

420436

Translation

CURRENCY ACT,
B. E. 2 5 0 1

BHUMIBOL ADULYADEJ, REX.

Given on the 18th. August, B.E. 2501;

Being the 13th. Year of the Present Reign.

HIS MAJESTY KING BHUMIBOL ADULYADEJ is graciously
pleased to proclaim that :-

Whereas it is expedient to revise the law on
currency;

Be it, therefore, enacted by the King, by and with
the advice and consent of the Assembly of the People's
Representatives, as follows :-

Section 1.- This Act shall be called the "Currency
Act, B.E. 2501".

Section 2.- This Act shall come into force as and
from the day following the date of its publication in the
Government Gazette.

Section 3.- The following shall be repealed :

1. The Currency Act, B.E. 2471;
2. The Currency Amendment Act, B.E. 2473;
3. The Currency Amendment Act, B.E. 2475;
4. The Currency Act (No. 4), B.E. 2479;
5. The Currency Act (No. 5), B.E. 2482;
6. The Currency Act (No. 6), B.E. 2483;
7. The Currency Act (No. 7), B.E. 2484;
8. The Currency Act (No. 8), B.E. 2485;
9. The Currency Act (No. 9), B.E. 2485;
10. The Currency Act (No. 10), B.E. 2487; and

Section 4.- In this Act,

"Immediate purchase or sale" means the purchase or sale made by telegraphic transfer;

"Foreign securities" means the securities of foreign Governments or of the Specialised Agencies of the United Nations;

"Remedy" means the variation of weight and fineness of a coin from the rate determined therefor;

"Minister" means the Minister who takes charge and control of the execution of this Act.

Section 5.- The Minister of Finance shall take charge and control of the execution of this Act and shall have power to issue a Ministerial Regulation for the execution of this Act.

Such Ministerial Regulation shall come into force after its publication in the Government Gazette.

C H A P T E R 1.

Currency and Units of Currency

Section 6.- The currency denotes coins and currency notes.

Section 7.- The unit of currency is the "Baht"; one baht is divided into one hundred Stangs.

The word "Baht" may be substituted by the sign of "฿."

Section 8.- Determination of par value of baht shall be made in comparison with the weight of fine gold.

When it is deemed expedient to determine or to alter the par value of baht, a Royal Decree shall be made to that effect.

Section 9.- No person shall make, issue, use or put into circulation any material or token for money, unless permission has been obtained from the Minister.

Section 10.- The Ministry of Finance shall cause the coins to be minted and put into circulation.

The denominations, metals, rates of fineness, weights, sizes, designs and other descriptions (if any) of coins including the remedies shall be determined by a Ministerial Regulation.

Section 11.- Coins are legal tender not exceeding the amount determined by a Ministerial Regulation.

Section 12.- A defaced coin is not legal tender.

The following coin is said to have been defaced :

(1) A coin which has been cut, stamped, struck or caused by any means whatever to be so damaged that its shape or surface has been altered or its weight reduced; or

(2) A coin which has been reduced in weight on account of natural wear and tear by an amount more than two and a half times the remedy.

Section 13.- The Ministry of Finance shall receive for exchange the defaced coin specified in Section 12 (2).

Section 14.- The Bank of Thailand shall further have the power to print, manage and issue the currency notes of the Government according to the law on the Bank of Thailand.

The Minister shall notify in the Government Gazette the denominations, colours, sizes and other descriptions of the currency notes to be issued except in case of reissuing the withdrawn currency notes.

Section 16.- No currency note shall be issued save in immediate exchange for :

(1) currency notes previously issued, which are thereupon withdrawn from circulation, or

(2) any kind of assets as specified in Section 30 which are of equal value, and which shall be credited to the currency reserve account kept in accordance with Section 26

A currency note is said to be in circulation from the time of its issue and before that of its withdrawal.

Section 17.- Currency notes withdrawn from circulation may either be cancelled and destroyed or retained and reissued.

Section 18.- An imperfect currency note is not legal tender.

The following currency note is said to be imperfect:

(1) A half currency note, i.e. the half of a currency note which has been divided vertically at or near the centre;

(2) A mismatched currency note, i.e. a currency note formed by the joining of a portion of one currency note to that of another; or

(3) A mutilated or blurred currency note, i.e. a currency note a portion of which is missing or the contents or figures of which are indecipherable.

Section 19.- The Bank of Thailand shall receive for exchange the imperfect currency notes according to such limitations, rules and procedures as determined by a Ministerial Regulation.

Section 20.- The Minister shall, whenever he thinks fit, have the power to withdraw from circulation currency notes of any denomination by directing that they be delivered

The notification of the withdrawal of currency notes from circulation must at least contain the following particulars :

- (1) Denominations of the withdrawn currency notes;
- (2) Period of time allowed for delivery of the withdrawn currency notes, which must not be less than one year from the date of its publication in the Government Gazette;
- (3) Competent official and place for taking delivery of the withdrawn currency notes.

Section 21.- At the expiration of the period of time so determined for delivery of the withdrawn currency notes under Section 20, all withdrawn currency notes under the notification of the Minister are not legal tender, provided that they shall be received by the Bank of Thailand in exchange for other currency notes within two years as from the date on which the withdrawn currency notes have ceased to be legal tender.

Section 22.- All currency notes, which have ceased to be legal tender under Section 21 and are not delivered in exchange for other currency notes within the time so determined for the delivery for exchange, shall be regarded as currency notes withdrawn from circulation; and, any kind of assets of equal value thereof which have been held as currency reserve under Section 26 may be transferred to be income of the State.

