



BANK OF THAILAND



Corporate Treasury Center



Agenda

- **Definition of Treasury Center**
- **Benefits of establishing TC in Thailand**
- **Scope of business of Treasury Center in Thailand**
- **Conditions and regulations in operating a Treasury Center in Thailand**
- **TC licensing application**
- **Contact point for applying establishment of Treasury Center**



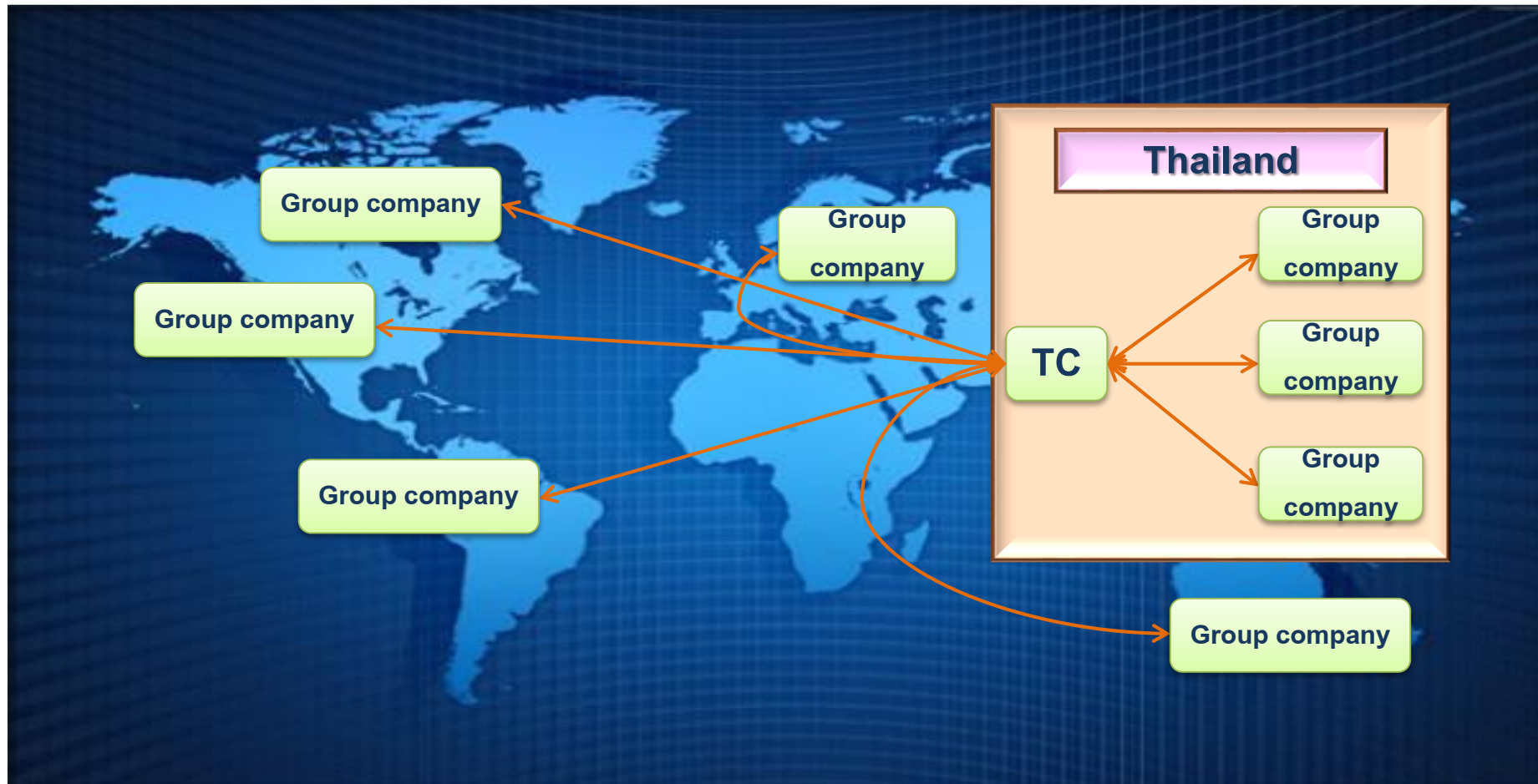
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Definition of Treasury Center (TC)

Treasury Center is a Thai juristic person not engaging in financial business which manages foreign currency funds for its Group Companies both in Thailand and overseas



Holding company is allowed as a Group Company.



