

(Unofficial Translation) *
Regulation of the Bank of Thailand
Re: Electronic Financial Services
B.E. 2544

Reference is made to the Bank of Thailand's adoption of electronic communication system in offering currently available or forthcoming services to financial institutions. In this regard, it may be the case that any interagency transaction conducted will result in a binding contract between parties involved. Thus, it is necessary to ensure that appropriate systems and procedures are in place to ensure safety in data transfer whereby four minimum standards are set as follows: (1) confirmation of a service user's identity; (2) verification of message authenticity; (3) prohibition for service users to cancel/withdraw sent message after a particular point in time is reached; and (4) availability of technical procedures to examine message transfer. The Bank of Thailand hereby stipulates the following regulations.

Chapter 1

General

Article 1: In this Regulation,

“BOT” shall mean Bank of Thailand.

“Service users” shall mean financial institutions or legal entities authorized by the BOT to use Electronic Financial Services.

“Electronic Financial Services” shall mean an electronic messaging communication system that is used to conduct financial transactions between the BOT and service users as stipulated by the BOT.

“Financial services” shall mean

- (1) Payment system transaction;
- (2) Deposit and debt instrument transaction; and
- (3) Financial market transaction.

“Host” shall mean the BOT's computer system.

“Client” shall mean the service user's computer system.

“BOT's instruction set” shall mean instruction set for the client that the BOT provides for service users.

* This translation is only provided for general understanding. Please refer to the official version which specified in Thai language.

“Safety procedures for data transfer” shall mean procedures in Electronic Financial Services that the BOT implements to

(1) Confirm that the message sent by a service user or the BOT through Electronic Financial Services is indeed sent by that service user or the BOT as well as authenticate and confirm that the operator of Electronic Financial Services is authorized to operate such services;

(2) Confirm that the message received by a service user or the BOT through Electronic Financial Services is indeed the same message sent by that service user or the BOT as well as prevent any unrelated persons from accessing actual data that is received and sent between the host and the client;

(3) Set a particular point in time after which the BOT and a service user can not cancel or withdraw sent message; and

(4) Record a log file with data or message transferred in each service in order to examine the number of transactions sent through Electronic Financial Services.

“Authorized signatory person” shall mean a person authorized by a service user to appoint or remove a certifier for Electronic Financial Services.

“Certifier” shall mean a person authorized by an authorized signatory person to appoint or remove an officer for Electronic Financial Services.

“Officer” shall mean a person authorized by a certifier to operate Electronic Financial Services.

“Safety measures” shall mean measures to prevent unauthorized persons from using the client.

“User manual” shall mean a manual on Electronic Financial Services that the BOT provides to service users.

Article 2: This Regulation is a general regulation that covers all Electronic Financial Services. A person wishing to use Electronic Financial Services shall agree to be bound to this Regulation before commencement. After commencement of each type of service, the BOT shall then issue a specific regulation. When a service user commences each or any particular type of service, it shall be deemed that the service user agrees to be bound to the specific regulation related to such service.

A person wishing to use Electronic Financial Services shall submit a letter of agreement to use Electronic Financial Services according to the form attached.

Article 3: A service user wishing to cancel the use of Electronic Financial Services shall notify the BOT in writing at least 30 days in advance, after which, the person shall no longer be considered a service user according to this Regulation.

Article 4: The BOT shall provide the BOT's instruction set and a user manual to service users. In case that the BOT changes the instruction set, a service user can request for the new instruction set according to the procedures and conditions prescribed by the BOT.

Article 5: The BOT shall set operation time for Electronic Financial Services that may be revised as deemed necessary in which case service users shall be notified at appropriate time. The operation time set in hours or fractions of an hour shall be use the time on the host's clock as reference.

Article 6: In case that a service user fails to comply with this Regulation or requirements issued under this Regulation or behaves in such a way that may result in damages to the service system or other public benefits, the BOT shall suspend any one or more than one types of financial services to that service user temporarily or permanently. The BOT shall have the right to final judgment.

Article 7: The BOT shall be responsible for any damages incurred under normal circumstances as a result of its conduct except in any one or more than one cases as follows.

- (1) Damages from a special behaviour/conduct; or
- (2) Damages from technical malfunctions of the host, whatever the case may be; or
- (3) Damages from matters or systems outside the BOT's control; or
- (4) Damages from accidents.

Article 8: Service users shall pay the fees according to the rules, procedures and conditions prescribed by the BOT.

Chapter 2

Rights and Responsibilities of Service Users

Article 9: Service users are aware of, understand and accept the efficiency, extent of capacity and restrictions of the safety procedures for data transfer, and agree that there are already sufficiently stringent measures to prevent errors or frauds in Electronic Financial

Services. The BOT shall reserve the right to amend or revise such procedures further to ensure safety in the provision of financial services as it deems appropriate.

Article 10: Service users shall arrange for clients, other equipment and instruction set as prescribed by the BOT.

Article 11: Service users shall take the following steps regarding the clients to be used in Electronic Financial Services:

- (1) Connect the clients to the host for the provision of financial services;
- (2) Take care of the clients to ensure that they are well functioning at all times; and
- (3) Arrange for the clients to have an efficient virus protection system.

