



BANK OF THAILAND NEWS

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Memorandum of Understanding Between the Bank of Lao PDR and the Bank of Thailand

The Bank of Lao PDR and the Bank of Thailand have had a long cooperation in fostering the growth of trade and investment between the two countries accordingly.

In supporting continuous expansion of trade and investment between the two countries, the Bank of Lao PDR and the Bank of Thailand agreed to further the prospect by signing a memorandum of understanding to facilitate and gain confidence on the payment system between the two countries. The framework of cooperation consists of four issues as follows:

1. To promote stability and gain confidence on the use of Lao Kip and Thai Baht for settlement of trade, services and investment between the two countries, both central banks shall establish a credit line whereby the Bank of Thailand shall open a Kip account with the Bank of Lao PDR and the Bank of Lao PDR shall open a Baht account with the Bank of Thailand.

2. To develop an effective payment system for trade and investment between the two countries for both wholesale trade settled through the banking system and retail trade at the border, both central banks shall discuss related issues in further details.

3. To promote a close coordination and relationship between commercial banks' executives in Lao PDR and those in Thailand in expanding their scope of businesses and supporting one another in financial and other services.

4. To coordinate in academic research and technical assistance to jointly develop the financial and banking system as well as payment system between the two countries.

The Bank of Lao PDR and the Bank of Thailand shall consult and agree in details to follow the agreed framework into practice and effectiveness. Both central banks shall coordinate with related local agencies for implementation and shall consult each other to solve any problems on the basis of mutual understanding.

Bank of Thailand

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