Asia, Thailand is vulnerable to money laundering as well as all types of cross-border crimes including narcotics trafficking, human trafficking, smuggling of migrants and sexual offences. Money launderers typically employ both banking and non-banking financial institutions to move their criminal proceeds from narcotics trafficking and other serious offences to legitimate funds. To solve these serious problems, in 1999 Thailand enacted an anti-money laundering law which criminalised the act of money laundering. It also created a civil forfeiture system for confiscating assets accrued through predicate offences.

Nevertheless, the Anti-Money Laundering Act of 1999 covers only eight predicate offences such as narcotics trafficking, sexual offences, corruption, customs evasion and terrorism. That makes the scope of predicate offences too narrow and falls short of international standards. To combat money laundering effectively, the Anti-Money Laundering Act of 1999 should be amended to include all serious offences, if possible, or the minimum list of acceptable designated categories of offences such as environmental crime, foreign exchange violations, illegal gambling, arms trafficking, labour fraud, bid rigging, share manipulation, excise tax evasion, loan-sharking and intellectual property rights offences. More importantly, the nature of money laundering has recently changed dramatically, becoming an increasingly transnational phenomenon.

No country, no matter how powerful, can fight this serious crime alone. We all need a concerted effort and international co-operation in combating this serious crime. Therefore, it is essential to have a global approach to combat money laundering and strengthen international co-operation if we all want to win this war.