

Unofficial Translation

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

Please refer to the Thai text for the official version.

Notice of the Competent Officer

Rules and Practices regarding the Undertaking of Authorized Money Changers

By virtue of the power conferred upon him under Clause 3, 4 and 5 of the Notification of the Ministry of Finance on Directions of the Minister to Authorized Money Changers dated 30th July B.E.2547, the Competent Officer gives notice of directions as follows:

Clause 1 An authorized money changer shall have one of the following qualifications:

- (1) A juristic person that operates as a hotel that is well-known among foreign guests,
- (2) A juristic person with paid-up registered capital of not less than 10 million Baht that engages in any of the following businesses:
 - a. An international dormitory or a large guest house that has foreign guests,
 - b. A private entity that serves mostly foreign tourists such as airports, piers, cruises providing rooms for tourists, or travel company or travel agent operating business for foreigners traveling in Thailand , etc,
 - c. A large department store or store that mostly has foreign customers,
 - d. An international business related to the issuance of foreign travelers' cheques and/or international credit cards,
- (3) A juristic person with paid-up registered capital of not less than 1 million Baht and shareholders or partners and managing directors being Thai citizens,
- (4) An authorized duty-free shop,
- (5) A government financial institution, a state entity, a government entity or a state enterprise,
- (6)¹ A sole proprietorship or partnership which has the following attributes, all of the owners or partners of which being natural persons of Thai Nationality and not being the owners or partners of

¹ Clause 1(6) amended by the Notification of Competent Officer RE: Rules and Practices regarding the Undertaking of Authorized Money Changers (No.4)

another sole proprietorship or partnership that has been granted money changer permit under the same qualification:

- a. located at the border areas according to the Custom Act (No. 3) B.E. 2480 and the amendments thereafter, or
- b. located at the border checkpoints according to the Immigration Act B.E. 2522 and the amendments thereafter, or
- c. located in the areas as specified by the Competent Officer and that has been granted a permit of tourism business under the Tourism Business and Guide Act B.E. 2551 and the amendments thereafter.

Clause 2² An authorized money changer which is a private juristic person shall not appoint or allow any person with any of the following attributes to be its directors, managers or any person with the authority to manage its business:

- (1) being placed under receivership by the court or being bankrupt,
- (2) having been imprisoned by a final court judgment for an offence against The Exchange Control Law,
- (3) having been sentenced by the court judgment or order to have properties forfeited or having been convicted by a final court judgement for a money laundering offence against the Anti-money Laundering Law,
- (4) having been Designated Person or convicted by a final court judgment for a terrorist financing offence against Combating the Financing of Terrorism Law,

The above clause shall not be applied to the authorized money changer having qualifications according to Clause 1 (5).

Clause 3 In the case where a director, manager or any person having management authority is later revealed to have any prohibited attributes as prescribed in Clause 2, the authorized money changer shall replace such person within 15 days from the date of the revelation or notification by the Competent Officer.

² Clause 2 amended by the Notification of Competent Officer RE: Rules and Practices regarding the Undertaking of Authorized Money Changers (No.5)

Clause 4³ Any person who wishes to undertake money changer business shall submit an application to the Minister of Finance through the Bank of Thailand. The application shall contain 2 copies of the following documents:

(1) In case of an applicant having qualifications according Clause 1 (1) to (5):

(a) The application form as prescribed,

(b) A letter certifying that directors, managers or persons having management authority do not have any prohibited attributes as prescribed in Clause 2, in a prescribed form,

(c) A copy or photocopy of Affidavit certified no longer than 6 months prior to the date of submission in the area of:

1. List of directors or partners, as the case may be,

2. Persons authorized to sign or managing partners, as the case may be,

3. Registered capital

4. Business location

(d) A copy or photocopy of Memorandum of Association, and Articles of Association and shareholder list, in case of a limited company or limited public company,

(e) Photocopies of identification cards or passports of directors, managers or persons having management authority,

(f) Photocopies of identification cards of partners in case of an applicant having qualifications according to Clause 1 (3) which is a partnership,

(g) A copy or photocopy of permit of other main business and related documents (if any),

(h) A map and photos indicating business location, a floor plan and photos showing areas of exchange, and documents indicating that the applicant has or will have the right to operate in such location such as a copy or photocopy of a rental agreement, or a consent letter allowing to operate in such location,

(2) In case of an applicant having qualifications according to clause 1 (6):

(a) The application form as prescribed,

(b) A letter certifying that managers or persons having management authority do not have any prohibited attributes as prescribed in Clause 2, in a prescribed form,

(c) A copy or photocopy of Affidavit certified no longer than 6 months prior to the date of submission, in case of a registered ordinary partnership or limited partnership, in the area of:

1. List of partners

2. Managing partner(s)

³ Clause 4 amended by the Notification of Competent Officer RE: Rules and Practices regarding the Undertaking of Authorized Money Changers (No.5)

3. Business location

(d) A letter or agreement of establishment of the ordinary partnership, in case of a non-registered ordinary partnership,

(e) Photocopies of identification cards of owners or partners,

(f) A copy or photocopy of business registration (if any),

(g) A copy or photocopy of permit of tourism business, in case of being granted the permit,

(h) A map and photos indicating business location, a floor plan and photos showing areas of exchange, and documents indicating that the applicant has or will have the right to operate in such location such as a copy or photocopy of a rental agreement, or a consent letter allowing to operate in such location.

The application shall be submitted in March, June, September or December. If the applicant wishes to undertake the business within the areas under supervision of any regional office of the Bank of Thailand under Clause 5, such applicant shall submit the application to the relevant office.

