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Signing of the Renminbi - Thai Baht Bilateral Swap Agreement and the Memorandum of Understanding with the People's Bank of China on the Establishment of the Renminbi Clearing Arrangements in Thailand

The People's Bank of China (PBC) and the Bank of Thailand (BOT) signed a Renminbi – Thai Baht Bilateral Swap Agreement (BSA) and a Memorandum of Understanding (MoU) to establish the Renminbi Clearing Arrangements in Thailand on December 22, 2014 in Beijing, People's Republic of China, during the official visit of Prime Minister General Prayuth Chan-Ocha.

This agreement is an extension from the former agreement. Under this swap arrangement, the amount of 70 billion CNY or 370 billion Thai Baht shall be made available for a period of 3 years. The swap transactions between the BOT and the PBC will provide an access for both central banks to the local currency of the other party. This would bolster confidence of the private sectors as well as financial institutions on the availability of local currency for cross-border trade and investment settlement.

The establishment of the Renminbi Clearing Arrangements in Thailand would facilitate access to Chinese onshore foreign exchange market. This would lower costs of transactions and enhance efficiency for Thai commercial banks to conduct cross-border transactions between the two countries. At this juncture, the PBC will appoint eligible Chinese commercial banks operating in Thailand as Renminbi Clearing Bank to conduct Renminbi settlement in the country.

Bank of Thailand
22 December 2014