

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. 10/2561

**Re: Supervisory Regulations on Agents of the Business Providers of the
Designated Payment Services**

1. Rationale

In order that the appointment of agents and sub-agents of the business providers of the designated payment services is credible and under the same standard. This notification aims to prevent any damages resulting from the service provided by agents of the business providers of the designated payment services, and also to increase the channels of contact and service providing to service users and people, which are beneficial to service users, public and the payment systems.

2. Statutory Power

By virtue of Section 24 (2) and (9) of the Payment Systems Act B.E. 2560 (2017), the Bank of Thailand hereby issues the Supervisory Regulations on Agent of the Business Providers of the Designated Payment Services, as prescribed in this notification.

3. Scope of Application

This Notification shall be applied to those business providers of designated payment services under the law governing payment systems, who are not the financial institutions under the law governing financial institutions business.

In this regard, business providers of designated payment services who are the financial institutions under the law governing financial institutions business, shall comply with the Bank of Thailand Notification regarding regulations on appointment of the agent of financial institutions.

For business providers of the designated payment services who are specialized financial institutions under the law governing financial institutions business shall comply with this notification until the Bank of Thailand Notification regarding regulations on appointment of agents of the specialized financial institutions would become effective.

4. Content

4.1 Definition

In this Notification,

“Business Provider of the Designated Payment Services” means the business provider who is licensed or registered to undertake the designated payment service business under the law governing the payment systems.

“Agent” means a natural person or juristic person who is appointed by business provider of the designated payment service to provide the designated payment services to customers on behalf of the business provider.

“Sub-agent” means a natural person or juristic person who is appointed, assigned or hired by the agent to provide the payment service that are subcontracted from the agent. This shall include those all sub-agents who enter into each subcontract agreement for payment service.

“BOT” means the Bank of Thailand under the law governing Bank of Thailand.

4.2 Regulations on Supervision

Appointment of agent and sub-agent is to increase the access and service channel of the business providers of the designated payment services; therefore, the business providers of the designated payment service, agent, sub-agent must not have any arrangements considered avoiding the request for license or registration, as the case may be, nor compliance with the payment systems law. In this regard, for the supervision of agent and sub-agent, business provider of the designated payment services shall comply with the regulations as follows:

4.2.1 Policies and practices regarding the appointment of trustworthy agent and sub-agent

Business providers of the designated payment services must establish clear policies and practices regarding appointment of agent and sub-agent to cover at least the following aspects:

(1) Guidelines for appointing trustworthy agent and sub-agent, who may be individual or juristic person. In this regard, they must have the following qualifications and must not have the prohibited characteristics as follows:

(1.1) Individual Person

- (a) Being of not less than 20 years of age;
- (b) Having a domicile or residence in the Kingdom of Thailand;
- (c) Not being under receivership or have not been declared bankrupt or having been discharged from bankruptcy but the period of 2 years have not yet expired from the date of bankruptcy termination;
- (d) Not being an unsound-mind, incompetent or quasi-incompetent person;
- (e) Have not been sentenced to imprisonment by the final court judgment for the offences relating to counterfeit and forgery, theft, snatching, extortion, blackmail, robbery, gang-robbery, fraud, welshing, embezzlement, or receiving stolen property, regardless of whether or not the punishment is suspended, or have not been sentenced to imprisonment by the final court judgment for the computer-related offences under the law governing computer-related crime.
- (f) Have not been a director or person with managerial power of a juristic person whose either entire or partial business operation used to be temporarily suspended, or whose license or registration under the law governing payment systems had been revoked and the period of five years have not yet expired from the date of agent or sub-agent appointment.

(1.2) Juristic Person

- (a) Being a registered partnership, limited partnership, limited company or public limited company, or specialized financial institution;

(b) Directors or persons with managerial power of a juristic person must have qualifications and must not have prohibited characteristics as specified under Clause (1.1);

(c) Has not been temporarily suspended its entire or partial business operation, or has never been revoked its license or registration under the payment systems law. In case that the juristic person has been temporarily suspended its business operation or revoked its license or registration, it must be over the period of five years until the date of agent or sub-agent appointment.

In this regard, the individual person or juristic person, as stated in Clause (1.1) and Clause (1.2), and directors or persons with managerial power of a juristic person, must have never been sentenced or ordered for asset forfeiture or never been sentenced by the final court judgment for money laundering under the law governing anti-money laundering, or never been a designated person committing or involving the terrorist activities or never been sentenced or convicted by the final judgement for terrorist financing under the law governing counter-terrorism and proliferation of weapons of mass destruction financing.