The BOT may set any standards as it deems appropriate.

Article 12: Service users shall comply with the code of conduct, user manual and guidelines prescribed by the BOT. In case that the code of conduct, user manual and guidelines are in conflict with this Regulation, the latter shall prevail and be complied with.

Article 13: Service users shall prepare a contingency plan of a generally accepted standard to handle situations where financial services cannot be offered normally.

Article 14: Service users shall arrange for safety measures and internal control systems of generally accepted standard.

Article 15: Service users shall retain confidentiality of safety procedures for financial services, BOT's instruction set and user manual except in case that disclosure (as needed) is expected to yield operational benefits.

Service users shall safeguard data related to safety procedures for financial services, BOT's instruction set and user manual.

In case of disclosure or loss, service users shall immediately notify the BOT.

Article 16: Service users may request for the BOT to temporarily suspend service to them according to the rules, procedures and conditions prescribed by the BOT. However, service users shall be responsible for any messages sent to or received by the BOT prior to the suspension.

Article 17: Service users may request for a new BOT's instruction set and user manual according to the rules, procedures and conditions prescribed by the BOT.

Article 18: In case of malfunction in the host or the client or failure of communication between the host and the client, the BOT shall notify the concerned service user, or vice versa, as the case may be. The service user shall comply with the rules, procedures and conditions prescribed by the BOT on the particular services in question.

Article 19: No persons shall be allowed to make changes to the BOT's instruction set.

Article 20: Service users shall allow and facilitate BOT's officers in inspecting the client, safety measures, internal control systems, related documents/evidences and other items as it deems appropriate.

Article 21: Service users shall declare or submit documents or other evidences to the BOT upon its request for cooperation.

Article 22: Service users shall safeguard documents/evidences as prescribed by the BOT.

Chapter 3

Electronic Financial Services Usage

Article 23: A service user wishing to request for usage of Electronic Financial Services shall follow the following procedures.

(1) The service user shall appoint an authorized signatory person according to the form prescribed by the BOT to appoint or remove a certifier for Electronic Financial Services.

(2) The authorized signatory person shall appoint a certifier according to the form prescribed by the BOT.

(3) The certifier shall appoint an officer according to the form prescribed by the BOT.

Removal of persons appointed according to Articles 23(2) or 23(3) shall be done in writing according to the form prescribed by the BOT.

Article 24: Any transactions related to Electronic Financial Services system that result from actions of the authorized signatory person, certifier or officer, shall have the same binding effect as would be the case if such action were taken by the service user according to this Regulation.

Chapter 4
Electronic Information Services System

Article 25: The BOT may provide information for the purpose of disseminating information and news on financial services that it offers to service users via electronic means.

Article 26: The BOT offers an additional e-mail communication service for service users for the purpose of maintaining contact and coordination. Such service shall be deemed as an additional service that service users may or may not use.

Article 27: For the abovementioned purposes of information provision or contact maintenance, service users shall only send messages related to normal business operation and be responsible for messages that they send. In this regard, service users shall not send any message that appears to be a secret code or a message that is illegal by nature or may negatively affect peace and order or good morals of the general public.

Article 28: In case that a service user requests the BOT to make an announcement to all service users of financial services, the service user shall comply with the procedures prescribed by the BOT and be responsible for any damages that may be incurred as a result of the announcement. The BOT shall reserve the right to make the announcement any time that it deems appropriate or not to make the announcement that it considers to be inappropriate.

Chapter 5

Arbitration

Article 29: In case of a dispute, the matter shall be brought for arbitration. Consideration and decision on the dispute shall follow the laws on arbitration.

Article 30: The BOT and the service user shall appoint an arbitrator each. The appointed arbitrators shall then jointly appoint an external party to be the third arbitrator, acting as an intermediary.

Chapter 6
Termination of Service Usage

Article 31: The BOT may terminate some or all financial services at any time as it deems necessary. The BOT shall notify service users appropriately in advance.

Article 32: In case that some or all financial services are terminated, service users shall:

- (1) Return the BOT's instruction set, user manual and any other documents to the BOT as prescribed;
- (2) Destroy the BOT's instruction set that is saved on service users' clients; and
- (3) Retain confidentiality on service usage even after the service is terminated.

Chapter 7

Miscellaneous

Article 33: The BOT's instruction set, user manual and guidelines are the BOT's properties.

Article 34: The BOT shall reserve the right to amend, add or change this Regulation as it deems appropriate in which case it shall notify service users appropriately in advance.

Article 35: The BOT shall have the final judgment in case of any problems concerning the interpretation of regulations or notifications used under this Regulation.

Article 36: It shall be deemed that service users agree to be bound to and comply with this Regulation and any other regulations issued under this Regulation as well as the BOT's judgment as per Article 35 or the arbitrators' decision.

The BOT's judgment as per Article 35 shall restrict the arbitrators from having a decision that differs from the judgment. It shall be deemed that service users agree to this condition as well as to notify the arbitrators prior to their decision.

This Regulation shall be in force on 3rd September B.E. 2544 (2001) onwards and until subsequent changes.

Given on 3rd September B.E. 2544 (2001)

Governor
Bank of Thailand