

Summary of Key Regulatory Relaxation

A. Relaxation of Unremunerated Reserve Requirement Measures (URR)

Current Regulation	New Regulation	Reasons for Regulatory Changes
Foreign currency fund exchanged into Baht for investment in all types of unit trusts (including mutual funds and property funds) is subject either to the withholding of 30% of the fund amount as reserve requirement or the fully hedge requirement for the entire fund amount throughout the intended investment period.	Foreign currency fund exchanged into baht for the purpose of subscription in newly issued units of existing property funds by unit holders whose names appear on the unit holder registration as of the book closing date prior to the date of new unit issuance will be exempted from both URR and fully hedge requirement.	To support fund raising activities for domestic investment through capital markets
Foreign currency loans that are exempted from URR include: Loans ^{1/} (with less than one year maturity) that have been fully hedged in the form of swap contracts, covering entire loan amounts and maturities. Loans with maturities exceeding one year are required to be fully hedged only for the first year.	Foreign currency loans that are exempted from URR: 1. Loans ^{1/} (with less than one year maturity) that have been fully hedged in the form of swap contracts, covering entire loan amounts and maturities. Loans with maturities exceeding one year that are fully hedged for the first year. 2. Loans ^{2/} by Thai juristic persons, with the following conditions: 1) Contract amount not exceeding USD 1 Mil., and 2) Maturities of at least 1 year or more 3. Loans with natural hedge: Thai juristic persons borrowing in foreign currency can file for permission from the BOT on a case-by- case basis for an exemption from URR and fully hedge requirement, provided that the juristic persons can present the proofs of future revenue from abroad (from selling goods and services) to fully pay for the loans.	To lower funding costs of Thai businesses as well as to support domestic investment.

^{1/} **Loans** include 1. Foreign currency borrowings by residents via (1) borrowing from abroad, (2) borrowing from domestic financial institutions, and (3) proceeds from the issuance of foreign currency debt securities abroad.

2. Baht-denominated loans extended by non-residents to residents

^{2/} **Loans qualified for additional exemption** cover foreign-currency borrowings by domestic juristic persons from (1) abroad, (2) domestic financial institutions, and (3) proceeds from the issuance of foreign currency debt securities, which do not include the baht-denominated loans that non-residents extend to residents.

B. Relaxation of capital outflow regulations

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<p>1. Thai direct investment abroad and external lending</p> <p>1.1 A parent company in Thailand can transfer funds for the purpose of direct investment in, or lending to, subsidiary company¹ abroad in an amount up to \$ 50 Mil. per year (for each purpose).</p> <p>1.2 A subsidiary company in Thailand can transfer funds for the purpose of direct investment in, or lending to, parent company² abroad in an amount up to \$ 20 Mil. per year (for each purpose).</p> <p>1.3 Companies listed on the Stock Exchange of Thailand (SET) can transfer funds for direct investment abroad in an amount up to \$ 100 Mil. per year.</p>	<p>1.1 A parent company in Thailand can transfer funds for the purpose of direct investment in, or lending to, subsidiary and affiliated companies abroad in an aggregate amount not exceeding \$ 100 Mil. per year.</p> <p>1.2 A subsidiary company in Thailand can transfer funds for the purpose of direct investment in, or lending to, parent company abroad, subsidiary and affiliated companies of the parent company abroad in an aggregate amount not exceeding \$ 100 Mil. per year.</p> <p>1.3 Companies listed on the Stock Exchange of Thailand (SET) is free to invest abroad according to 1.1 and 1.2 with no limit, and can lend abroad according to 1.1 and 1.2 in an amount, for each case up, to \$ 100 Mil. per year</p>	<p>-To provide Thai businesses flexibility in foreign currency management</p> <p>-To enhance ability to compete in the world market</p> <p>-To meet business needs of the Thai private sector</p>																																	
<p>2. Foreign Currency Deposit (FCD) with onshore financial institutions</p> <p>2.1 Funds originated abroad</p> <table border="1" data-bbox="96 791 766 927"> <thead> <tr> <th></th> <th>Individual</th> <th>Juristic person</th> </tr> </thead> <tbody> <tr> <td>With obligations within 12 m.</td> <td>USD 1 Mil.</td> <td>USD 100 Mil.</td> </tr> <tr> <td>Without obligations</td> <td>USD 0.1 Mil.</td> <td>USD 5 Mil.</td> </tr> </tbody> </table> <p>2.2 Funds originated domestically (conversion of baht into foreign currencies or foreign currency borrowing from financial institutions)</p> <table border="1" data-bbox="96 1031 766 1166"> <thead> <tr> <th></th> <th>Individual</th> <th>Juristic person</th> </tr> </thead> <tbody> <tr> <td>With obligations within 12 months</td> <td>USD 0.5 Mil.</td> <td>USD 50 Mil.</td> </tr> <tr> <td>Without obligations</td> <td>USD 0.05 Mil.</td> <td>USD 0.2 Mil.</td> </tr> </tbody> </table>		Individual	Juristic person	With obligations within 12 m.	USD 1 Mil.	USD 100 Mil.	Without obligations	USD 0.1 Mil.	USD 5 Mil.		Individual	Juristic person	With obligations within 12 months	USD 0.5 Mil.	USD 50 Mil.	Without obligations	USD 0.05 Mil.	USD 0.2 Mil.	<p>2. FCD with onshore financial institutions</p> <table border="1" data-bbox="875 738 1621 1050"> <thead> <tr> <th></th> <th>Individual</th> <th>Juristic person</th> </tr> </thead> <tbody> <tr> <td>2.1 Funds originated abroad</td> <td>Unlimited</td> <td>Unlimited</td> </tr> <tr> <td>2.2 Funds originated domestically</td> <td>Not exceeding USD 1 Mil., otherwise not exceeding obligations within 12 months</td> <td>Not exceeding USD 100 Mil., otherwise not exceeding obligations within 12 months</td> </tr> <tr> <td>- With obligations</td> <td>within 12 months</td> <td>within 12 months</td> </tr> <tr> <td>- Without obligations</td> <td>USD 0.1 Mil.</td> <td>USD 0.3 Mil.</td> </tr> </tbody> </table>		Individual	Juristic person	2.1 Funds originated abroad	Unlimited	Unlimited	2.2 Funds originated domestically	Not exceeding USD 1 Mil., otherwise not exceeding obligations within 12 months	Not exceeding USD 100 Mil., otherwise not exceeding obligations within 12 months	- With obligations	within 12 months	within 12 months	- Without obligations	USD 0.1 Mil.	USD 0.3 Mil.	<p>- To provide exporters and Thai residents who have foreign-currency receipts with greater flexibility in managing foreign currency</p> <p>- To meet business needs of the Thai private sector</p>
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<p>3. Purchase of properties abroad by residents</p> <p>Up to \$ 1 Mil. per year</p>	<p>3. Purchase of properties abroad by residents</p> <p>Up to \$ 5 Mil. per year</p>	<p>Raise limit to properly reflect changing circumstances</p>																																	

¹ Subsidiary company here refers to a foreign company whose shares are held or owned by Thai parent company by at least 10%.

² Parent company here refers to a foreign company which holds or owns at least 10% of total shares of a domestic subsidiary company.

