

March 31, 2020
Bank of Japan

Bilateral Local Currency Swap Agreement with the Bank of Thailand

The Bank of Japan has signed a bilateral local currency swap agreement with the Bank of Thailand, effective as of March 31, 2020. This agreement is designed to enhance the financial stability of the two countries, allowing for the exchange of local currencies between the two central banks of up to THB 240 billion or JPY 0.8 trillion. The effective period of the facility will be until March 30, 2023.

With the strengthening of economic and financial linkages between Japan and Thailand, Japanese financial institutions have been expanding their Thai Baht-based business. By utilizing the swap agreement, the Bank of Japan would be prepared to provide liquidity in Thai Baht in the event that Japanese financial institutions face unexpected difficulties in Thai Baht settlements, and the Bank judges the liquidity provision to be necessary for ensuring the stability of Japan's financial system.