In case that business providers of the designated payment services intend to appoint agents or sub-agents with qualifications different from those specified above, they shall ask for approval from the BOT on a case by case basis. The BOT reserves the rights to approve or reject the request or approve with any conditions or any other requirements as deemed appropriate. In this regard, the BOT shall complete the request within 45 business days from the date the request and related documents have been correctly and completely received.

(2) Guidelines for risk management of appointing agents or sub-agents, internal control system and co-ordination between the business providers of the designated payment services and their agents and sub-agents should be in place in order to prevent any potential risks. These guidelines should include retention of handling cash, reliable security and regular audit of service system, maximum limit of money held by agents and sub-agents, issuance of the bank's letter of guarantee and deposit placement as guarantee. Moreover, the guideline should incorporate the restriction for agents and sub-agents on connecting their system to other system, which will allow other people to use the payment system of business providers without permission or to abuse the system. This may cause an impact on reputation and confidence in the payment service of business providers of designated payment services. In this regard, business providers of the designated payment services may establish preventive

guidelines such as providing tracking system to monitor the unusually high volume of transactions or limiting the appropriate maximum transactions per person per day.

(3) Payment finality of transactions must be at the same standards as those transactions directly provided by the business provider of the designated payment services.

(4) Evidence of payment transaction must be issued to service users by the agents and sub-agents.

(5) There must be a written contract of appointment of agents with essential conditions clearly specifying the scope of services and the rights of agent including determination of contract duration, requirements and conditions of contract cancelation and details about the agents. In case that there is condition allowing the agents to appoint, assign or hire their sub-agents, there must be requirements for any agents or sub-agents to be appointed, assigned or hired in each subcontract to obtain the written consent from the business providers of the designated payment services prior to signing contracts as well as submitting details of such sub-agents prior to appointing, assigning or hiring.

(6) Regularly monitor and audit the operation of agents and sub-agents to ensure that their service operations are within the scope as agreed. For instance, they are not allowed to have their system connected to other payment service system of the designated business provider without permission or improperly used, where this may be considered as providing the designated payment services without permission or registration under the payment systems law.

4.2.2 Responsibilities for the service users

(1) The business providers of designated payment services shall supervise the operation of agents and sub-agents to be in compliance with the regulations prescribed under the payment systems law and the related notification of the BOT.

(2) The business providers of the designated payment services shall still be responsible to service users for the operation carried out by their agents and sub-agents as same as the service operations provided by themselves.

4.2.3 Disclosure of information

(1) The business providers of the designated payment services shall disclose the following information to the service users:

(1.1) Details of appointment of agents and sub-agents such as name list and service location or kiosk, transaction being provided at each agent and sub-agent, conditions of service, responsibilities of the business providers to the service users and customer protection. In this regard, the information must be regularly up to date.

(1.2) The Information that may affect service users resulting from the appointment of agents or sub-agent, such as changes in fees or service charges, any details of services that may cause disadvantages to the customers. All these information shall be disclosed to the service users in advance.

(2) The business providers of the designated payment services shall supervise the agents or sub-agents to disclose the following information to service users via each service channel of the agents and sub-agents such as electronic channel.

(2.1) Transactions provided by agents and sub-agents, conditions of service, responsibilities to service users and customer protection.

(2.2) Information that may affect service users such as any changes in fees or service charges, or any details of services that may cause disadvantages to the customers. All these information shall be disclosed to the service users in advance.

4.2.4 Additional regulations on customer protection

The business providers of the designated payment services shall comply and supervise their agents or sub-agents to comply with other regulations on customer protection, at least as follows:

(1) The payment finality of transaction

When agent or sub-agent has issued the proof of payment, proof of money transfer or any other evidence with the similar contents and delivered it to service users by the methods as agreed upon, it is considered that the payment or money transfer transactions of the service users are completed, except for the payment or money transfer

transactions using cheques, which the transactions are considered completed once the cheques have been completely collected.

(2) Security measures and data privacy protection for service users

(2.1) The business provider of the designated payment services shall require its agents or sub-agents to provide the services to service users only in their premises, branches or other service channels of the agent or sub-agent or any other places of other juristic person or parties with lease or rental agreement for those places. Moreover, service days and hours as well as banners or logos of the business providers of the designated payment services should be clearly specified at the service places. In addition, the agents and sub-agents may implement any additional security measures at those service places or service channels.

