

FAQ: TouristDigiPay Project

(1) What is the TouristDigiPay Project and its purpose?

Answer:

The TouristDigiPay Project is a sandbox testing the conversion of digital assets (DA) into Thai Baht for spending purposes. Its objective is to promote the adoption of innovation and DA to support economic growth and tourism industry. It aims to increase options and convenience for foreign tourists holding DA by converting their DA to Thai Baht for spending in Thailand via digital asset business operator and e-money systems. The testing period lasts 18 months, with appropriate risk prevention measures in place.

(2) Are Thai tourists eligible for this service?

Answer:

Thai citizens holding DA can already buy, sell and exchange DA for Thai Baht through digital asset business operators regulated by the SEC. The Baht can then be transferred into a bank account linked to the e-money service providers for spending.

(3) What are the steps for foreign tourists to convert DA into Thai Baht?

Inbound exchange:

- After a foreign tourist opens an account with a digital asset business operator, the foreign tourist transfers DA to a wallet account assigned by digital asset business operator and submits a request to sell these DA for Thai Baht through the service channel provided by the digital asset business operator;

- The digital asset business operator will convert the DA to Thai Baht and transfer the fund into the foreign tourist's e-money account that must be in the tourist's name;

- The foreign tourist uses e-money to make payments at retail outlets, without using DA as a means of payment for goods and services.

Outbound exchange:

- The foreign tourist uses the remaining fund in the e-money account to convert back into DA by submitting a request to purchase DA through the channel provided by the digital asset business operator;

- The digital asset business operator will convert the Thai Baht into DA and transfer the DA back to the foreign tourist's digital asset wallet (which must be the same wallet initially used for inbound exchange).

(4) Are the coins eligible for exchange to Thai Baht limited to those on the Cryptocurrency List specified by the SEC only ? And what price is used for exchanging DA to Thai Baht?

Answer

The SEC does not specify eligible coins in particular; instead, the selection criteria set by the digital asset business operators participating in the sandbox will apply. (Currently, digital asset business operators already have criteria for selecting DA to be offered, and the sandbox does not impose any additional requirements). For more details, please inquire the participating digital asset business operators.

As for the exchange rate when converting DA to Thai Baht, the market price at the time of conversion through the digital asset business operator will be used.

(5) How many merchants participate in this service, and who are they?

Answer

Since payments for goods and services are made in Thai Baht through e-money service providers, retail outlets or merchants nationwide that can accept payments via electronic channels, such as QR code scanning, can provide their services as usual.

(6) What are the qualifications of participating DA business operators?

Answer

Digital asset business operators include digital asset exchanges, digital asset brokers, and digital asset dealers under the SEC supervision. They must apply for and receive approval to participate in the sandbox from the SEC.

They must be ready to operate according to the format and scope of the project, including having linkage with e-money service providers.

They must be prepared to comply with project regulations and must not be in the process of being ordered by the SEC Board or the SEC Office to rectify their operations due to non-compliance with regulations on business operations.

In addition to the above qualifications, they must have a clear performance evaluation plan before exiting the sandbox, either upon completion of the participation period or in case of an early exit from the project. This plan should consider various factors, such as quality of service, anti-money laundering measures by the DA business operator, and the resulting economic value, for use in assessing the overall success of the project. Extension of the participation period may also be considered.

(7) After the 18-month period has ended, what is the SEC's approach for evaluating results or considering an extension of the testing period for business operators?

Answer

The SEC requires participants in the sandbox to prepare and submit reports on testing results and progress to the SEC on a continuing basis. The SEC will monitor the operations of DA business operators to assess outcomes before and after the sandbox period ends. The success of the project will be evaluated to consider further expansion or actual implementation going forward.

(8) What are the measures for preventing the use of DA as a means of payment under this project ?

Answer

The sandbox is a test of the service for exchanging DA into Thai Baht by DA business operators for foreign tourists, with the converted Thai Baht used to pay for goods and services at retail outlets via e-money business operators or other legally authorized electronic money service providers. Within the testing framework, DA are not used as a means of payment for goods and services at retail outlets. It is not permitted to buy or sell DA for any purposes other than converting to Thai Baht for spending. The transfer or receipt of Baht from other individuals is prohibited, as well as the exchange of DA for cash and the transactions for exchange of one DA for another¹.

¹ For speculative trading, a prior application for the service through the standard procedure is required.

(9) What are the measures to prevent and suppress money laundering through this service channel?

Answer

The preventive measures include:

- Foreign tourists who wish to use the service to exchange DA for Thai Baht and use the Baht to pay for goods and services **must open an account with a digital asset business operator and an e-money service provider that offer such services under the sandbox. The identity verification (KYC/CDD) must be conducted in accordance with the Anti-Money Laundering Office (AMLO) regulations.** Both DA business operators and e-money service providers are financial institutions subject to legal obligations under the Anti-Money Laundering Law;
- DA business operators must verify the source and assess the money laundering risk of users' DA by utilizing credible and internationally recognized blockchain forensic tools, or other equivalent or more stringent methods. This screening must be conducted for both inbound and outbound DA transfers, except in cases where the user's sale of DA for Thai Baht is limited to no more than 50,000 Baht per person per month for spending purposes (considered a low-risk service according to the Anti-Money Laundering Office's criteria);
- **In the event that DA are found to have been transferred from a DA wallet associated with money laundering, the DA business operator must refuse or suspend services to the relevant user;**
- In the process of exchanging DA for Thai Baht, both inbound and outbound transactions have additional mechanisms to prevent money laundering, as follows:

Inbound: The DA business operator will exchange the DA for Thai Baht and transfer the Baht only to the e-money account of the foreign tourist where the name matches exactly;

Outbound: The foreign tourist brings the remaining funds in their e-money account to exchange back into DA. The DA business operator will exchange the

Baht for DA and transfer the DA back to the wallet of the foreign tourist, which must be the same DA wallet that was originally used for the inbound transfer.

(10) What are the concrete expected outcomes of this project?

Answer

- To see the development of new technologies and innovations that enhance the country's competitiveness at both the regional and global levels, driven by the promotion and support of the SEC for the growth of digital economy;
- To provide foreign tourists with the option to exchange DA for Thai Baht and conveniently spend them in Thailand, through trading systems of DA business operators and payment systems of e-money service providers, building on the existing ecosystem;
- To drive the growth of SME businesses, especially in the tourism sector, which will be able to reach a diverse customer base more easily and gain more opportunities for business growth and expansion.
