BANK OF THAILAND

BOT Press Release

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No. 1/2021

Relaxation of Foreign Exchange Regulations Under the Non-resident Qualified Company Scheme (NRQC Scheme)

Ms. Vachira Arromdee, Assistant Governor, Financial Markets Operations Group, revealed that the Bank of Thailand (BOT) is allowing greater flexibility for non-resident companies to conduct foreign exchange transactions against Thai baht with domestic financial institutions under the *Non-resident Qualified Company Scheme (NRQC Scheme)*. Non-financial companies having trade and direct investment in Thailand participating in the *NRQC Scheme* will be entitled to the following benefits;

1. **Manage currency risks related to Thai baht more freely** without having to provide proof of underlying for each transaction. The scope of eligible underlying transactions has also been broadened to include anticipatory hedging and balance sheet hedging.

2. **Manage Thai baht liquidity more flexibly** without being subject to the end-of-day outstanding limit of THB 200 million imposed on Non-resident Baht Accounts (NRBA).

Since the *NRQC Scheme* will facilitate non-resident companies to engage in foreign exchange transactions with domestic financial institutions more freely, the outstanding limit on Thai baht liquidity that domestic financial institutions may provide to non-residents without proof of underlying has been reduced as this channel has become less necessary and in order to support activities under the NRQC Scheme.

The relaxation outlined above is part of the BOT's effort to develop the country's FX ecosystem through structural reform of the onshore foreign exchange market, aiming to increase the breadth and depth of the onshore foreign exchange market, as well as enhance market transparency and surveillance.

Bank of Thailand
5 January 2021

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