



Enhanced Regulatory Oversight on Capital Inflows and Gold-Related Foreign Exchange Transactions in Thailand

The Bank of Thailand's recent policy measures reflect a strengthened regulatory approach toward managing capital inflows and mitigating excessive volatility in the Thai baht. By requiring financial institutions to report non-resident inflows exceeding USD 200,000, together with supporting documentation, the central bank aims to enhance transparency and gain clearer visibility over the sources and purposes of cross-border funds. This marks a notable shift from the traditional focus on monitoring capital outflows to a more balanced oversight of both sides of cross-border movements. A key area of concern identified by the Bank of Thailand is the growing influence of gold-related transactions—particularly those conducted through digital platforms—on exchange rate movements. The authorities have observed that large-scale gold trading has contributed materially to baht appreciation, prompting closer regulatory scrutiny. As a result, the central bank is coordinating with the Ministry of Finance and other agencies to strengthen oversight, potentially through new reporting obligations or regulatory measures targeting high-volume traders.

From a legal and compliance perspective, these developments increase the regulatory responsibilities of banks and market participants engaged in foreign exchange and cross-border transactions. While the measures stop short of imposing capital controls, they signal a more interventionist approach aimed at reducing speculative behavior and safeguarding financial stability. Businesses involved in international transactions, digital asset-related activities, or gold trading should therefore reassess their compliance frameworks to ensure alignment with evolving regulatory expectations.