

Bank of Thailand Notification

No. SorNorChor. 17/2561

Re: Regulations, Procedures and Conditions on Application for License and Registration to Undertake Designated Payment Service Business (No. 2)

1. Rationale

With reference to the Bank of Thailand Notification No. SorNorChor. 5/2561 Re: Regulations, Procedures and Conditions on Application for License and Registration to Undertake Designated Payment Service Business dated 16 April 2018, it was issued for the purposes of supervision for payment service to be safe and secure, reliable and efficient. The supervision of designated payment service is classified into 2 levels: 1) Designated payment service that shall obtain a license from the Minister of Finance with the advice from the Bank of Thailand and 2) Designated payment service that shall obtain a registration from the Bank of Thailand.

In order to clarify the qualifications of those intending to undertake designated payment service business especially for foreign bank branch who is licensed to carry on commercial banking business in Thailand which is the as a financial institution under the law governing financial institutions businesses, the Bank of Thailand therefore deems it appropriate to amend such Notification.

2. Statutory Power

By virtue of Section 17 and Section 18 of the Payment Systems Act B.E. 2560 (2017), the Bank of Thailand hereby issues regulations, procedures and conditions on application for license and registration to undertake designated payment service business, as prescribed in this Notification.

3. Amended Notification

Clause 4.2.1 (1) and Clause 4.2.2 (1) of the Bank of Thailand Notification No. SorNorChor. 5/2561 Re: Regulations, Procedures and Conditions on Application for License and Registration to Undertake Designated Payment Service Business dated 16 April 2018 shall be repealed and replaced respectively by Clause 5.1 and Clause 5.2 of this Notification.

4. Scope of Application

This Notification shall apply to those intending to undertake designated payment service business and business providers of designated payment services according to the law governing payment systems.

5. Content

5.1 Revise the regulations on application for license to undertake designated payment service business

“4.2.1 Regulations on application for license to undertake designated payment service business

(1) Those intending to undertake designated payment service business must have the following qualifications:

(1.1) Be a juristic person of the following type:

(1.1.1) Limited company or public limited company that is registered in Thailand with objective to undertake the payment service business, or

(1.1.2) Financial institution, or

(1.1.3) Foreign commercial bank who is granted permission to establish foreign bank branch to carry on commercial banking business in Thailand, and intends to undertake payment service business by such foreign bank branch, which is regarded as a financial institution under the law governing financial institutions businesses, or

(1.1.4) Specialized financial institution, or

(1.1.5) State enterprise

(1.2) Have paid-up capital for each type of business as follows:

(1.2.1) Provision of electronic money service, not less than 100 million Baht.

(1.2.2) Provision of a service of receiving electronic payment, namely:

(a) Provision of an acquiring service, not less than 50 million Baht.

(b) Provision of a payment facilitating service, not less than 10 million Baht.

(c) Provision of a service of receiving payment on behalf, not less than 10 million Baht.

(1.2.3) Provision of a service of transferring money by an electronic means, not less than 10 million Baht.

Those intending to undertake more than one type of designated payment service businesses, must have paid-up capital of no less than the highest amount of required paid-up capital for the types of service provision for which it applies.

(1.3) Have a sound financial position and operation status which represent the capability of undertaking business and providing service with continuity without any risks that may cause damages to service users such as historical financial status and performance, shareholders' equity, source of funds and 3-year business operating plan which include the details of the estimated income, expenses and investment budget.

(1.4) Must neither been temporarily suspended of its entire or partial business operation nor been revoked license or registration according to the law governing payment systems.

(1.5) Must never been sentenced or ordered by the court that its properties shall be forfeiture for the benefit of the state or never been sentenced by final court judgment on the ground of committing an offence relating to money laundering under law governing anti-money laundering, or never been a designated person for committing terrorism offenses, or never been sentenced by the final court judgment on the offence relating to terrorist financing under law governing counter-terrorism and proliferation of weapon of mass destruction financing.

(1.6) Have directors or person with managerial power with the following qualifications:

(1.6.1) Being of not less than 20 years of age.

(1.6.2) Have qualifications and must not have prohibited characteristics as prescribed in Section 18 and Section 14 of the Payment Systems Act B.E. 2560 (2017)

(1.7) Have at least one director with Thai nationality and domiciled within Thailand.

Juristic persons under clause (1.1.2) – (1.1.5) are exempt from complying with the regulations under clause (1.2) clause (1.3) and clause (1.7).”

5.2 Revise the regulations on application for registration to undertake designated payment service business

“4.2.2 Regulations on application for registration to undertake designated payment service business

(1) Those intending to undertake designated payment service business must have the following qualifications:

(1.1) Be a juristic person of the following type:

(1.1.1) Limited company or public limited company that is registered in Thailand with objective to undertake the payment service business, or

(1.1.2) Financial institution, or

(1.1.3) Foreign commercial bank who is granted permission to establish foreign bank branch to carry on commercial banking business in Thailand, and intends to undertake payment service business by such foreign bank branch, which is regarded as a financial institution under the law governing financial institutions businesses, or

(1.1.4) Specialized financial institution, or

(1.1.5) State enterprise

(1.2) Have a sound financial position and operation status which represent the capability of undertaking business and providing service with continuity without any risks that may cause damages to service users such as historical financial status and performance, shareholders’ equity, source of funds and 3-year business operating plan which include the details of the estimated income, expenses and investment budget.

(1.3) Must neither been temporarily suspended of its entire or partial business operation nor been revoked license or registration according to the law governing payment systems.

(1.4) Must never been sentenced or ordered by the court that its properties shall be forfeiture for the benefit of the state or never been sentenced by final court judgment on the ground of committing an offence relating to money laundering under law governing anti-money laundering, or never been a designated person for

committing terrorism offenses, or never been sentenced by the final court judgment on the offence relating to terrorist financing under law governing counter-terrorism and proliferation of weapon of mass destruction financing.

(1.5) Have directors or person with managerial power with the following qualifications:

(1.5.1) Being of not less than 20 years of age.

(1.5.2) Have qualifications and must not have prohibited characteristics as prescribed in Section 18 and Section 14 of the Payment Systems Act B.E. 2560 (2017)

(1.6) Have at least one director with Thai nationality and domiciled within Thailand.

Juristic persons under clause (1.1.2) – (1.1.5) are exempt from complying with the regulations under clause (1.2) and clause (1.6).”

6. Effective date

This Notification shall come into effect from 10th September 2018 onwards.

Announced on 7th September 2018

(Mrs. Ruchukorn Siriyodhin)

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