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Some common myths about having an offshore bank account



Though the trend of having an offshore bank account is evolving to great extent, but still there are many people who are having misconceptions about it. Many people think that the offshore bank accounts are beneficial only for criminals and tax evaders. While some think that only rich people can afford to have a bank account in another country. There are some other myths related to the offshore banking and chances are there that you may have believed those myths. Here we are going to discuss the major myths of offshore banking so that you can have a clear and true idea about them. This discussion will let you decide that whether you should have an offshore bank account or not.

Myth- Offshore banking is illegal

If you have believed this myth then let us tell you that having a bank account in a foreign country is totally legal. In this era of globalization, where the businesses and trades are done internationally, entrepreneurs and individuals are required to open their bank accounts in the different countries they deal in. As they are required to have all time access to their money, which is only provided through the offshore banking; they need to have an offshore bank account. So, having an overseas bank account is fully legal until you are not using it for criminal activities.

Myth- Most of the offshore banks are located in the countries with unstable economy

When mentioned about the term "offshore banking", many people start thinking of the country with high political risks and instability. But, there is nothing like that. Along with providing the major benefits, the offshore bank accounts also provide you the security for your funds. So, no matter how stable their economy is, they are going to benefit you.

Also, an offshore bank account is that which you are having in another country, not in your home country. So, in the case offshore bank accounts are considered to be in the unstable countries then it means that all the countries are unstable. Thus, there is no reality in this concept.



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Myth- Only rich people can have accounts in offshore banks

There is no doubt that the businesses and the rich people have been grabbing the benefits of the offshore bank accounts for years, but they have kept this secret to themselves only. But, it does not mean that only rich people can have accounts in foreign countries. As offshore bank accounts can be set up by spending just few hundred dollars (less than thousand dollars), every interested individual can register for it. So, if you are having sufficient money and want to use it in an effective way then you can consider having account in a foreign bank; regardless whether you are rich or not.

Myth- offshore bank accounts provide 100% privacy

This fact is partially true as it depends on the laws of the country in which you are going to have your account. For an instance, some countries like Belize and Panama are considered as the tax havens, which aim at providing 100% privacy to their clients; and there are also the countries who will share your personal information when asked by anyone. So, it is not the offshore bank accounts that are responsible for the privacy, but it is the laws of the country that will decide that how much privacy you will be having.

Myth- It is unsafe to have an account in a foreign country

Though this myth can be true in some cases, but it is not always the same. In the case you are having an account in the bank which is not insured by any authority then you are likely to lose your money in the case bank fails. But, in the case the bank you choose is worth billions of dollars then there are no chances of its failure. Your money will be safe in that account. So, it would be wrong to refuse having an offshore bank account only due to the reason that it can be unsafe. Instead, you should do proper research about the bank and its policies, which will let you find a reliable and safe foreign bank.

Myth- Privacy is the only reason for having an offshore bank account

There is no doubt that most of the benefits that you will get from an offshore bank account are related to privacy. But, there are many other gains of having it. Let us mention some of those benefits:

- An offshore bank account will let you have an access to multiple currencies.
- You will get better investment opportunities.
- You are enabled to get more interests for the same amount of money.
- You can access your money whenever you need it, without any delay.