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Bank of Thailand and Thai Financial Sector Join Forces to Escalate Proactive Measures Against Illicit Financial Activities

Mr. Vitai Ratanakorn, Governor of the Bank of Thailand (BOT), stated that the BOT, together with financial service providers under its supervision, jointly developed the **"Framework for Safeguarding the Financial Sector from Illicit Activities"** with a shared commitment to ensure that the financial sector is not exploited to facilitate illegal activities of any kind. The aim is to promote a financial system that is stable, secure, and trusted, while protecting the public from harm arising from the misuse of financial services.

Under the framework, participating organizations are expected to establish clear strategic direction, policies, and governance arrangements to prevent the misuse of the financial system, and to embed this responsibility as an integral part of corporate governance. They are also expected to translate these principles into concrete and effective preventive measures, supported by minimum standards that are appropriate to the nature of each business and regularly updated with the evolving context. Participating organizations will also leverage their respective strengths in data analysis, technology, and expertise to optimize surveillance, detection, and response capabilities. Importantly, their cooperation and exchange of information, knowledge, fraud typologies, warning indicators, and good practices with relevant stakeholders across sectors will enhance the collective ability to address increasingly sophisticated fraudulent transactions, which often exploit legal or institutional gaps between agencies. In implementing these measures, appropriate consideration will also be given to balance the impact on legitimate customers, access to financial services, fair competition, as well as innovation.

For its part, **the BOT** will further strengthen system-wide supervisory standards, including customer and counterparty due diligence, as well as the use of data, technology, and expertise to improve its capabilities to monitor and detect high-risk transactions. The BOT will also promote data sharing among relevant organizations to close loopholes that may be exploited for illegal activities, while developing measures to address emerging risks. In parallel, initiatives to raise the awareness and financial literacy among the public are intended to enhance the safety, resilience, and confidence in Thailand's financial system over the long term.

Financial service providers under BOT supervision participating in this framework include **11 entities namely the Thai Bankers' Association (TBA), the Association of International Banks (AIB), the Government Financial Institutions Association (GFA), the Thai E-Payment Trade Association (TEPA), the Thai Association of Foreign Exchange and Financial Services (TAFEXS), and 6 associations of non-bank lenders.** They will collectively take forward a range of proactive measures, including strengthening KYC/CDD/EDD processes, enhancing scrutiny of high-risk cash transactions, deploying advanced technologies to proactively detect unusual transactions, developing a database of high-risk individuals with a link to the Central Fraud Registry (CFR), preparing industry-wide operational guidelines on anti-money laundering and countering the financing of terrorism (AML/CFT), and leveraging community networks to build financial resilience among vulnerable groups.

The BOT and financial service providers under its supervision will constantly work together to advance the execution of these measures in order to close loopholes through which the financial system may be misused for illegal activities, strengthen prevention and response to financial threats, and foster a financial ecosystem in which access to financial services is bolstered by confidence and trust.

Bank of Thailand
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Strategy and Special Projects Management Department
Email: sspdept@bot.or.th