Unofficial Translation

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

Please refer to Thai text for the official version

Framework for Safeguarding the Financial Sector from Illicit Activities

> ***"The Bank of Thailand and regulated entities under supervision,***
> ***jointly declare a firm commitment not to facilitate,***
> ***provide channels for, or support any illicit activities or corruption"***

This Framework has been jointly developed by the Bank of Thailand (BOT), financial institutions, and regulated entities under BOT supervision to demonstrate their shared commitment to proactively strengthening preventive measures against the misuse of the financial sector for digital fraud, corruption, and other illicit activities, thereby contributing to the stability, security, and public trust of the Thai financial sector.

Key Principles

This Framework sets out five key principles for participating entities to adopt and apply as appropriate to their business models and risk profiles.

1. Leadership and Governance

The BOT and participating entities **recognize the prevention of misuse of the financial sector as an integral part of sound corporate governance.** Boards of directors and senior management should establish appropriate policies, strategic direction, and governance frameworks, as well as ensure effective oversight and allocating resources commensurate with their business models, risk profiles, and evolving threat landscape.

2. Effective Standards and Execution

The BOT and participating entities **establish concrete measures to translate their commitments into effective execution to prevent misuse of the financial sector.** Appropriate minimum standards should be designed and adopted for monitoring, detection, and risk response, taking into account the nature and risk profile of each business. Entities should also maintain mechanisms to monitor and assess these measures, with regular review and enhancement to ensure their ongoing effectiveness.

3. Expertise and Data-Driven Capability

The BOT and participating entities **continuously strengthen their capabilities and enhance the effectiveness of measures to prevent financial sector misuse.** They leverage on their existing strengths using expertise, data, technology and capability to enhance monitoring, detection, and risk response, while also promoting public awareness and financial literacy to help mitigate risks.

4. Collaboration and Collective Intelligence

The BOT and participating entities **promote collaboration and the exchange of information, intelligences, typologies, risk indicators, and best practices** among participating entities and relevant public sector agencies, private sector organizations, and other stakeholders, both domestically and internationally, within applicable legal frameworks. Such collaboration supports a shared understanding of emerging threats and strengthens collective capabilities to address increasingly sophisticated forms of financial sector misuse, which often exploit legal and regulatory gaps and weaknesses in cross-sector coordination.

5. Balanced Objectives

The BOT and participating entities **consider the impacts of measures implemented under this Framework in a balanced manner, alongside the objectives of financial inclusion, fair competition, and innovation.** Such measures whilst aimed at strengthening the security of the financial sector may involve certain trade-offs in convenience. These trade-offs should be carefully balanced to avoid imposing unnecessary burdens on consumers, businesses or hindering financial sector developments, while maintaining appropriate incentives and accountability among all stakeholders in managing and mitigating risks.