

Relaxation of Rules under the Measure to Prevent Thai Baht Speculation

To alleviate the impacts of the coronavirus 2019 (COVID-19) situation on financial institutions' operations to comply with the Measures to Prevent Thai Baht Speculation, the Bank of Thailand (BOT) relaxes certain rules under the Measures to Prevent Thai Baht Speculation, only for necessary instances wherein transactions are not undertaken for speculative purposes. Such instances will not be considered as breaching the Measures to Prevent Thai Baht Speculation.

1. In the event that the end-of-the-day outstanding balance in Non-resident Baht Accounts (NRBA) and/or Non-resident Baht Accounts for Securities (NRBS) exceeds 200 million baht per NR across all financial institutions, such as due to the inability to contact the NR account owner or THB settlement failure

- 1.1) The NR account owner shall reduce the excess baht in the account within the day the outstanding balance exceeds 200 million baht or within the following business day at the latest, by selling the excess baht to onshore financial institutions at value same day. The financial institutions are not required to enter into a back-to-back transaction with the BOT and the transaction can be done at the market exchange rate; or
- 1.2) The NR account owner can reduce the excess baht in the account within the following business day, by using the excess baht to settle pending transactions from the previous day.

Financial institutions maintaining the NRBA/NRBS shall inform the BOT of the account details, NR account owner details, total outstanding amount and supporting reasons via email to FOGFXCompliance@bot.or.th within 5:00p.m. of the day the NRBA/NRBS exceeds the 200 million baht limit, and keep records of all aforementioned transactions for future examination by the BOT.

2. In the event that financial institutions engage in transactions equivalent to lending Thai baht to NRs without underlying exceeding 600* million baht per NR group arising from THB settlement failure

- 2.1) The NR can reduce the excess outstanding transaction (e.g. an overdraft) within the following business day, using the Thai baht funds which failed to settle the previous day; or
- 2.2) The NR can reduce the excess outstanding transaction within the day the outstanding amount exceeds 600* million baht or within the following business day at the latest, by buying baht at value same day with onshore financial institutions. The financial institutions are not required to enter into a back-to-back transaction with the BOT and the transaction can be done at the market exchange rate.

Financial institutions providing THB liquidity shall inform the BOT of transaction details, NR counterparty details, total outstanding amount and supporting reasons via email to FOGFXCompliance@bot.or.th within 5:00p.m. of the day the outstanding amount of such transactions exceeds the 600* million baht limit, and keep records of all aforementioned transactions for future examination by the BOT.

The above relaxations are effective from 1 April 2020 until termination by the BOT upon the situation returning to normal.

Remark : The outstanding limit was reduced from 600 to 200 million Bath per group of NR as prescribed in the circular BOT.FPD.(21) C. 3/2564 dated 5 January 2021

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