

## Foreign Exchange Rules Eased in Thailand

On 5<sup>th</sup> June 2017, the Bank of Thailand (“**BOT**”) announced a plan to reform exchange regulations to streamline procedures, reduce the required documents, remove the BOT’s prior approvals for certain FX transactions and promote transactions in electronic forms. Most of the new regulations for the reform will be issued this year as shown in the table below.

No.	Current Regulations	New Regulations	Planned Issue Date
1	<p>An outward remittance of USD50,000 or above is allowed for eligible purposes upon submission of supporting documents, such as:</p> <p>(1) Payment of goods only for goods imported into Thailand or goods shipped from one foreign country to another foreign country.</p> <p>(2) Direct investment or lending abroad upon submission of financial statements of companies abroad and other documents, while repayment of loans requires Foreign Exchange Transaction forms as evidences of inward remittances of the loan proceeds.</p> <p>(3) Supporting documents must be original and submitted to commercial banks in hard copy.</p>	<p>Relaxed regulations on outward remittances, such as:</p> <p>(1) Payment of goods not brought into Thailand.</p> <p>(2) Eliminating unnecessary supporting documents for outward remittances such as the requirements for financial statements of the companies abroad and letters explaining the reasons of direct investment or lending abroad. Allowing other documents such as credit advices other than Foreign Exchange Transaction forms as evidences for overseas loan repayment.</p> <p>(3) Allowing supporting documents in electronic form or e-mail.</p>	June 2017
2	<p>In conducting a foreign exchange transaction in an amount of USD50,000 or above:</p> <p>(1) Customers must submit Foreign Exchange Transaction Form and supporting documents.</p> <p>(2) Commercial banks must verify and stamp on the supporting documents.</p>	Eliminating Foreign Exchange Transaction Form and stamp requirements on supporting documents.	Q3 2017
3	Direct investment and lending abroad of USD10 million or above require online registration through the BOT website and the BOT will issue acknowledgement form within one day.	The BOT will issue acknowledgement form automatically (automatic reply).	Q4 2017
4	The BOT issues approval letters to companies in hard copy.	The BOT’s approval letters will be in electronic form.	Q4 2017

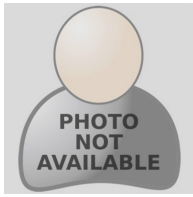
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5	Money transfer Agent (MT) can remit foreign currencies overseas only for family support, travelling, education or other services.	Allowing retail customers to make payment of goods through MTs.	June 2017
6	The amount limit of outward remittance is THB 200,000 per customer per day.	Increasing the amount limit of outward remittance.	Q4 2017
7	MT must be a company with paid-up registered capital of not less than 100 million Baht and has other prescribed qualifications.	Relaxing qualifications of MTs such as reducing paid-up registered capital.	Q4 2018
8	Commercial banks providing direct loans in Thai baht to non-resident customers must obtain a prior approval from the BOT.	Allowing commercial banks to provide direct loans in Thai baht to the following non-resident customers: <ul style="list-style-type: none"><li>• Non-resident companies wishing to invest in Thailand.</li><li>• Non-resident companies established in a member country of the Greater Mekong Subregion (GMS) wishing to invest in infrastructures or a project that is beneficial to Thailand.</li></ul>	June 2017
9	Retail investors having financial assets of less than THB100 million are only allowed to invest in securities abroad through local intermediaries, which are securities companies, asset management companies, or commercial banks.	Allowing retail investors having financial assets of more than THB50 million but less than THB100 million to invest in securities abroad without having to go through local intermediaries up to a gross flow of USD1 million per year.	Q4 2017
10	Commercial banks providing direct loans in Thai baht to non-resident customers must obtain a prior approval from the BOT.	Allowing commercial banks to provide direct loans in Thai baht to the following non-resident customers: <ul style="list-style-type: none"><li>• Non-resident companies wishing to invest in Thailand.</li><li>• Non-resident companies established in a member country of the Greater Mekong Subregion (GMS) wishing to invest in infrastructures or a project that is beneficial to Thailand.</li></ul>	June 2017

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