



BANK OF THAILAND



Communications and Relations Office, Corporate Communications Department
Tel. +66 2283 5016-7 Fax. +66 2283 6969 www.bot.or.th

No. 15/2021

Thai Baht-denominated Stablecoins

Mr. Pruettipong Srimachand, Assistant Governor of the Legal Group, Bank of Thailand (BOT), has revealed that recent developments have seen the private sector attempting to create cryptocurrencies utilizing underlying assets or fiat currencies as an anchor to minimize price volatility. Such cryptocurrencies are known as stablecoins.

More recently, a new form of stablecoins utilizing underlying algorithmic smart contracts has been created to replicate the price and movement of various currencies. It has come to the BOT's attention that a new stablecoin, THT, has been created abroad on the Terra Platform. One unit of THT is denominated in and valued at one Thai Baht. Although THT is currently not used as a medium of exchange, it could cause fragmentation to the Thai currency system should THT or other similar stablecoins come to replace, substitute or compete with Baht issued by the BOT. This would ultimately affect the general public's confidence in the stability of the national currency system, which is the cornerstone of all economic activities. Therefore, any activity involving THT is deemed illegal, as the creation, issuance, usage or circulation of any material or token for money is a violation of Section 9 of the Currency Act 1958.

The general public should exercise caution and refrain from participating in any activity involving THT, as there are no legal assurances or protection, and users could also be at risk of cyber theft and money laundering.

Bank of Thailand

17th March 2021

For further information, please contact:

Legal Department

Tel : +66 2356 7491

Digital Currency Team, Financial Markets Department, Financial Markets Operations Group

Tel : 0 2356 7532

E-mail: DigitalCurrencyTeam@bot.or.th