

PROBLEMS OF MONEY LAUNDERING WITHIN FOREIGN BANKS IN THAILAND AFFECTING THE CONFIDENCE OF FOREIGN INVESTORS

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ABSTRACT

The goals of this study were to explore the current situation of anti-money laundering (AML) within foreign banks in Thailand resulting in hesitation among foreign investors and to seek effective countermeasures and adaptations to combat money laundering in the public and private sectors. This qualitative study was conducted in Thailand in which documentary research and in-depth interviews were used for collecting data. The subjects of this research were 15 experts in the field of anti-money laundering (AML) selected by snowball and purposive sampling methods.

The research results showed that Thailand's current anti-money laundering (AML) regime in its banking system was vulnerable and its efficacy uncertain, although foreign banks' anti-money laundering was commonly believed to be reliable and well-secured. This was because the money laundering situation in Thailand had become more severe due to the increase in crimes and the country's high exposure to money laundering, and the current money laundering laws and regulations, including the law enforcement, were still immature and ineffective in many respects. Therefore, Thailand still needs to enhance the countermeasures and policy adaptations to combat money laundering within foreign banks, from both the public and private sectors, regularly in order to increase confidence among foreign investors, for example, stricter enforcement of the AML agencies, cooperation between all AML stakeholders, the raising of public awareness about money laundering, law modifications, and risk-based management. In addition, further studies should include minor foreign banks as well as a greater number of foreign banks. Future studies should also focus on the more vulnerable sectors such as Thai local banks and 'shell' companies.

KEY WORDS: MONEY LAUNDERING / FOREIGN BANKS / CONFIDENCE / FOREIGN INVESTORS / THAILAND

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