



BANK OF THAILAND

**BOT Press Release**

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### Stablecoins Regulation Policy

Ms. Siritida Panomwon Na Ayudhya, Assistant Governor of Payment Systems Policy and Financial Technology Group, Bank of Thailand ( BOT) , noted the rapid technological advancements giving rise to a new generation of financial services. This includes the adoption of Blockchain and Distributed Ledger Technology (DLT) in the financial sector as well as the development of digital currencies, including various forms of cryptocurrencies, aimed for use as a medium of exchange or investment in the world of digital assets.

Recently, a form of cryptocurrencies known as stablecoins, has been developed utilizing underlying assets or fiat currencies as an anchor to minimize price volatility. There are several forms of stablecoins, some of which may be used to replace the Baht which would ultimately affect the general public's confidence in the stability of the national currency system. Other forms have the potential to increase efficiency and reduce costs in the financial system, and can be used to improve financial services to meet users' needs in an increasingly digital era. Accordingly, the BOT has set out the following guidelines appropriate for the regulation of financial services involving stablecoins:

**1. For Baht-backed stablecoins** which are cryptocurrencies designed to minimize price volatility by pegging its value to the Baht and are intended to be used as a means of payment, such stablecoins may be classified as electronic money (e-Money) under the Payment Systems Act 2017. The BOT oversees risks associated with e-Money, such as settlement, money laundering cybersecurity and consumer protection risks. Therefore, those wishing to provide services involving Baht-backed stablecoins are required to consult with the BOT for consideration before beginning any operations. This policy is in line with the regulatory guidelines in many countries, such as the United Kingdom, Singapore, and Japan.

**2. As for other forms of stablecoins** including foreign currency-backed stablecoins, asset-backed stablecoins, and algorithmic stablecoins that are not illegal, the BOT is open to receive comments and feedback before considering regulatory guidelines as appropriate.

The BOT sees the benefits of financial technology and is ready to embrace new innovations to improve financial services. In this regard, the BOT is currently in the process of developing a Retail Central Bank Digital Currency to meet the needs of the general public, improve service efficiency in the business sector, and increase access to financial services. The BOT will continue to closely monitor the developments of new technologies, taking into account the benefits and related risks in the effort to adopt policies supportive of promoting ongoing economic development while maintaining financial system stability.

Bank of Thailand

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