Regulatory Relaxation on April 30, 2015



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Benefits of establishing TC in Thailand

- **Reduce transaction costs and help increase companies' efficiency and competitiveness through cash pooling and netting.**
- **Entitle to benefits under International Headquarter (IHQ) if TC choose to apply for IHQ license**
- **Facilitate MNCs, either their parent companies abroad or in Thailand, to centralize all treasury management in Thailand**



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Scope of business of Treasury Center in Thailand



Payment & Collection



Netting of FX Transactions



FX Transactions & Risk Management



Liquidity Management



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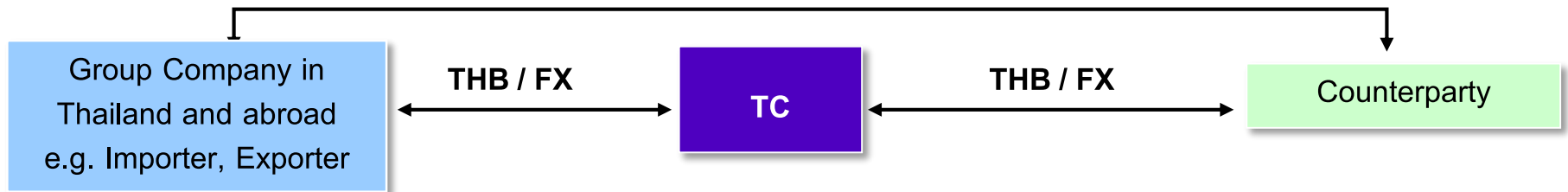


I. Payment and Collection

Agent

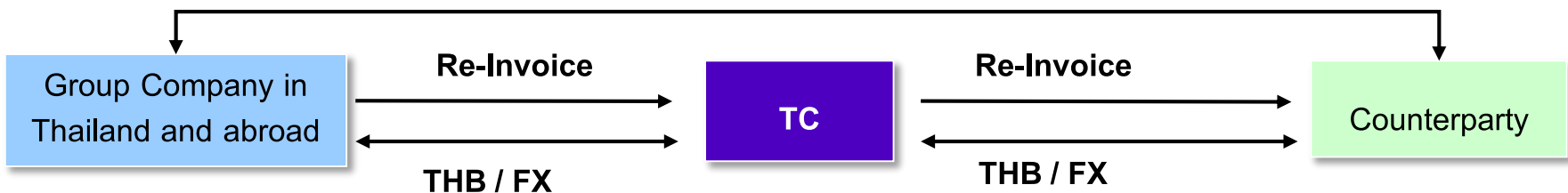
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Goods/Services/Dividend/Interest



Re-invoicing

Goods/Services





II. Netting of FX Transactions

TC can net FX transactions and pay to Group Companies in Thailand and abroad or counterparties abroad on the net basis.



International trade and services* of Group Companies in Thailand and abroad

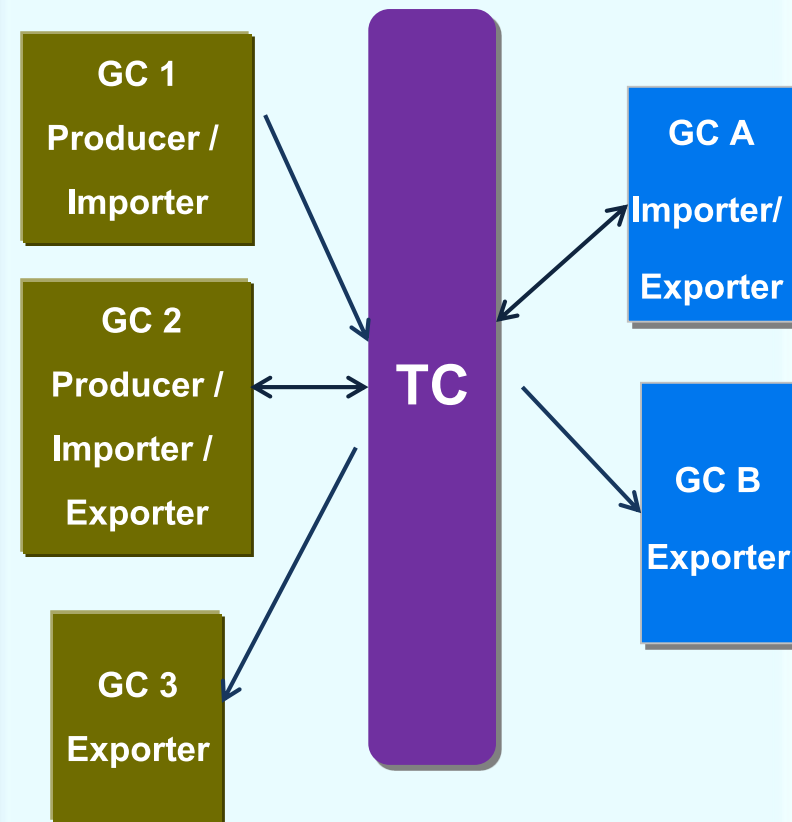
TC's FX transactions under its scope of business e.g. FX lending and borrowing

