



BANK OF THAILAND NEWS

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Relaxation of Regulations on Foreign Exchange Transactions

The Bank of Thailand has issued the Notice of the Competent Officer to further relax foreign exchange regulations in order to increase the flexibility of Thai businesses in managing their foreign exchange risks. The main issues are summarized as follows:

1. Allowing Thai companies having export proceeds in foreign currency to transfer funds from their foreign currency deposit accounts to counterparties in Thailand for payment of goods or services.

This relaxation will facilitate companies to have more flexibility in managing foreign exchange risks and help reduce transaction costs.

2. Increasing the foreign exchange transactions threshold amount for which foreign exchange transaction form must be submitted from USD 20,000 to USD 50,000 and easing the requirement for submission of supporting documents.

This relaxation aims at reducing administrative costs for firms and commercial banks, thus enhancing flexibility for companies in conducting foreign exchange transactions.

In addition, the Bank of Thailand issues rules and practices regarding the five measures announced in the Notifications of the Ministry of Finance dated 16 September 2010. For instance, Thai companies wishing to undertake direct investment or lending abroad in an amount of USD 10 million or more per year shall notify the Bank of Thailand in the form specified under the guideline.

The Notifications of the Ministry of Finance include (1) relaxing regulations on Thai direct investment and lending to affiliated companies overseas, (2) relaxing regulations on lending of Thai companies to non-affiliated companies abroad up to USD 50 million per year, (3) increasing the amount limit for purchase of immovable properties abroad, (4) raising the outstanding balance limit of foreign currency accounts, and (5) relaxing regulations on repatriation of export proceeds of values less than USD 50,000.

The above-mentioned relaxation shall take effect from 12 October 2010.

The notification related to the relaxation of foreign exchange regulations can be accessed via <http://www2.bot.or.th/fipcs/Documents/FOG/2553/ThaiPDF/25530208.pdf>

Bank of Thailand
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