



Financial Business under the Bank of Thailand's supervision and examination

Supervised by the Bank of Thailand	Examined by the Bank of Thailand as appointed by the Ministry of Finance
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1. Financial Institutions

According to Section 4 of Financial Institution Business Act, B.E. 2551 "financial institution business" means the commercial banking business, finance business and credit foncier business and shall include the undertaking of specialized financial institution business.

1.1 "commercial banking business" means the business of accepting deposits of money or accepting money from the public subject to withdrawal on demand or at the end of a specified period and of employing such money in one or several ways such as granting of credits, buying and selling of bills of exchange or any other negotiable instruments, buying and selling of foreign currencies.

1.2 "finance business" means the business of accepting deposits of money or accepting money from the public subject to withdrawal on demand or at the end of a specified period, which is not the accepting of deposits or money within the account subject to withdrawal by cheque, and of employing such money in one or several ways such as granting of credits, buying and selling of bills of exchange or any other negotiable instruments.

1.3 "credit foncier business" means the business of accepting deposits of money or accepting money from the public subject to withdrawal at the end of a specified period and of employing such money in any matter as follows:

- (1) Lending money on the security of mortgage of immovable property.
- (2) Buying immovable property under contract of sale with right of redemption.



1.1 Commercial Banking Business

“**Commercial bank**” means a public limited company licensed to undertake commercial banking business and shall include a retail bank, a foreign commercial bank’s subsidiary and a foreign commercial bank’s branch licensed to undertake commercial banking business. ([List of Institution](#))

Scope of Business

A commercial bank provides services of accepting deposit from public, granting credit, buying and selling of foreign currencies, buying and selling of bills of exchange, which includes discounting or re-discounting bills of exchange, accepting, giving aval and guarantee of bills of exchange. Furthermore, a commercial bank also provides credit guarantee, payment, remittance and financial instrument for risk management such as Interest rate derivatives and foreign exchange derivatives.

The Bank of Thailand allows a commercial bank to do other additional businesses to support capital market development such as those related to debt and equity instruments. A commercial bank is also allowed to provide other services that enhance its efficiency such as bank assurance and e-banking.

“**Retail bank**” means a public limited company, licensed to undertake commercial banking business with the main objective of providing services to retail customers as well as small and medium-sized enterprises. A retail bank shall not undertake business related to foreign currencies, derivatives and other high risk transactions as prescribed in the notification of the Bank of Thailand. ([List of Institution](#))

Scope of Business

A retail bank provides financial services to individuals as well as small and medium-sized enterprises with maximum credit line as follows;

1. Granting uncollateralized loan to each retail customer shall not exceed 0.05% of Tier 1 capital fund and collateralized loan to each retail customer shall not exceed 1% of Tier 1 capital fund.



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2. Granting credit to each small and medium-sized enterprise shall not exceed 10% of Tier 2 capital fund.

A retail bank shall comply with the notification of the Bank of Thailand Re: Scope of business and transaction of retail banks.

“Foreign commercial bank’s subsidiary” means a public limited company licensed to undertake commercial banking business whose shares are, directly or indirectly, held by a foreign commercial bank in the amount not less than ninety-five percent of its total number of shares sold. ([List of Institution](#))

Scope of Business

A foreign commercial bank’s subsidiary could undertake commercial banking business as commercial bank with permission to open 20 branches and 20 off-premise Automatic Teller Machines (ATMs).

“Foreign commercial bank’s branch” means a branch of a foreign commercial bank licensed to undertake commercial banking business in Thailand; ([List of Institution](#))

Scope of Business

A foreign commercial bank’s branch could undertake commercial banking business as commercial bank with permission to open 3 branches including its head office.



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1.2 Finance Companies ([List of Institution](#))

Scope of business

A public limited company licensed to undertake finance business of accepting deposit from public and granting credit which includes medium term and long term loan to manufacturing, agricultural or trading business, hire purchase, and leasing.

A finance company shall not engage in foreign exchange transactions. Therefore, it cannot provide services of foreign exchange and trade finance. Moreover, it shall not undertake credit card business.

1.3 Credit Foncier Companies ([List of Institution](#))

Scope of business

A public limited company licensed to undertake credit foncier business by accepting deposit from public, granting mortgage loan, and purchasing immovable property under contract of sale with right of redemption.



2. Foreign Financial Institution Representative Office

The office of a foreign financial institution or a Thai financial institution established to function as a representative. A representative office is not allowed to accept deposit or funding from the public. ([List of Institution](#))

Scope of Business

1. A representative office shall be a research center which supports headquarter or other offices. The example of its activities are gathering information on customer's financial information, conducting research on Thai economic and financial circumstance, and acting as a contact point to refer Thai customers to its headquarter and other offices.

2. A representative office must not conduct any form of the financial institution businesses or other business connected to or necessary to undertake the banking business.

3. Asset Management Company

An asset management company registered with the Bank of Thailand in accordance with the Emergency Decree on Asset Management Companies B.E. 2541. ([List of Institution](#))

Scope of Business

1. Purchasing or accepting transfer of any non-performing assets including their collaterals from financial institutions for the purposes of managing or reselling.

2. Raising fund by (1) borrowing from domestic and foreign sources (2) issuing securities under the Securities and Exchange Act B.E. 2535 and other bonds authorized by the Bank of Thailand. However, such funding does not include accepting public deposit.

3. Other relevant businesses as prescribed by the Ministry of Finance with the approval from the cabinet.



4. Non-Bank

Credit card Company

"Credit card business" means the business of providing credit for the purchase of goods and services including cash advance. ([List of Institution](#))

Scope of business

1. A credit card company issues credit card to card holders or consumers, whose income or financial status has met the minimum requirement prescribed by the Bank of Thailand, for the purchase of goods and services. Also, such credit card could be used for cash advance or cash withdrawal.

2. A credit card company may collect interests on unpaid bills, fines on late payment, together with any fees and additional service charges from customers. However, those combined interest, fines, fees and service charges must not exceed 20 % per annum. In addition, the credit card company might calculate the amount charged based on number of days since (1) the advance payment date or (2) the billing date or (3) the payment due date.

Personal Loan Company

The Bank of Thailand supervises Personal Loan Companies that obtain the Supervised Personal Loan Business License from the Ministry of Finance.

"Supervised Personal Loan Business" means the business of granting credit, purchasing bills of exchange, which includes discounting and re-discounting bills of exchange or any negotiable financial instruments from individuals without any specific purpose or with the purpose of buying goods and services for private consumption, but not for running their own business. For example, a loan credit to individuals for purchasing machines or office supplies is not considered as Supervised Personal Loan. ([List of Institution](#))

Scope of business

1. Granting personal loans that do not have any asset or property pledged as collateral, including hire purchase and leasing, for goods that the personal loan company does not sell as ordinary course of business, except automobiles and motorcycles.



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2. Such personal loan shall exclude loans for education, loans for traveling to work overseas, loans for medical treatment and loan to employee as welfare benefit.



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Specialized Financial Institutions (SFIs)

SFIs are the state-owned financial institutions established with each specific law, whose duties are to serve the government policies in promoting economic development and supporting investment. They are under the Ministry of Finance's supervision and the Bank of Thailand is empowered from the Ministry of Finance to engage in examination in SFIs' performances and risks associated businesses. Thus, the results will be submitted to the Minister of Finance. [\(List of Institution\)](#)