

SIMON LETTER

A Publication of Live and Invest Overseas™

The 3 Best Places For International Banking In 2021

By the Editors of Live and Invest Overseas

You should have an account with an offshore bank. That's a fundamental step in any plan for internationalizing your life. If you haven't done so already, we strongly recommend you start making your plan to open one as soon as possible.

It's a simple, straightforward recommendation. However, if you haven't attempted it before, the idea can be intimidating. How? Where? Why?

Furthermore, the reality is that, opening a bank account in another country can sometimes be easier said than done. Especially if you're an American.

First, we need to make a distinction. There are two kinds of bank accounts you could consider opening offshore.

The first type of offshore bank account is what we call a "local account." This is a checking account with a local bank that you use for local expenses while spending time in the country, to pay bills, to deposit rents from investment properties, etc.

A local account is typically attached to some local agenda, either living in the country, full or part-time, or managing a rental or business investment there.

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Lief Simon does not provide any personal investment advice, as he's not a registered financial advisor. Seek professional counsel for any investment opportunities mentioned in this e-letter and do your own due diligence.

Lief Simon does offer tax advice and was an enrolled agent with the IRS (until his certificate of enrollment expired in 2013). Being an enrolled agent means you can represent clients in front of the IRS because you passed a test. The test isn't easy, but it doesn't mean you know anything about preparing U.S. tax returns. Still, Lief passed the test, and, in fact, years ago, back during his U.S. working life, Lief did prepare tax returns for a living, both corporate and personal.

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The second type of offshore bank account you might want to establish in another country is what we refer to as a “private account.” This is an account with a private bank where you hold investment funds and from which you invest in securities.

Private banks (and private bankers) are more money managers than banks, per se, and they make their money investing your funds for you. Private banks typically operate very differently from local banks. You wouldn’t keep an operating account (that is, an account you intend to use for day-to-day expenses) with a private bank.

In this article we’ll review the three best places to open an international bank account—even during a pandemic, with minimal account balance requirements ranging from US\$500 to upwards of US\$250,000.

Banking In Panama

Banking options are great in Panama, with more than 60 banks operating here. Most won’t open a consumer account for you unless you have a “connection” to Panama either through residency or because you own real estate in the country.

Private banking accounts are easier to open, but require high minimum balances, from US\$25,000 to US\$1 million at the high end. You can also open a corporate account if you open a Panamanian corporation. Investment opportunities in Panama are mostly related to real estate—rental investments, timber, land banking, and development.

To open a bank account in Panama, you’ve historically been required to show up at the bank for an in-person interview. In our current age of COVID, it’s possible to organize this interview via a Zoom call. Our attorney-on-the-ground [Roberto de la Guardia](#) has been scheduling these for his clients eager to open accounts in Panama during these uncertain times...

Using Panama as a base for incorporating your business can make sense as the country doesn’t tax entities that aren’t operating in Panama. You can set up a business in Panama and have an office in the country and still pay no Panama taxes if all your income is derived from outside Panama or if your business qualifies under the rules of one of the incentive areas of Panama Pacífico or the City of Knowledge.

Panama is Central America’s preeminent banking destination. Its thriving banking sector has fueled the growth of the country’s economy and attracted dozens of international banks from around the globe.

Why Panama, you ask?

For starters, the country boasts strong regulatory oversight that maintains the stability of the banking system, and banks tend to stay afloat during periods of economic turmoil. Favorable tax incentives and high certificate of deposit (CD) rates draw in a constant flow of cash from foreign individuals and entities. On top of that, there are several laws in place that help ensure the privacy of clients. Together these factors contribute to Panama’s appeal as an offshore banking haven.



One way of getting your foot in the door to Panama is to open an account at Citibank. A subset of Citigroup Inc., **Citibank** is one of the largest banks in the world with more than 2,500 branches across 98 different countries, spanning Africa, Asia, Europe, and the Americas—including a few branches in Panama City. Citibank is listed as a general license bank on Panama's bank superintendent website.

There are a couple different ways to open an offshore Citibank account in Panama. If you're a legal resident of Panama you can open an account by showing up to a branch in-person and presenting your residency certificate (Type E or N), evidence of income (e.g., pay stub or bank statement), and a banking reference letter from another local or foreign bank.