*including dividend and interest



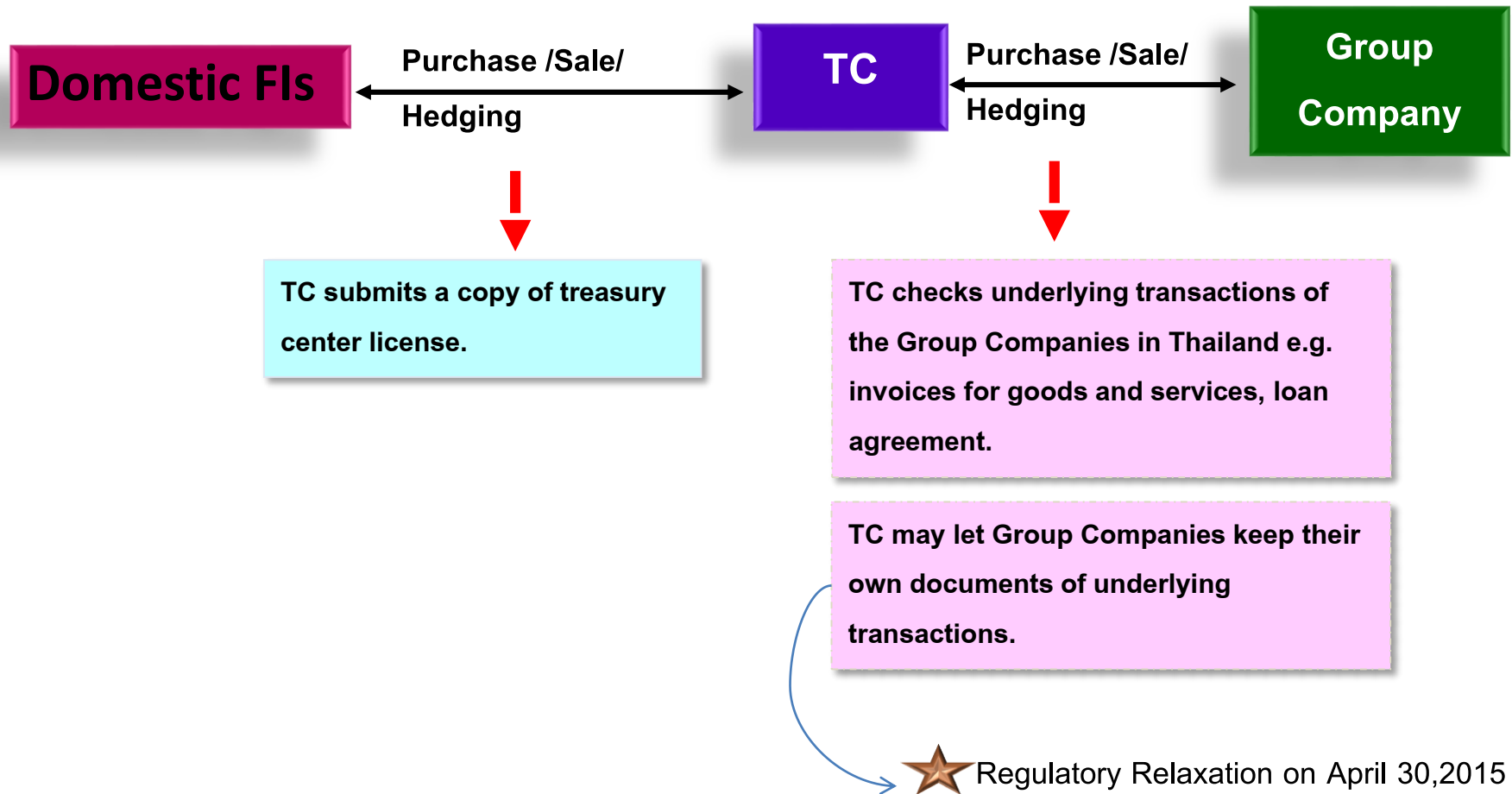
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e.g. Multi - netting





III. FX Transactions and Risk Management





III. FX Transactions and Risk Management (2)



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Allow TC to open one type of FCD Account (foreign currency deposit). For payment of goods, services and other purposes such as loans, TC can purchase FX up to the amount of the underlying transactions.