C H A P T E R 2

Maintenance of the Value of Baht

Section 23.- After the par value of baht has been

as may be required by the commercial banks in the kingdom, provided that the amount of each purchase or sale must not be less than two hundred thousand bahts.

The Bank of Thailand need not make immediate purchase or sale under the preceding paragraph in the following cases :

(1) Such foreign currency is not convertible currency; or

(2) During the time when the law on restriction of the sale of foreign exchange is in force.

For the purpose of this section, the "convertible currency" means the currency of the country which has undertaken to comply with the obligations imposed by Article VIII of the Agreement on International Monetary Fund.

Section 24.- In making purchase or sale of foreign currencies between the Bank of Thailand and the commercial banks after the par value of baht has been determined,

(1) the rate available for purchase or sale must not differ from the par value of baht to the amount exceeding 1/2 of one per cent of such par value;

(2) the Bank of Thailand shall not receive a discount or collect money of whatever category excepting the telegraphic charges or other expenses incidental to such purchase or sale.

Section 25.- After the par value of baht has been determined, no commercial bank shall make immediate purchase or sale of any foreign currency at the rate differing from the par value of baht to the amount exceeding one per cent of such par value except in case where such foreign currency is purchased or sold in the foreign market at the rate

collect money of whatever category excepting the telegraphic charges or other expenses incidental to such purchase or sale.

CHAPTER 3

Currency Reserve

Section 26.- The Bank of Thailand shall, for the purpose of maintaining the stability of currency, keep a currency reserve known as the "Currency Reserve".

Section 27.- All existing assets held as currency reserve before or on the day of the coming into force of this Act shall be the currency reserve under this Act.

Section 28.- The currency reserve shall be kept separate from other assets which belong to the Bank of Thailand.

Section 29.- Subject to Section 20 and Section 34, no payment from the currency reserve shall be made, unless

(1) currency notes of equivalent amount are simultaneously withdrawn from circulation; or

(2) any kind of assets under Section 30 of equal value are simultaneously credited to the currency reserve.

The payment from the said currency reserve may be made only upon order of the Governor of the Bank of Thailand or of the representative appointed by him particularly for this purpose.

Section 30.- The following assets shall be lawful components of the currency reserve :

(1) Gold;

(2) U.S. dollars, pound sterling or any other foreign currencies determined by a Ministerial Regulation, provided that they are in the form of deposit at a central

(3) Foreign securities, the capital and interest of which are paid in foreign currencies specified in (2);

(4) Securities of the Thai Government, the capital and interest of which are paid in foreign currencies specified in (2) or in baht;

(5) Bills which the Bank of Thailand are permitted to buy or rediscount, but the total value thereof shall not exceed ten per cent of the net amount of currency notes in circulation;

(6) Assets subscribed to the International Monetary Fund in gold or in U.S. dollars.

As for the gold, foreign currencies and foreign securities the period of redemption of which is not more than one year as from the date of their deposit or purchase, the Bank of Thailand shall maintain them altogether to the value amounting to not less than sixty per cent of the net amount of currency notes in circulation.

Section 31.- The value of assets credited to the currency reserve, shall be computed as follows :

(1) Gold, at the par value of baht;

(2) Foreign currencies, at the par value thereof;

(3) Foreign securities, at the market price as at the end of the previous year or, if they are purchased during the year, at the price at the time of their purchase, which shall be converted into baht according to the par value of currency of such foreign country;

(4) Securities of the Thai Government, at the purchase or rediscount price or at face value, whichever is the less;

(5) Bills, at the purchase or rediscount price;

(6) Assets subscribed to the International Monetary Fund in gold, at the par value of baht; or in U.S. dollars,

420444

Pending the determination of the par value of baht, the value of gold under (1) and (6) shall be at the rate of 0.0444335 gramme of fine gold to one baht.

Section 32.-- The Bank of Thailand shall value the assets credited to the currency reserve each year not later than sixty days as from the New Year's Day.

Section 33.-- The annual benefits derived from the currency reserve shall be spent :

- (1) as expenses for the printing of currency notes;
- (2) as expenses for the issue and management of currency notes;
- (3) to cover depreciations or losses of the assets held as currency reserve.

The balance shall be credited to the special reserve account.

If in any year the amount of benefits derived is insufficient to meet the above-mentioned purposes, payment shall be made from the special reserve account to cover the deficit.

Section 34.-- In case where the currency reserve increases or decreases in value on account of the valuation under Section 32 or of alteration of the par value of any foreign currency held as currency reserve, thereby causing profit or loss, such profit or loss shall be credited to, or debited from, the special reserve account under Section 33 as the case may be. In case of insufficiency, payment shall be made from the income of the State to cover the deficit.

In the following years, the balance under Section 33, if any, shall be refunded to the income of the State to the amount paid under the preceding paragraph, and then the

CHAPTER 4

Penalties

Section 35.- Whoever violates Section 9 shall be punished with imprisonment not exceeding three months or fine not exceeding ten thousand bahts, or both.

Section 36.- Any commercial bank purchasing or selling foreign currency at the rate differing from that determined, which is in violation of Section 25, shall be punished with fine three times the amount differing therefrom or one thousand bahts, whichever is the greater.

Countersigned by

General T. Kittikachorn

President of the Council of Ministers.