

Unofficial Translation

This translation is for the convenience of those unfamiliar with the Thai language.
Please refer to the Thai text for the official version.

7 March 2008

To Manager

All Commercial Banks
The Export and Import Bank of Thailand
The Islamic Bank of Thailand
The Government Savings Bank
The Small and Medium Enterprise Development Bank of Thailand
The Bank for Agriculture and Agricultural Cooperatives

No.ECD.(02) C.39 / 2551 Re: Relaxation on Rules regarding Request for Supporting Documents when Withdrawing Funds from Non-resident Baht Accounts and in the Case of not Rolling over Hedging Transactions

The Bank of Thailand has issued a Notice of the Competent Officer (No. 17) to lift the Unremunerated Reserve Requirement (URR) and amend the rules regarding deposit and withdrawal of funds from non-resident baht accounts.

By virtue of the power conferred upon him under Clause 16 of the Notification of the Ministry of Finance on Directions of the Minister to Authorized Agents dated 31st March B.E. 2547 as amended by the Notification of the Ministry of Finance on Directions of the Minister to Authorized Agents (No. 2) dated 20th July B.E. 2549, the Competent Officer sets practices in withdrawing funds from non-resident baht accounts and not rolling over foreign exchange hedging transactions engaged for exemption from the URR to increase flexibility in conducting transactions of authorized juristic persons and their customers as follows :

1. In withdrawing funds from the Non-resident Baht Account for Securities (NRBS) and Non-resident Baht Account (NRBA) according to Clause 35/1 and Clause 35/3 of the Notice of the Competent Officer on Rules and Practices regarding Currency Exchange dated 31st March B.E.2547 as amended by the Notice of the Competent Officer on Rules and Practices regarding Currency Exchange (No.17) dated 29th February B.E.2551, the authorized juristic persons shall request non-residents to specify the purposes of the withdrawal in documents related to fund transfers such as SWIFT.

In withdrawing funds in an amount less than Baht 5 million within 14th March B.E.2551, if the authorized juristic persons cannot contact the non-residents, the Competent Officer exempts the non-residents from the requirement to specify the purposes in such documents.

2. In requesting supporting documents for the withdrawal of funds according to paragraph 2 in Clause 36 of the Notice of the Competent Officer on Rules and Practicing regarding Currency Exchange dated 31st March B.E.2547 as amended by the Notice of the Competent Officer on Rules and Practices regarding Currency Exchange (No.17) dated 29th February B.E.2551, authorized juristic persons shall comply with the following:

1) The authorized juristic persons may not request for the supporting documents in the following cases:

a) Withdrawal of funds in any amount from the non-resident baht accounts held by natural persons,

b) Withdrawal of funds in an amount not exceeding Baht 5 million per transaction.

2) In withdrawing funds in an amount exceeding Baht 5 million per transaction, the authorized juristic persons shall request for supporting documents. In the case where the supporting documents cannot be submitted at the time of withdrawal, the authorized juristic persons shall comply with the following :

a) The authorized juristic persons shall confirm with beneficiaries in Thailand or the authorized juristic persons with which such beneficiaries maintain accounts that the purposes of such withdrawals are true and correct. Once the confirmations are made, funds can be withdrawn from the accounts or

b) In the case where the authorized juristic persons know their customers, funds can be withdrawn from the accounts.

In withdrawing funds according to a) and b), the authorized juristic persons who maintain non-resident baht accounts shall proceed to request supporting documents indicating the purposes of the withdrawals thereafter for submission to the Competent Officer when requested.

3. The customers who have engaged in foreign exchange hedging transactions for one year to be exempted from the URR in case of loan, investment in debt securities and unit trusts and do not wish to roll over such contracts are not required to seek prior approval from the Competent Officer. The authorized juristic persons shall submit the reports on such transactions in the forms attached herewith to the Competent Officer within 5 working days from the end of month.

Please be informed, comply with and notify your customers accordingly.

Sincerely yours,

(Mrs. Suchada Kirakul)
Competent Officer

Attachments: 1. Report on Foreign Currency Borrowings with the Hedging Transactions under URR not Rolling over
2. Report on Investment in Debt Securities and Unit Trusts with the Hedging Transactions under URR not Rolling over

Exchange Control and Credits Department

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Remark : No meeting for clarification will be arranged