



## **New Digital Currency issued by Bank of Thailand expected to be launched by 2022**

### **Digital**

On 19 August 2021, the Bank of Thailand (“BoT”) announced that it is preparing a pilot test of Digital Currency issued by the Retail Central Bank Digital Currency (“Retail CBDC”) by allowing industry participants to develop and connect the system at the same time. It is expected to start in the second quarter of 2022 in a limited way within the BOT before expanding to the public.

In this regard, the BoT released the results of a study on the impact of the Retail CBDC on the Thai financial sector, and the results of public surveys in order to use as a guideline for the development of the Retail CBDC and Pilot Test. The key points are summarized as follows:

1. The main characteristics of the Retail CBDC would consist of the following:
  - a form similar to cash and does not offer depositors interest rates
  - relying on intermediaries such as financial institutions to trade the Retail CBDCs with the public
  - there would be a number of conditions or periods for Retail CBDC exchanges
2. the Pilot Test of Retail CBDC are composed of two plans as the following:
  - Foundation Track which is expected to be launched by the second quarter of 2022 in order to test and evaluate the use of the Retail CBDC in receiving, redeeming, or using it to pay for goods or services
  - Innovation Track which is made for the purpose of evaluating the development guidelines for further use of the Retail CBDC in various cases. The BOT will also allow the private sector or technology developers to participate in the test.

Currently, the format and criteria of both tracks are considered by the BoT.

Public Administration B.E. 2548 (2005) until there is a cancellation of such announcement.

- The government agencies must consider applying digital technology to provide public services from beginning to end of the process with the purpose of facilitating an individual on contacting government agencies.