



# **BANK OF THAILAND NEWS**

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**No. 9/2004**

## **Re: Revision of Regulations on Conducting Credit Card Business**

To protect benefits of people and prevent problems that may arise from credit cards in the future, and establish regulations on conducting credit card business to be appropriate, clear and enforceable in the same manner,

The Bank of Thailand (BOT) has revised regulations on conducting credit card business, coming into force from 1 April 2004. The major points of this revision can be summarized as follows:

### **1. Definition of credit card and qualifications of credit cardholder**

Define clearer definition of basic and supplementary credit card and qualifications of cardholder in each type of credit card.

### **2. Debt repayment and the process of debt collection**

2.1 Increase minimum monthly payments from no less than 5 % to 10 % of outstanding debt. This regulation shall come into force for new cardholders from 1 April 2004 and existing cardholders from 1 April 2007.

2.2 Cancel the credits cards that become delinquent for more than 3 months.

### **3. Change of debt type**

Set regulations for bank and non-bank credit card issuers to comply with when they transfer credit card debt to other types of debt.

### **4. Practice and management of personal information of cardholder or consumer.**

Limit credit line for each cardholder at no more than 5 times of average monthly income or cash flows circulated in a depository book. This regulation shall come into force for existing cardholders from 1 January 2005.

## **5. Risk management of credit card business**

Prescribe bank and non-bank credit card issuers to establish rules or procedure for their own officers or stipulate those into a representative contract in terms of seeking a new cardholder or contacting existing cardholders to offer new types of lending.

The BOT has summarized a table of comparison between old and new regulations on conducting credit card business as [attached](#).

The Bank of Thailand

31 March 2004