

# The Expat Spouse as Household CFO: Banking in a Foreign Country

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This is the third installment in "The Expat Spouse as Household CFO" series. To read the previous installments in this series, see recent AWC newsletters or contact Creveling & Creveling, [www.crevelingandcreveling.com](http://www.crevelingandcreveling.com) for copies.

If you are a part of an expat household, it may not at first seem necessary to open a local bank account in the country where you and your spouse live and work. However, there are several reasons why you might choose to do so. Simply put, having a local bank account can make managing your overseas finances easier and cheaper. For example, using a local account means you and your spouse can receive salary and overseas fund transfers, pay local bills, have ready access to the local currency, while also minimizing fees on international ATM transactions and foreign exchange. To help you get started banking in a foreign country, here are some considerations and tips:

## Choose a Bank that Fits Your Needs

Once you and your spouse have decided that having a local bank account will be helpful to managing your overseas finances, the next question becomes: Which bank should you choose? In some cases, your spouse's company may dictate where their salary must be deposited. But if you're free to select your own bank, here are a couple of pointers to help in your selection:

- 1) Convenience—Where are bank branches located, and what are their operating hours?
- 2) Language—Can you communicate with the bank's staff? In Thailand, the branches of some local Thai banks will have English-speaking staff, if they're located in neighborhoods where a number of expats live.
- 3) Services provided—Does the bank provide expats with services you're interested in, such as savings and checking accounts, debit cards, online access, multi-currency options, and bill pay?
- 4) International transfers—How easy is it to transfer funds overseas, and what are the fees?
- 5) Other fees—How competitive are fees for services such as ATM withdrawals, checkbooks, and local fund transfers?
- 6) Online access—Does the bank have a consumer website, what language is it in, and how user-friendly is it?
- 7) Telephone access—Is there a bank consumer hotline available in a language you understand, and how long do you have to wait on hold before you can talk to someone?
- 8) Depositor protection—How safe are your deposits? Are they insured up to a certain amount?
- 9) Interest income—What rate does the bank pay for deposits? Can you invest in fixed deposits with excess cash?
- 10) Customer service—To gauge the bank's overall level of service, check with other expats about their banking experiences.

## Opening an Account

Once you've selected a local bank, it's time to open accounts. At a minimum, consider opening a savings account with ATM or debit card access, and, if available, a checking/current account as well as a local-currency credit card. You'll want to apply for joint access to the accounts, so plan a time when you and your spouse can go to the bank together.

Check in advance as to what documents you'll need to bring with you. At a minimum, you'll need your passports or other personal IDs,

and depending on the local rules and regulations, you may also need to show evidence of where you live (rental agreement or utility bill). Your spouse may need to bring a work permit or other proof of employment. Finally, in some countries, banks may also ask to see a copy of a statement from your home-country bank.

## Joint Accounts

In most cases, it makes sense for you and your spouse to have joint access to your new local bank accounts. However, be sure you understand in advance what "joint access" means—it may be different than what you had previously understood. For example, be clear whether one or two signatures are required on withdrawal slips or checks, and whether either party can initiate foreign wire transfers or close the account. If necessary, consider getting a local power of attorney drawn up that covers the account so that either of you can enact critical financial transactions in case of an emergency or in the other's absence.

## Keeping Track

As with any bank account, you and your spouse will want to keep records of the cash flows in and out of the account. But while most banks will send you monthly statements, these may get delayed or lost in the mail. If it's available, sign up for online access to your account. This will enable you to balance your finances on your own schedule, rather than waiting for a monthly mailing.

To further help in keeping records, consider using a personal financial software program to track your accounts. Multi-currency programs like Intuit's Quicken can be invaluable to expatriates not only in helping to track all of your bank accounts (foreign and home), but also in keeping accurate records of your household's income, expenses, and other financial assets.

## For Americans: Reporting Foreign Bank Accounts using FBAR

If you're a U.S. citizen, be aware that there are extra U.S. tax filing requirements for Americans with overseas accounts. Specifically, if you own or having authority over a foreign financial account (including bank accounts) and the aggregate value of all foreign financial accounts is over US\$10,000 at any time during year, you're required to report foreign accounts each year to the Department of the Treasury using Form TD F 90-22.1 "Report of Foreign Bank and Financial Accounts (FBAR)." These filing requirements may change in the future, so it's important to check with your U.S. tax advisor for any updates to the requirements.

## About Creveling & Creveling

Creveling & Creveling is a private wealth advisory firm specializing in helping expatriates living in Thailand and throughout Southeast Asia build and preserve their wealth. Through a unique, integrated consulting approach, Creveling & Creveling is dedicated to helping clients cut through the financial intricacies of expat life, make better decisions with their money, and take the steps necessary to provide a more secure future. For more information visit [www.crevelingandcreveling.com](http://www.crevelingandcreveling.com)