



## **BANK OF THAILAND NEWS**

Communications and Relations Office, Management Assistance Department  
Tel. 0-2283-5016-7 FAX 0-2281-5648 www.bot.or.th

**No.26/2000**

**Re : Investment in Securities Abroad by Merrill Lynch Phatra Securities Company Limited**

On 4 February 2000, the Bank of Thailand has approved investment by Merrill Lynch Phatra Securities Company Limited in securities abroad of up to USD 50 million for one year. The approval aimed at providing alternative investment opportunities for Thai residents especially Thai institutional investors and marking the first step of gradual liberalization on overseas investment by residents.

In order to maintain capital movement at a suitable level, the Bank of Thailand imposed certain conditions pertaining to such investment as follows :

1. The securities are restricted only to bonds issued by Thai government, Thai state enterprises, Thai commercial banks and financial institutions established under specific laws namely the Industrial Finance Corporation of Thailand and the Export-Import Bank of Thailand.
  2. The outstanding investment at any moment shall not exceed USD 10 million.
  3. Merrill Lynch Phatra can resell the securities only to institutional investors in Thailand as listed in the attachment and the payments shall be settled in Thai Baht.
  4. Each remittance of the investment fund requires approval from the Bank of Thailand.
- In addition, Merrill Lynch Phatra and the purchasers of the securities from the company shall provide written confirmation in a form prescribed by the Competent Officer assuring that they will repatriate income earned from the securities in foreign currency.

**Bank of Thailand**

**7 February 2000**

**Attachment**

**Institutional Investors shall include :**

Commercial banks

Finance companies

Securities companies (for their own assets)

Credit Fonciers

Insurance companies

Juristic persons established by specific laws

Bank of Thailand

International financial institutions

Thai government agencies and state enterprises

Financial Institutions Development Fund

Pension funds

Provident funds

Mutual funds (not including private funds)