



No. 91/2021

Progress of Bond Investor Registration (BIR) Scheme Phase 1 and 2

Ms. Alisara Mahasandana, Assistant Governor, Financial Markets Operations Group, revealed the progress of the Bond Investor Registration (BIR) scheme, jointly implemented by the Bank of Thailand (BOT) and the Securities and Exchange Commission (SEC). The BIR scheme is a part of the initiative to develop Thailand's FX Ecosystem aiming to enhance market transparency and surveillance of the foreign exchange market. The BIR scheme will provide the BOT with improved data quality on bond investment necessary for timely and targeted policy decisions.

With regard to **BIR phase 1** which is applicable to non-resident (NR) investors, regulations have been issued by the BOT and the SEC on April 12 and December 2, 2021, respectively. In essence, NR investors, who invest in debt securities in Thailand, are required to open Segregated Securities Accounts (SSA) at the Ultimate Beneficial Owner (UBO) level and register for authentication with the BOT. As of November 2021, around 2,600 NR investors have completed registration. Starting from January 4, 2022, all debt securities trading by NR investors must be settled through the SSA registered with the BOT, except for those with a waiver granted by the BOT, or those who choose to comply with the alternative procedure specified by Thailand Securities Depository (TSD).

In addition, the BOT is developing a system¹ to facilitate commercial banks and securities companies in checking their clients' registration status using the Legal Entity Identifier (LEI) codes and SSA numbers of their UBO clients. This system will be launched by January 4, 2022 on the BOT website.

For **BIR phase 2** which is applicable to resident investors, the BOT will acquire bond holding and settlement data directly from the TSD. The BIR phase 2 will not require any additional action from resident investors as their securities accounts at the TSD are already segregated at the UBO level. The BOT is in the process of drafting related regulation which is expected to become effective in 2022.

Bank of Thailand

December 2, 2021

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¹ Please visit the following link for more information on how to access the system - https://iservice.bot.or.th/resources/documents/คู่มือการใช้งานDMS_DA_2560.pdf