TC can purchase FX up to an aggregate amount of USD 500 million per year for the following purposes:



Deposit into the FCD opened with domestic FIs without having documents of underlying transactions



Deposit with FIs abroad



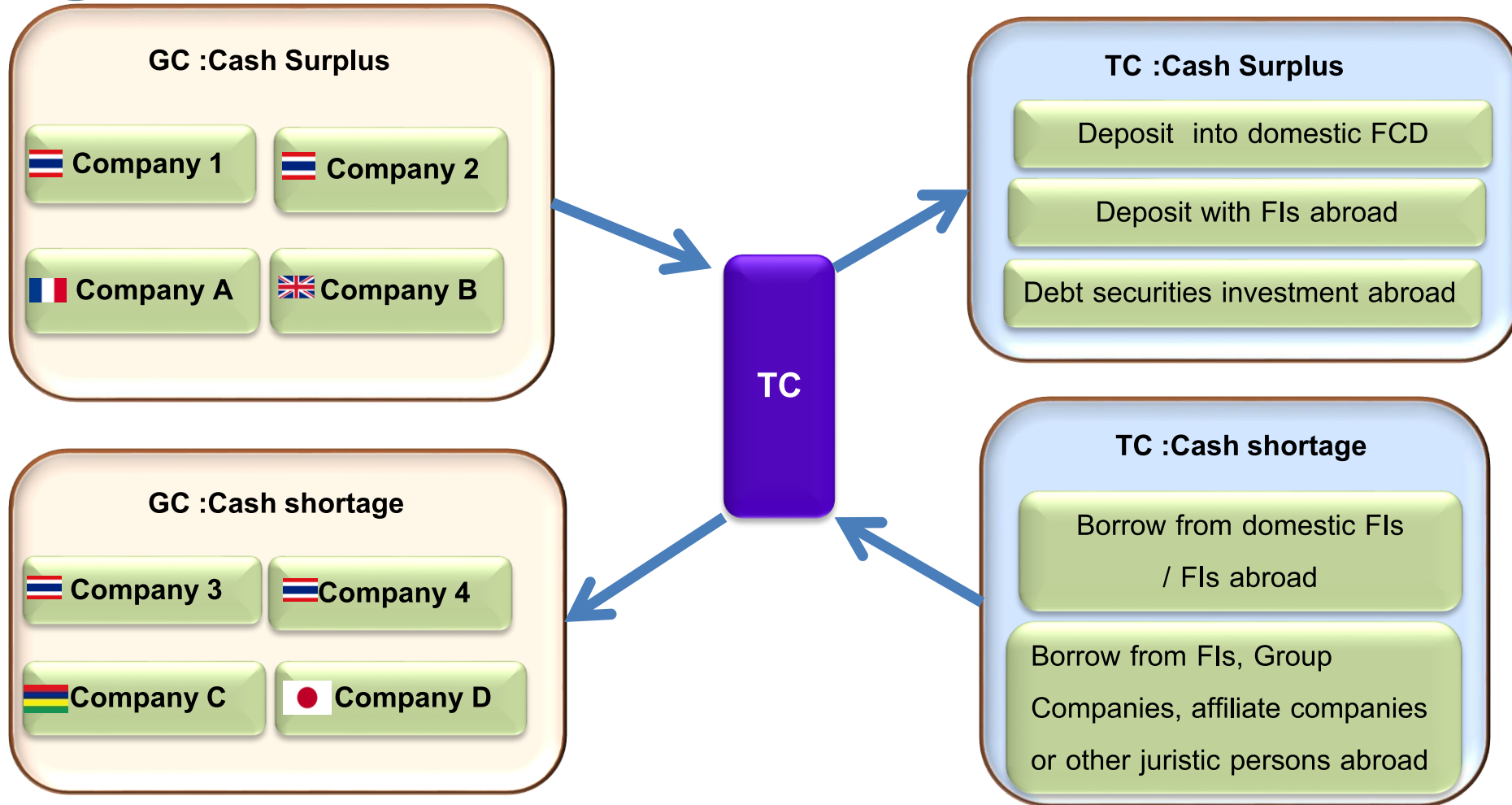
Debt securities investment abroad



**Outstanding :
up to USD 500 mil.**



IV. Liquidity Management



TC can lend to its Group Companies more than 1 year.

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TC licensing application

TC Licensing application

A company submits application & related documents



BOT process application
(30 working days)



MOF approves and grants the license
(30 working days)



TC receives the license from BOT together with BOT's letter indicating list of Group Companies (7 days)

Additional Procedures

Juristic persons must register with MOC to carry out Treasury Center Business

If TC is a foreigner,
It is subject to the Foreign Business ACT, B.E. 1999
and must apply for
Foreign Business License / Certificate



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Contact point for applying establishment of Treasury Center

**Website: www.bot.or.th >> Foreign Exchange Regulations
>>Treasury Center**

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