



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. 01/2007

Relaxation of Exchange Control Regulations on Capital Outflows and Holding of Foreign Currency

The Bank of Thailand (BOT) has issued the Notices of the Competent Officer, which shall be effective from 15 January 2007, to relax on the capital outflows and the holding of foreign currency as follows:

1. Increase the amount of Thai direct investment or lending to a business abroad (an individual or a juristic person in Thailand holds shares or has an ownership not less than 10 %) from not exceeding USD 10 million per person per year to not exceeding USD 50 million per person per year.

2. Allow a Thai juristic person to invest in or lend to a business abroad (holding shares or having an ownership of the Thai juristic person not less than 10% e.g. a Thai company lends to its parent company abroad) not exceeding USD 20 million per person per year.

3. Allow 7 institutional investors which are Government Pension Fund, Social Security Fund, provident funds, mutual funds (excluding private funds), securities companies, insurance companies, and specialized financial institutions to invest in securities issued abroad by Thai juristic persons without limit. For investment in foreign securities not issued by Thai juristic persons, such investors are allowed to invest up to the outstanding balances of USD 50 million but the investment must not exceed the limit set by their regulators, board of directors or management of each institutional investor. The previous regulation required such investors to seek prior approval from the BOT. Under the revised regulations, the investors are allowed to invest in foreign securities up to USD 50 million without prior approval from the BOT. Investment exceeding such limit required prior approval from the BOT.

4. Foreign currencies received from abroad without future foreign exchange obligations are allowed to be deposited in the foreign currency accounts with an outstanding balance of all accounts not exceeding USD 50,000 for an individual or USD 2 million for a juristic person.

The maximum outstanding balance of the deposit with obligations remains at USD 500,000 for an individual and USD 50 million for a juristic person.

The above revised regulations is part of BOT's plan to amend foreign exchange regulations related to international trade and investment in order to facilitate Thai businesses to be more flexible in managing their foreign currencies and increase their competitiveness in the world market.

The Bank of Thailand

15 January 2007

Further information, please contact 0-2356-7345-6 E-mail : KleddaoS@bot.or.th