

Unofficial Translation

This translation is for convenience of those unfamiliar with Thai language.

Please refer to the Thai official version.

Bank of Thailand Notification

No. SorNorChor. 8/2561

Re: Regulations on Undertaking Service Business of Money Transfer by Electronic Means

1. Rationale

Nowadays, a service of transferring money by an electronic means is a service that user can utilize, both domestic and international transfer, from business providers who are financial institutions, specialized financial institutions and non-financial institutions. Therefore, in supervising the money transfer by electronic means service, it is necessary for the business providers to have credibility on its financial status, security and reliability of service system, and appropriate protection to service users especially in keeping and managing the money received in advance.

The Bank of Thailand has therefore prescribed the specific supervisory regulations for business providers of money transfer by electronic means service to comply, in addition to the Notification regarding general regulations on supervision of undertaking designated payment service business.

2. Statutory Power

By virtue of Section 19 and Section 24 of the Payment Systems Act B.E. 2560 (2017), the Bank of Thailand hereby issues the Regulations on Undertaking Money Transfer by Electronic Means Business, as prescribed in this Notification.

3. Scope of Application

This Notification shall be applied to the business providers of designated money transfer by electronic means service under the law governing payment systems.

4. Content

4.1 Definition

In this Notification,

“Business provider of money transfer by electronic means service” means the business provider licensed or registered to undertake designated money transfer by electronic means business according to the law governing payment systems.

“Commercial bank” means the commercial bank under the law governing financial institutions businesses.

“Specialized financial institution” means the specialized financial institutions under the law governing financial institution businesses.

“Service of transferring money by an electronic means” means the service that business provider receives money from service user in order to subsequently transfer to a receiver.

“Money received in advance” means the outstanding balance of funds that business providers of money transfer by electronic means service have received from service users or other business providers of money transfer by electronic means service, but has not yet completed the money transfer transaction for the service user within the following day of the transaction date (T+1).

4.2 Regulations on undertaking money transfer by electronic means business

Business providers of money transfer by electronic service must comply with the following regulations:

(1) Must issue the proof of money transfer transaction as the evidence to be given to service users upon the agreed method with at least details as follows:

(1.1) name of the business provider of money transfer by electronic means service.

(1.2) amount of money to be transferred, reference detail of the service user such as names of the transferor and recipient

(1.3) date, month, year and time at which the evidence of transfer is issued.

(1.4) a message confirming the result or the code of the money transfer transaction such as success or not success.

(2) The money transfer by electronic means shall be completed when the recipient or the beneficiary has received the money or the money has completely been credited into the recipient's account.

(3) Prepare an accounting record for money received in advance for transfer service separating from other accounts of the business providers of money transfer by electronic means service, and regularly update the information to be present and accurate. Also business provider must prepare service user's individual account of money received in advance separately and disclose it clearly in the financial statement or note to financial statement.

(4) Establish the policy and guideline of money received in advance, regarding its retention, management and balance calculation, with the approval from the Boards of Directors. Such policy and guideline should be regularly reviewed and updated appropriately.

(5) Set up appropriate internal control and risk management system to prevent potential damage that may occur from abuse of the money received in advance such as fraud, corruption, any offences or negligence against the money received in advance.

(6) Retain money received in advance separately from other working capital of the business providers of money transfer by electronic means service. It shall be separately deposited at a commercial banks or specialized financial institutions at any time no less than the outstanding balance of the money received in advance. The money shall be deposited in a separate deposit account separating from other deposit accounts of the business providers of money transfer by electronic means service, in which it must be free from any obligations and must only be used for settlement relating to the provision of money transfer by electronic means service.

In addition, the deposit account of money received in advance of the business providers of money transfer by electronic means service must be clearly specified the name of the deposit account as the deposit account for money received in advance of the money transfer by electronic means service. This is for the benefit of protection of money received in advance according to the law governing payment systems.

In a case that the business provider of money transfer by electronic means service is the commercial bank or specialized financial institution, money received in advance can be kept at its own institution by separating it from other assets and cannot be used for any other purposes.

4.3 Request for relaxation in compliance with the regulations

In case that business providers of money transfer by electronic means service cannot comply with the regulations prescribed in this notification due to the necessity or extraordinary circumstances which may cause the impact on the continuity or the credibility of the money transfer by electronic means service, the business providers of money transfer by

electronic service may submit a request for relaxation in compliance with such regulations together with the reason and necessity to the Bank of Thailand in writing or by the defined electronic means. The Bank of Thailand reserves the right to approve or reject the request or approve with additional conditions to be complied with.

5. Transitional provision

If those, who have undertaken the money transfer by electronic means service business prior to the effective date of this notification, cannot establish the policy and guidelines for money received in advance regarding its retention, management and balance calculation with the approval from the Boards of directors as prescribed in Clause 4.2 (4), they shall be temporarily exempt from such regulations. However, they must manage to comply with such regulations within 90 days from the permission or the registration date, as the case may be.

6. Effective Date

This Notification shall come into effect from the 16 April 2018 onwards.

Announced on 16th April 2018

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