



Siam Legal International Outlines Legal Liability for Mule Bank Accounts Under Thai Anti-Money Laundering Law

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Siam Legal International, a full-service law firm in Thailand, has released a guide on how Thailand combats money laundering schemes and who holds legal responsibility once fraudulent bank accounts are exposed. The guide comes as money laundering through fake bank accounts has become a growing concern across the country, with criminals frequently targeting unsuspecting people to open or share accounts used to transfer illegal funds.

Criminals often offer small financial rewards to entice people into opening or sharing these accounts. The guide makes clear that taking part can lead to legal trouble, even when the person involved believes the offer is simply an easy way to make money.

Money laundering is the illegal process of making large amounts of money earned through criminal activity appear legitimate. Criminals commonly use it to avoid detection by the authorities for proceeds of fraud, cybercrime, or drug trafficking, moving the funds through bank accounts and financial institutions to hide their criminal origin.

Thailand's primary legal tool against financial crime is the Anti-Money Laundering Act (AMLA). The Anti-Money Laundering Office (AMLO) was created to enforce these laws and targets illegal financial activity through three methods. First, it requires banks and other financial institutions to run Know Your Customer (KYC) procedures to verify identities, along with enhanced due diligence (EDD) for high-risk clients.

The AMLO also tracks financial reports throughout the country, watches for transaction patterns, and reviews suspicious activity reports from banks and related businesses. In addition, it uses financial intelligence to run investigations, freeze bank accounts, and seize assets, measures that can lead to criminal charges and fines against offenders.

When a suspected mule account is identified, responsibility under the AMLA can extend to anyone involved in the money laundering operation, not only the person who opened the account. Account holders face penalties for opening fraudulent bank accounts or allowing criminals access to them, and Thai law punishes this conduct whether or not the account holder claims ignorance.

Recruiters are generally viewed as the main offenders, as removing them disrupts the entire money laundering network. Anyone acting on behalf of another, such as authorized signatories and account managers, can also face criminal charges for helping to launder money, particularly if they act recklessly or know that the funds are illegal. Financial and commercial institutions are not exempt from these liabilities either.

"Many people who lend or open accounts for others do not see themselves as part of a crime, but Thai law does not draw that distinction," said Kittisak Sriparesri, Attorney at Law at Siam Legal International. "Responsibility reaches every link in the chain, from the account holder to the recruiter to those managing the account, and a claim of not knowing where the money came from does not remove that liability."

Banks and similar institutions must follow strict reporting and due diligence standards under the AMLA, acting as a frontline defense through two protocols. The first is transaction reporting, under which banks must automatically submit a currency transaction report for any cash transaction of THB 2 million or more. If a transaction looks unusual or lacks a clear economic purpose, banks must file a suspicious activity report within three business days.

The second protocol is customer due diligence. Financial institutions must verify the identity of each customer when an account is opened, and they are legally required to retain all customer records and transaction histories for at least five years after the account is closed. Siam Legal's money laundering report sets out these obligations alongside the liabilities facing each party.

With banks closely monitoring accounts, businesses and individuals can face sudden regulatory scrutiny. For those questioned or linked to a money laundering case, the Thai legal system can be difficult to navigate, particularly where documentation and proceedings must be handled in both Thai and English.

Siam Legal International is a full-service law firm with more than 22 years of experience assisting foreign nationals in Thailand, with offices in Bangkok, Chiang Mai, Phuket, and Pattaya. The firm provides comprehensive legal support across immigration, property transactions, business law, family law, and litigation.

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