If you are not a resident of Panama, you can open a Citi account there by linking a preexisting account from your country of origin—which must be active for at least 12 months prior. Then you can show up at a Panamanian branch with your passport, a bank reference letter from the Citibank branch that you have an account with, and evidence of income.

Regardless of whether or not you are a legal resident, the minimum balance for a savings account is US\$500, and the minimum amount for a CD is US\$10,000.

General Bank Requirements

Speak with a representative prior to making any appointments to open accounts in order to confirm which documents you must bring. It's also a good idea (and sometimes required) to notarize all copies of your official documents.

Typically, the following documents will be required at any bank:

- **Proof of Address:** A valid driver's license, a property tax receipt, posted mail with your legal name, a lease agreement, an insurance card, and/or a utility bill.
- **Bank Reference Letter:** A letter written and signed by a representative of a bank with which you have an account. This letter confirms that you are client, how long you have been a client, and that the banking relationship has been satisfactory (i.e., no defaults).
- **Proof of Income/Earnings:** A pay stub, bank statements (personal and business), a copy of last year's federal tax return, and/or wages and tax statements (W-2 and/or 1099).
- **Character Reference Letter:** A recommendation provided by someone who knows you on a personal basis and can attest to your character and abilities.

Banistmo is a Colombian bank with a general license and is the third largest bank operating in Panama. You can open account remotely by filling out an application and sending it via mail, by visiting a branch in-person, or you can contact them to schedule a meeting via Zoom. However, it is recommended that you visit a branch in-person to open an account as this reduces the likelihood that documents get lost and may expedite the process of approval. Fortunately, there are many branches across the country.

You must present several documents to open an account—a valid passport, a second valid original identity document with a photo (e.g., work permit or driver's license), and proof of income (e.g., bank statement, commercial reference, letter from employer).

You must also satisfy one of the following extra conditions in order to qualify:

- Provide a bank reference letter from a bank in the Bancolombia Group;
- Provide a reference letter from a local Panamanian bank (with six months or more as a client);
- Have a blood-related family member in Panama who is a client of Banistmo;
- Have ties to the country of Panama (Panamanian spouse, commercial activity in Panama, own real estate in Panama);
- Have a loan processing with Banistmo;
- Provide a certification from a lawyer confirming your immigration to Panama;
- And/or provide a valid Panamanian work permit.

The required minimum balance for both saving accounts and CDs is US\$5,000.

Atlas Bank is a general license bank in Panama with official headquarters in the States. They set up shop in Panama City relatively in 2017 and have only a single branch in the Costa del Este neighborhood.

Out of all the banks we corresponded with, Atlas Bank seemed the most willing to do business with Americans. They are currently opening accounts via scheduled Zoom meetings. Documents required include your passport, a bank reference letter, and proof of income.

The required minimum balances are US\$5,000 for individual savings accounts and US\$20,000 for business accounts. The minimum amount for a CD is US\$5,000.

Multibank is a Panamanian general license bank. Beware, there is a long list of requirements for U.S. citizens, including your passport, a second form of identification (e.g., driver's license, immigration card), proof of income, two bank reference letters (local or foreign), two commercial references (local or foreign), and two personal references (local or foreign) that include telephone numbers and residential addresses.

Multibank has higher monetary requirements compared to others; the required minimum balance for a savings account is US\$1,500 and US\$50,000 for a CD.

Global Bank is a Panamanian general license bank and one of the fastest growing banks in the country. Unfortunately, the vetting process for U.S. citizens is rigorous. First, you need to have ties to Panama—you must be applying for a residency visa, working, or have investments in Panama (e.g., real estate) to even be considered for a bank account.

To open an account, you must procure numerous documents, including personal and professional references. In addition to bringing your passport and a bank reference letter, you must prepare a description of your current professional activities (your resume or curriculum vitae can be used), as well as a letter from your employer or retirement certificate to indicate the origins of your finances.

You will also need two personal reference letters—one from someone in your country of origin and one from a person known in Panama. Furthermore, you will need one letter from an attorney in Panama attesting that due diligence has been made in accordance with the law, and one letter from a certified public accountant who verifies your sources of income.

If you can get past these obstacles, the minimum required balance is only US\$50 to open a savings account. The minimum amount for a CD is US\$100 and the maximum is US\$20,000.

Unibank is another Panamanian general license bank. With only a few branches located in Panama City, it has a relatively small presence in the country.

