

Notification of the Electronic Transactions Commission

Re: Rules, Procedures and Conditions for Undertaking Electronic Payment Service Business (No. 2) B.E. 2559

In order to improve the security of electronic payment services, to increase the confidence in financial and payment systems of the country, and to promote competitiveness of electronic payment service businesses so that debit cards would be extensively issued and widely used in place of cash according to the government's policy of promoting electronic payment usage, as well as to boost the efficiency and cost effectiveness in providing and using the services, which will benefit the service providers, customers and country's overall economy.

By virtue of Section 7, Section 9, Section 14, Section 15 and Section 16 of the Royal Decree Regulating on Electronic Payment Services B.E. 2551, the Electronic Transactions Commission hereby issues the Notification as follows:

Article 1 This Notification shall be entitled as the "Notification of the Electronic Transactions Commission Re: Rules, Procedures and Conditions for Undertaking Electronic Payment Service Business (No. 2) B.E. 2559".

Article 2 The provisions under Part 7 of Chapter 3 of the Notification of the Electronic Transactions Commission Re: Rules, Procedures and Conditions for Undertaking Electronic Payment Service Business B.E. 2559 shall be repealed and replaced by the following:

"Part 7

Services related to debit cards issued and used domestically

Article 36 In this Section:

"Issuer" means a financial institution that agree and consent to issue debit cards to those who have agreed to comply with the debit card agreements.

"Acquirer" means the entity that is responsible for sending and receiving electronic payment data by debit cards with issuers; and will make payment for goods or services to merchants that have agreement to accept the payment for goods or services by debit cards in accordance with the conditions as agreed upon.

"Service provider" means

(1) the service providers of electronic payment services through any devices or networks under List C (3) that are the issuers and acquirers;

(2) the service providers of single transaction switching system service under List B (3) or the service providers of multiple transaction switching system service under List C (4);

(3) the service providers of clearing service under List C (1);

(4) the service providers of settlement service under List C (2).

“Debit card network” means a network that provides electronic payment service to its members both issuers and acquirers. The network must at least provides the following services:

- (1) marketing service under its own trademark;
- (2) transaction switching service;
- (3) clearing service.

“common standard for chip cards” means the standard for chip cards as prescribed by the BOT in consultation with the Thai Bankers’ Association, the Association of International Banks, and the Council of Specialized Financial Institutions to be used for debit cards issuance.

Article 37 In providing services related to debit cards which issued and used domestically, the service providers must comply with rules, conditions and procedures as follows:

(1) The issuer:

- (a) must adopt the common standard for chip cards;
- (b) must issue debit cards with local debit card network, except for the issuer processing its card via proprietary network;
- (c) in case of issuing debit card with two or more card networks on one particular card (Multi-Brand), issuer must take into consideration on equal branding;
- (d) must provide information and details of service fees for each type of debit cards to customers sufficiently, clearly and accurately, so that the customers can select the type of card that fits their spending purpose.

In case of issuing debit cards with two or more debit card networks on one particular card (Multi-Brand), one of those networks must be local debit card network.

(2) The acquirer:

- (a) must put in place equipment and systems which support debit cards issuing with local debit card network and adopting common standards for chip cards;
- (b) must not restrict rights of merchant to choose the debit card networks;
- (c) must provide information of service fees and charges to merchants sufficiently, clearly and accurately;

(3) the service providers of transaction switching service, clearing service and settlement service:

(a) must arrange their systems to operate with any debit card networks, or arrange their systems to connect with the systems of other providers of transaction switching services, clearing services and settlement services;

(b) must arrange their systems to support debit cards with two or more debit card networks on one particular card (Multi-Brand), and must not have any arrangements to restrict rights of merchants in choosing the debit card networks.

Article 38 In case of issuing debit cards with two or more debit card networks on one particular card (Multi-Brand), when merchants select any particular debit card network to process their transactions, the service providers shall charge fees or any other expenses only for the debit card network that has been selected.

Article 38/1 In providing services related to debit cards issued and used domestically, the service providers must provide the following services domestically:

- (1) data transmission of debit card transactions between the acquirer and issuer;
- (2) transaction switching service;
- (3) clearing service;
- (4) settlement service.

Article 38/2 In case where any service provider fails to comply with the rules, procedures and conditions according to Article 37, Article 38 and Article 38/1 on grounds of necessity, the service provider shall submit a request for temporary extension of compliance and the prescribed time frame until the impediment is dissolved. The request together with reasons and details of necessity shall be submitted to the BOT on a case by case basis, whereby the BOT has right to allow the extension for each case not more than 180 days from the date of the specified time frame.

The BOT shall complete the consideration within 45 working days from the date receiving the request of extension and completed documents.

Article 38/3 In case where the service providers wish to enter into an IT outsourcing arrangement for services as prescribed in Article 38/1 (1) – (4), the service providers shall submit a request together with reasons and details of necessity to the BOT.

The BOT shall complete the consideration within 45 working days from the date receiving the request and completed documents.

The request according to the first paragraph is allowed only in case of entering into an IT outsourcing arrangement with domestic service providers. This is except for services as prescribed in Article 38/1 (1), which may be outsourced to overseas service providers.

In case where the service providers under Article 36 (1) are the financial institutions under the Financial Institution Business Act B.E. 2551 and where they have complied with the regulations on IT outsourcing, it shall be considered that those service providers have received the permission according to the first paragraph.

Article 38/4 During the period of consideration as the BOT considers the request according to the second paragraph of Article 38/2, and the second paragraph of Article 38/3, the services providers shall continue providing the services, until the BOT gives any directions on that request.”

Article 3 The issuers must replace debit cards to comply with the rules, procedures and conditions under Article 37 by no later than 31st December 2019 (B.E. 2562).

The debit cards issued and used before the date this Notification becomes effective, shall be used until 31st December 2019 (B.E. 2562).

The debit cards issued from the effective date of this Notification must comply with the rules, procedures and conditions under Article 37.

Article 4 The service providers those have been obtained license or have registered before the effective date of this Notification, they shall continuously provide the services.

The issuers and acquirers must comply with the rules, procedures and conditions as prescribed in this Notification within 180 days from the effective date of this Notification.

Article 5 This Notification shall come into force as from the day following the date of its publication in the Government Gazette.

Announced on 21st July 2016 (B.E. 2559)

Uttama Savanayana

Minister of Information and Communication Technology
Chairman of the Electronic Transactions Commission