



## **BANK OF THAILAND NEWS**

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### **Relaxation of Exchange Control Regulation relating to Investment in Securities Abroad**

The Bank of Thailand (BOT) has announced relaxation for Thai institutional investors to invest in securities abroad in 2003 and 2005 to enhance their investment experience in the international financial markets and offer alternative savings opportunities.

In 2006, the BOT will further relax investments in securities abroad by institutional investors to invest abroad under the same criteria as in 2005 as follows:

1. For Thai Debt securities issued and sold abroad, the BOT will grant permission for the amount applied.
2. Foreign securities are permitted with an investment limit of not more than USD 2,000 million.

The securities include:

- Debt securities issued by foreign governments (sovereign), state enterprises (quasi-sovereign) or international organizations ranked by international credit rating agencies as investment grade.

- Investment units issued by foreign mutual funds (excluding hedge fund) under the supervisory bodies relating to securities or securities markets that are members of the International Organization of Securities Commissions (IOSCO) or distributed in the countries whose securities exchanges are members of the World Federation of Exchanges (WFE).

- Securities issued under Asian Bond Fund Project of the Executives' Meeting of East Asia and Pacific Central Banks (EMEAP) of which Thailand is a member.

3. Institutional investors that are Life Insurance Companies, Government Pension Fund, Social Security Fund and Specialized Financial Institutions shall submit applications to the BOT whereas Mutual Funds and Provident Funds shall submit applications to the Securities and Exchange Commission, Thailand (SEC). The BOT has allocated an investment limit to the SEC. If the amount provided is not sufficient, the SEC shall request for additional amount from the BOT.

4. Those interested to invest shall submit the applications to the Competent Officer by 15 May 2006 and the BOT will allocate the investment limit and inform the investors accordingly.
5. The Competent Officer will grant permission to only those investors whose laws and regulatory agencies permit them to invest abroad.

Bank of Thailand

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