However, Unibank does not have particularly strict requirements for opening an account as a U.S. citizen. You will need to visit a branch in-person and bring copies of two identification documents (e.g., passport and driving license.), two bank reference letters from different banks, proof of income, and a copy of a utility bill (e.g., water, electricity or telephone).

The minimum required balance for a savings account is US\$10,000. Unibank CD's have a tiered system in which rates vary depending on how much you deposit (see below). The more money you deposit the higher the CD rate.

Banking In The U.K.



While living abroad in the U.K., opening an international bank account is the best way to manage your finances as an expat. In the U.K., it is possible to open an international account while working or being based overseas. You can open an offshore bank account in pounds, euros, or U.S. dollars. They offer a more favorable tax arrangements than domestic banks.

Many U.K. banks have international accounts for non-residents that can be opened up from abroad, so you could open an account in advance of your move/trip. Some banks charge monthly fees for these accounts, though, so check first and don't open an account months in advance of moving if it will mean hefty charges.

Which account you opt for will depend on your own personal circumstances and what you are looking for. There are various factors you might want to take into consideration, such as:

- Costs – many of the UK accounts are free of monthly fees but there may be additional charges for certain services or add-ons, as well as a trade-off in terms of range of services available
- International scope – if you want an account that will be well-linked to accounts and services overseas, you'll need to check international and multi-currency account options as well as services such as international money transfers
- Range of products and services – this can range from account-related services such as credit and borrowing options to other financial services including UK mortgages, insurance in the UK, and investments
- Flexibility – if you're looking for ease of access and 24/7 banking, digital and mobile accounts are well worth considering
- Incentives – many banks will try to attract customers by offering incentives such as cash deposits or interest-free periods, so shop around to see what's available

If you are looking to open a bank account in the U.K., you can shop around the many different U.K. banks to find the best deal for you.

Barclays is one of the biggest and most well-established banks in the U.K. It is a great option for those interested banking in Britain and its various satellite territories (including Jersey, Guernsey, Isle of Man, and Gibraltar). It's headquartered in London, with several branches located on the outlying British island territories.

Fortunately, they happily allow you to open an account remotely via telephone (representatives seemed eager for American clients). After starting the process of opening and account over the phone, you simply follow up by mailing copies of your passport, proof of address, and a recent statement from your current bank.

The minimum required balance is an equivalent of 25,000 pounds. Barclays specializes in private banking and does not offer investment management services. Further, you can send online wire transfers up to 25,000 pounds; for amounts higher than that you'll need to do it over the phone.

Santander has branches throughout the U.K. and on the isle of Jersey. There's no need to worry about paying them a visit—you can apply to open an account remotely by mail.



You will need to send copies of your passport, a bank statement, utility bill, and proof of your earnings. To open and maintain an account you'll need to deposit 75,000 pounds.

Santander solely provides private banking services for individuals; they do not open business accounts. They also don't provide investment management services. But they do allow you to send wire transfers online.

Natwest is another U.K./Channel Island bank to consider, but opening an account requires you to jump a few additional hoops.

You will need to provide proof of a yearly income of at least 75,000 pounds in addition to the required minimum deposit of 100,000 pounds.

Accounts can be opened remotely by mail, and you will need to provide numerous documents: a copy of your passport, a utility bill, proof of address, your tax returns from the previous year, a bank reference letter, and a letter from a legal representative.

Natwest specializes in private banking for individuals and will not open accounts for businesses. Account holders are offered extensive investment management services, which are handled by an appointed account manager. They also allow you to send wire transfers online up to 25,000 pounds.

What You'll Need

Once you are in the U.K., you can open a bank account at a branch or online. You will usually need a U.K. address when applying unless you already bank with an international provider that has U.K. coverage. Banks usually require you to fill out an application form and undergo a credit check (unless opening a basic account) when applying. Each individual bank will have its own list of required documents. You will need to prove your identity and your address in order to open a bank account in the U.K.

Most banks are likely to ask for:

- Passport/valid photo ID
- A recent utility bill (less than three months old) or council tax bill
- A recent bank or credit card statement
- Proof of studying in the U.K. (if applying for a student account)
- Proof of employment (some banks may ask for this)

Opening A Bank Account In The U.K. From Abroad

Some U.K. banks, such as Barclays and HSBC, offer international bank accounts which can be opened overseas in advance of moving to the U.K. Exact processes will vary from bank to bank, but the length of time to open the account can be a bit longer than if you open one in the U.K.

