



No. 09/2024

Rules, Procedures, and Conditions for the Application for and the Issuance of
a Virtual Bank License

Mr. Somchai Lertlarpwasin, Assistant Governor Financial Institutions Policy Group announced that on 4 March 2024, the Royal Gazette published the Notification of the Ministry of Finance on the rules, procedures, and conditions for the application for and the issuance of a virtual bank license. This will allow applicants with expertise in technology, digital services, and the utilization of diverse types of data to provide financial services with new value propositions via digital channel to better serve the needs of each customer segment, particularly the unserved and underserved segments of retail and SMEs customers. It is also expected that virtual banks will bring about better customer experience and stimulate a healthy competition in the Thai financial institution system, without posing risks to financial stability or causing harm to depositors and wider consumers.

To ensure that prospective virtual banks will sustainably operate and bring benefits to the Thai economy and financial system in line with the aforementioned objectives, the BOT will consider the applicants' qualifications, potential and capabilities to operate a virtual bank in accordance with proposed business plans in a number of important areas. These include (1) experience, resources and capability in operating virtual bank business, offering financial services with new value propositions to better serve the needs of each customer segment; (2) governance and capability of the applicants and persons in key positions of the virtual bank; (3) expertise, experience and capability in operating a digital-driven business that offers services through digital channels; (4) capability to use and manage IT system in an agile, secure, resilient and high-availability manner, so as to accommodate the development of financial services in response to changing situations or customers' needs; (5) experience and capability to acquire, manage, and utilize diverse types of data, as well as capability to develop data portability mechanisms to facilitate customers' use of their own personal data in transacting with other financial service providers in accordance with their legal rights; (6) capability to manage risks from financial business; (7) capability of major shareholders to provide financial support to ensure the continuity of the virtual bank's business operations. Furthermore, the BOT will ensure an appropriate number of new virtual banks with the said potential and capabilities, to stimulate a healthy competition in the financial institution system for the benefits of depositors, customers and the Thai economy and financial system without posing risks to financial stability.





Interested applicants can submit their application for a virtual bank license to the BOT from 20 March 2024 to 19 September 2024, and can find more details on the application process and requirements on the BOT website. To ensure that all interested applicants receive sufficient information in a comprehensive and equitable manner, the BOT will hold an information session for prospective applicants on 19 March 2024 to provide further details on key aspects of the Notification of the Ministry of Finance and regulatory requirements applicable to virtual banks. More details on the information session and registration for the event can be found on the BOT website. Registration to attend the information session is open until 13 March 2024. In this regard, it is expected that successful applicants will be announced within the first half of 2025. These applicants must then undertake preparations across various aspects, including IT systems and risk management tools, to commence virtual bank operations within 1 year from the date of approval.

Bank of Thailand
5 March 2024

Details on the application for a virtual bank license can be accessed at:

<https://www.bot.or.th/th/financial-innovation/digital-finance/virtual-bank.html>



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