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BOT Scrutinises Cash-Funded Property Deals

The Bank of Thailand (BOT) has opened a public hearing on proposed rules that would strengthen financial institutions' risk management for cash-related transactions of at least THB 5 million. The consultation, running from 5 August to 3 September 2026, covers large cash withdrawals and deposits, banknote exchanges, cash used for cheques and drafts, and certain foreign-banknote transactions. Under the proposal, banks would be expected to assess whether a customer's transaction behaviour, stated purpose and need for using cash are reasonable. The BOT specifically identifies a large cash withdrawal to purchase land or high-value property—where safer and more convenient payment methods are available—as an example that may warrant further scrutiny.

The proposal should therefore be understood as a financial-sector compliance measure rather than a new restriction on the legal right to purchase property with cash. Its focus is on how banks identify and respond to unusual cash activity before the financial system can be used to facilitate money laundering or other illicit transactions. If a customer's explanation is inconsistent with the transaction profile, or the transaction otherwise lacks a reasonable commercial rationale, the financial institution would be expected to take appropriate risk-management action. In practice, this is likely to make source-of-funds explanations and supporting financial records increasingly important for large cash transactions.

The timing is significant. Thai regulators have been broadening their response to financial crime beyond conventional cybersecurity and account-level fraud. Large cash transactions remain comparatively difficult to trace once funds leave the banking system, while property can provide a vehicle for converting substantial sums into high-value assets. The proposed THB 5 million threshold therefore reflects a shift toward identifying financial-crime risk at the point where cash enters or exits regulated financial institutions, rather than relying only on investigations after suspicious funds have already moved through the economy.

For the property sector, the practical impact may extend beyond banks. Buyers intending to fund land, condominium or other high-value property acquisitions through substantial cash withdrawals should expect more questions regarding the purpose of the transaction and the origin of the funds. Developers, brokers and legal advisers may also need to prepare clients for additional documentation and possible delays where a transaction involves unusual payment arrangements. The proposal does not itself alter Thailand's land-ownership restrictions or the rules governing foreign ownership of property, but it may make opaque funding structures more difficult to execute through regulated banks.

From a legal and business perspective, the direction of travel is clear: high-value transactions are increasingly being assessed not only by whether they are formally permissible, but also by whether the movement of funds is economically credible and sufficiently transparent. If adopted, the BOT's proposal would place greater operational responsibility on financial institutions while indirectly raising compliance expectations for property purchasers and businesses handling high-value transactions. Parties planning significant cash-funded acquisitions should therefore maintain a clear documentary trail showing the source, purpose and commercial rationale of the funds and consider using traceable payment methods where appropriate.

Should you have any question, please do not hesitate to contact us via info@bgloballaw.com