You might be able to open the account online, otherwise you will need to make an appointment with the bank branch closest to where you live in your home country. Some overseas accounts require minimum monthly deposits that also varies from bank to bank.

International Money Transfers In The U.K.

For international money transfers, there are alternative solutions to banks which could prove cheaper and more convenient, our recommendation is [Moneycorp](#). It is a U.S. entity regulated in the United States and it's not reportable on the FBAR because it's not an offshore account.

Currency exchange accounts aren't meant for holding funds long term. You earn no interest, for example. Meantime, these accounts offer great practical benefits, starting with the exchange rate, which is better than the one you'll get using banks to move money from one currency to another. U.S. banks, for example, use the worst possible rate when exchanging U.S. dollars for euros.

In addition, with a currency exchange account, you can decide when to execute the exchange. This can be important if you think the receiving currency is likely to weaken in the short term.

Banking In Liechtenstein



The German-speaking Principality of Liechtenstein is considered to be one of the biggest banking hubs in the world. It's located in the heart of Europe between Switzerland and Austria. It was born in a time when Central Europe was one big mix of small states—the large countries of today didn't exist—ruled by the Holy Roman Empire. In reality, it was run by local wealthy families.

The Counts of Hohenems were one of those families. They found themselves in a less than desirable financial situation at the end of the 18th century leading to them selling the Lordship of Schellenberg and the Country of Vaduz to the House of Liechtenstein (the name from their home castle just outside Vienna). They brought the two pieces of land together and created the Principality of Liechtenstein.

The Principality of Liechtenstein is a sovereign and politically stable country in Central Europe, bordering Austria and Switzerland. The state's capital is Vaduz and the population of the whole country is less than 37,000.

Liechtenstein is one of the few countries in the world with more registered companies and jobs than citizens. The country has been internationally recognized as a financial center over decades, especially with regard to the formation of foundations. Additionally, Liechtenstein has diversified as a financial center by offering alternative investment funds.

The United States established diplomatic relations with Liechtenstein in 1997. Both have signed a mutual legal assistance treaty, focused largely on jointly combating money laundering and other illegal banking activities, a tax information exchange agreement, and an agreement to implement the provisions of the Foreign Account Tax Compliance Act.

There are 15 licensed banks in Liechtenstein. The Banks primarily focus on private banking and wealth management. To give you an idea of how well-oiled the banking system is in Liechtenstein, the assets under the management of Liechtenstein banks amounted to over US\$230 billion in 2017.

Liechtenstein would not exactly be the place to go to open a personal bank account to pay your day-to-day expenses. The reason that non-residents and foreign companies come here are wealth management and private banking.

Liechtenstein-based entities are great for wealth structuring or tax purposes. It makes sense to consider Liechtenstein if you're after wealth management, asset protection, or multi-generational wealth planning. Banks here are very familiar with all types of international structures and foreign companies can open accounts here too.



What Makes Banking In Liechtenstein So Attractive?

Banks here are considered safe and super conservative. The government of Liechtenstein is fiscally responsible, like many other small principalities. During the financial crisis, Liechtenstein's banks did just fine. One of the reasons for that is the way that banks in Liechtenstein make money, they generate revenue by charging fees, not by making risky investments.

Paying 1% of your total deposit is not uncommon even if fees here are on par with other wealth management hubs. Clients include royal families, large holding companies, and the crème de la crème of the world so quality and service here are unmatched. Word on the street (or in the private banking world) is that bankers here are a different breed.

Minimums at Liechtenstein banks are higher than in other places. They'd not normally accept a client that deposits less than \$100,000 Swiss francs and you have to keep that amount in your account to keep it open.

Liechtenstein banks will accept non-resident clients given that they have enough money to deposit. Many banks will also expect you to invest a certain amount of money in the bank's investment products, depending on the amount that was initially deposited and which other bank services you use.

Before applying for an account in Liechtenstein, think carefully about which bank is best for you. Not all of them provide services to non-residents. Also bear in mind that deposit requirements, fees, and perks can vary drastically from bank to bank.

To choose the best bank in Liechtenstein for you, ask yourself first, what are you looking to do and how much money do you have?

If you're a non-resident with 100,000 Swiss francs to deposit, you're going to look for banks that have a history of accepting clients with lower deposits. On the other hand, let's say you're able to deposit 1 million, you'll have a wider range of options to choose from.