(2.2) The business provider of the designated payment services shall require its agents and sub-agents to be responsible for security and data privacy of service users unless the disclosure of this information is required by laws.

(3) Channels for complaints

The business provider of the designated payment services shall provide convenient and explicit channels for receiving service users' complaints. At least, there must be telephone numbers and address or valid email addresses.

(4) Reporting of information to the Bank of Thailand

The business provider of the designated payment services shall prepare the updated list of its agents and sub-agents and submit it to the BOT every six month within 30 days from the end of the reporting period in accordance with procedures, conditions and reporting forms attached at the end of this notification. In this regard, the BOT may request for additional information on a case by case basis, as deemed necessary and appropriate.

4.2.5 Relaxation in compliance with the regulations

In case that the business provider of the designated payment services cannot comply with the regulations prescribed in this notification due to its necessity or extraordinary situation which may affect the service continuity or credibility, they may submit a request for relaxation in compliance with such regulations with the reasons and necessity to the BOT in

writing or by the defined electronic means. The BOT reserves the rights to approve or reject the request or approve with additional conditions to be complied with.

5. Transitional provision

If those business providers, who have undertaken the designated payment services business prior to the effective date of this notification and have appointed the agents and sub-agents prior to the effective date of this notification, cannot prepare the appointment contract of agents with essential conditions as prescribed in Clause 4.2.1 (5), they shall be exempt from complying with specific regulations. However, they are required to manage to comply with such regulations within 180 days from the date of permission or the registration granted, as the case may be.

6. Effective Date

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

Announced on 16th April 2018

(Mrs. Ruchukorn Siriyodhin)

Deputy Governor, Financial Institutions Stability

Governor^{for}

Bank of Thailand

Payment Systems Policy Department

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Report on list of agents and sub-agents

Institution code
 Name of business provider
 Type of services
 Reporting period B.E.
 Total number of agents and sub-agents as of the end of reporting period agents
 Total number of points of services points

List of agent and sub-agent	Location (Sub-district)	Province	Type of agent and sub-agent		Service types provided by agent and sub-agent
			Natural Individual person	Juristic person	
1.....					
2.....					
3.....					
4.....					
5.....					
6.....					

7.....					
8.....					
9.....					
10.....					

Unofficial

Description of Report	
Name of report	Report on List of agents and sub-agents
Frequency of report submission	Every 6-month (Jan - Jun and Jul - Dec) Information as of the end of reporting period
Deadline for submission	Within 30 days from the end of reporting period
Description	<p>"Agent" means a natural person or juristic person appointed by the business provider of the designated payment service to provide the payment services under supervision on behalf of the business provider to the service users.</p> <p>"Sub-agent" means a natural person or juristic person appointed, assigned or hired by the agent to perform the tasks that are subcontracted to them by the agent including those entering into each subcontract agreement for the outsourcing activities.</p> <p>"Institution Code" means the institution code of the business provider of the designated payment service who reports the information using the institution code as prescribed by the BOT.</p> <p>"Name of the business provider" means the name of the business provider of the designated payment service who reports the information.</p> <p>"Type of Services" means the services that the business provider of the designated payment service has provided under the Payment System Act B.E. 2560 (2017) such as e-money service, bill payment service, funds money transfer service.</p> <p>"Reporting Period" means the period when the information is reported which is the first half of the year (Jan - Jun) or the second half of the year (Jul - Dec).</p> <p>"Total number of agents and sub-agents" means the number of all agents and sub-agents appointed by the business provider of the designated payment service to be the agents and sub-agents to provide the services as of the end of the reporting period.</p> <p>"Total number of points of services" means the total number of points of services of the agents or sub-agents appointed by the business operator of the payment service under supervision as of the end of the reporting period. In this regard, it excludes the temporary points of services for specific operations.</p> <p>"List of agent and sub-agent" means the list of agents and sub-agents appointed by the business provider of the designated payment service.</p> <p>"Location" means a location (sub-district) where the agents and sub-agents use to provide the services. If the agents and sub-agents have many locations</p>

Description of Report	
	<p>to provide the services, each location must be reported separately line by line in each row.</p> <p>“Province” means the province in which the sub-district is located and the agents and sub-agents have provided the services.</p> <p>“Type of agent and sub-agent” means type of agents and sub-agents who provide the services e.g. natural person / juristic person.</p> <p>“Service types provided by agent and sub-agent” means the type of services that the business operator operator provider with permission or registration to undertake the designated payment service, has appointed the agents and sub-agents to provide service.</p>