



# MOF NEWS

Finance General Information Group Office of the Permanent Secretary, Ministry of Finance

Tel. 0-2126-5800 Fax 0-2273-9763

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## **Protocol to Implement the Seventh Package of Commitments on Financial Services under the ASEAN Framework Agreement on Services**

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Mr. Krisada Chinavicharana, Director-General of the Fiscal Policy Office and Ministry of Finance's Spokesman announced that, on 2<sup>nd</sup> September 2016, the National Legislative Assembly approved the Protocol to Implement the Seventh Package of Commitments on Financial Services under the ASEAN Framework Agreement on Services and the table of Schedule of Specific Commitments on Financial Services, which is attached to the said Protocol. As the next step, Thailand shall complete the ratification process to make the Protocol become legally binding before entering into force on 20<sup>th</sup> December 2016.

The purpose of the Protocol is to enhance cooperation in financial services and substantially reduce restrictions to trade in financial services among ASEAN Member States beyond those undertaken under the World Trade Organization (WTO) Framework. ASEAN has already implemented the six packages of commitments on financial services. Under this Seventh Package of Commitments, Thailand offered to improve its commitment in life and non-life insurance subsector by relaxing the limit of the amount of shares held by ASEAN nationals and the number of ASEAN national directors allowed in locally incorporated life and non-life insurance companies, to be equal to the level allowed by the current Life Insurance Act (No.3) B.E. 2558 and Non-Life Insurance Act (No.3) B.E. 2558, which have been effective since 6<sup>th</sup> March 2015. Therefore, the Protocol does not require any amendment of domestic laws or regulations.

The Protocol to Implement the Seventh Package of Commitments on Financial Services is not only an important part for the ASEAN Economic Community (AEC), but also enhances the development and competitiveness of Thailand's financial sector in the long run. It will further increase the opportunity for ASEAN investors to invest in Thailand's financial services sector, while providing the opportunity for Thai investors to expand their financial services businesses into other ASEAN countries.

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Bureau of International Economic Policy, Fiscal Policy Office

Tel. 0 2273 9020 ext. 3663