LGT Bank, originally known as the Liechtenstein Global Trust Bank, is the largest of the banks in Liechtenstein, holding a market share of around 46%.

It was founded in 1920 and currently operates in over 20 countries. The bank is owned and operated by the Princely House of Liechtenstein and is known for providing highly specialized private banking and asset management services. It is headquartered in Vaduz.

Liechtensteinische Landesbank AG (LLB) was founded in 1861 and is one of the oldest and largest financial institutions in the Principality of Liechtenstein. Although

LLB was privatized in 1993, the state of Liechtenstein remains its largest shareholder. LLB is the second largest bank in Liechtenstein and offers a wide range of services its customers. These include retail banking, corporate banking, investment management, and private banking. Headquartered in Vaduz, LLB holds a market share of around 22%.

VP Bank is the third largest of the banks in Liechtenstein by assets. It was founded in 1956. Founded in 1956, VP Bank provides private banking services, specialized asset management, and specialized investment advisory services.

The bank owns and operates a subsidiary known as Centrum Bank, which provides a wide range of standard commercial banking services. VP Bank holds a market share of around 17% and is one of the fastest growing banks in Liechtenstein. The bank is headquartered in Vaduz.

Valartis Bank was set up in 1998 and is the fourth largest bank by assets in Liechtenstein. Valartis Bank offers specialized private banking services, which include asset management services, to its wealthy customers.

The bank also operates as a standard investment bank and its investment advisory team is one of the best in Liechtenstein, offering investment in financial instruments across the world. Valartis Bank Liechtenstein is headquartered in Gamprin-Bendern and holds a market share of around 2.5%.

Banque Havilland Liechtenstein is one of the private banks in Liechtenstein. The bank was created in 2014 when Banque Havilland acquired Banque Pasche Liechtenstein.

It is the fifth largest bank in Liechtenstein by assets and holds a market share of around 2.5%. Banque Havilland Liechtenstein specializes in providing private banking services to its customers. The bank is headquartered in Vaduz.

Bank Frick Liechtenstein was founded in 1998 and is a family-run private bank. Bank Frick offers private banking services such as specialized asset management, investment advisory services, and estate management.

In addition, the bank develops and manages real estate investments in Germany, Switzerland, the U.K., and Liechtenstein. It is the sixth largest bank in Liechtenstein by assets and holds a market share of around 2.3%. The bank is headquartered in Balzers.

NEUE Bank is a private bank founded in 1992. The bank offers private banking services such as asset management, investment advisory services, and estate management services to its wealthy clients.

Unlike the majority of private banks in Liechtenstein, NEUE Bank operates like a classical private bank—it does not offer any investment products. It is the seventh largest bank by assets in Liechtenstein and holds a market share of around 1.9%. The bank is headquartered in Vaduz.

Volksbank is an Austrian bank that set up operations as one of the banks in Liechtenstein in 1997. Volksbank Liechtenstein started as a private bank but has since grown into a full-fledged commercial bank offering services such as retail banking, mortgages, and business financing.

However, it still offers a wide range of private banking services to its wealthy customers. Volksbank Liechtenstein is the eighth largest bank in Liechtenstein by assets and holds a market share of around 1%. Volksbank Liechtenstein is headquartered in Schaan.

Kaiser Partner is a private bank that was originally set up in 1931. Kaiser Partner offers a wide range of private banking and asset management related services.

As an investment bank, Kaiser Partner has earned a reputation for its responsible and sustainable investment practices over the years. It is the ninth largest bank in Liechtenstein by assets and holds a market share of around 0.80%. The bank is headquartered in Vaduz.

Raiffeisen Privatbank offers private banking related services to its customers, providing them with highly personalized services. These services include traditional asset management, investment advisory services, and estate management.

Along with its partnerships with other investment banks around the world, Raiffeisen Privatbank is the 10th largest bank in Liechtenstein by assets and holds a market share of around 0.50%. It's part of the Austrian Raiffeisen Banking Group and is headquartered in Vaduz.

Bank Frick & Co. AG is a family-run bank with headquarters in Balzers and branch in London, U.K. It was founded in 1998 and it's owned by the Kuno Frick Family Foundation (70%) and Net 1 UEPS Technologies (30%).

Bank Frick is the first Liechtenstein bank to launch a certificate based on cryptocurrencies. [ST](#)

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