Clause 5 Areas under supervision of the Bank of Thailand are as follows:

a. Regional Offices

(1) Southern Region Office (located in Hat Yai District, Songkhla)

The area covers 14 provinces: Songkhla, Phuket, Nakorn Sri Thammarat, Krabi, Chumphon, Ranong, Surat Thani, Phang-nga, Trang, Narathiwat, Pattani, Phatthalung, Yala and Satul.

(2) Northeastern Region Office (located in Muang District, Khon Kaen)

The area covers 19 provinces: Khon Kaen, Nong Khai, Udon Thani, Nong Bua Lamphu, Loei, Sakhon Nakhon, Nakhon Phanom, Kalasin, Chaiyaphum, Maha Sarakham, Yasothon, Roi Et, Nakhon Ratchasima, Buri Rum, Surin, Si Saket, Mukdaharn, Ubon Ratchathani and Amnat Charoen.

(3) Northern Region Office (located in Muang District, Chaing Mai)

The area covers 17 provinces: Chian g Mai, Lampang, Kamphaeng Phet, Nakhon Sawan, Uthai Thani, Chiang Rai, Phayao, Lampun, Mae Hong Son, Uttaradit, Phrae, Nan, Sukhothai, Tak, Phitsanulok, Phichit and Phetchabun.

b. Head Office

The Head Office of the Bank of Thailand which is located in the Bangkok Metropolitan supervises all provinces other than those mentioned in a.

Clause 6 The Competent Officer may propose to the Minister to refuse permission for, revoke, or not to renew the permit, if the Competent Officer has any suspicion or any reason to believe that an applicant, an authorized money changer, its director, manager or any person with management authority takes any of the following actions or has any of the following attributes:

- (1) fails to comply with or violates the Exchange Control Law, regulations, orders or notifications,
- (2) engages in any act that would endanger the exchange system,
- (3) engages in any act that would endanger the public in economic matters,
- (4) being placed under receivership by the court order or being bankrupt,
- (5) has no transaction under the permit for 2 consecutive years,
- (6) Other actions or attributes the Competent Officer deems appropriate.

In case where the Minister revokes or notifies not to renew the permit, the owner or the manager shall return the permit to the Competent Officer within 15 days.

Clause 7⁴ Authorized money changers shall comply with the followings:

- (1) undertake the business only at the authorized offices,
- (2) display the permits, buying and selling rates and the following information in conspicuous places of the offices:
 - (a) Money changer permits issued by the Ministry of Finance,
 - (b) Daily buying and selling rates of foreign currency notes or traveler's cheques payable in foreign currency for all currencies which the authorized money changers purchase or sell,
 - (c) Statements containing "Authorized Money Changer License No.....".

Clause 8⁵ In undertaking money changing business, authorized money changers shall transact with customers under the following rules and conditions:

- (1) Authorized money changers may purchase foreign currency notes or traveler's cheques payable in foreign currencies from customers without any limit,

In case of transactions having equivalent value from 50,000 Baht, authorized money changers shall request customers to submit the copy or photocopy of identity documents such as identification cards, passports, or Affidavit,

⁴ Clause 7 amended by the Notification of Competent Officer RE: Rules and Practices regarding the Undertaking of Authorized Money Changers (No.5)

⁵ Clause 8 amended by the Notification of Competent Officer RE: Rules and Practices regarding the Undertaking of Authorized Money Changers (No.5)

(2) Authorized money changers may sell foreign currency notes to customers under the following rules:

(a) Authorized money changers with qualifications according to Clause 1 (1) to (5) may sell foreign currency notes to customers for travel purpose in the equivalent amount of up to 800,000 Baht per day per customer,

(b) Authorized money changers with qualifications according to Clause 1 (6) may sell foreign currency notes to customers for travel purpose in the equivalent amount of up to 200,000 Baht per day per customer,

(c) Authorized money changers shall request the following documents from customers:

1. In case of transactions having equivalent values of less than 50,000 Baht, a photocopy of passports or certificates certifying that the customers are travelling abroad,

2. In case of transactions having equivalent values from 50,000 Baht, a photocopy of passports, or certificates certifying that the customers are travelling abroad along with a photocopy of identification cards,

(3) Authorized money changers shall have evidences of every purchase or sale of foreign currency notes or traveler's cheques which includes the following:

(a) Name and address of the authorized money changer,

(b) Number of such evidence,

(c) Date of purchase or sale,

(d) Name and address of the customer,

(e) Identification or passport number, or registration number of juristic person,

(f) Type of bank notes, amount and currency of notes purchased or sold,

(g) Buying or selling rates,

(h) Total amount of money in Baht,

Authorized money changers shall give such evidences to the customers and keep copies at the offices,

(4) The buying or selling rates used by the authorized money changers for purchasing or selling of foreign banknote or purchasing traveler's cheques shall be quoted in line with average buying or selling rates of authorized juristic persons published by the Bank of Thailand,

(5) Authorized money changers shall keep following evidences for at least 5 years for inspection by the Competent Officer:

(a) Certificates certifying that the customers are travelling abroad,

(b) Copies or photocopies of evidences of purchase or sale as prescribed in (3).

Clause 8/1⁶ Authorized money changers may transact with authorized juristic persons for the interest of money changing business and shall comply with the following rules and conditions:

(1) Authorized money changers may purchase or sell foreign currency notes or sell traveler's cheques payable in foreign currencies with authorized juristic persons without limit,

(2) Authorized money changers shall keep evidences of purchase or sale according to (1) obtained from authorized juristic persons for at least 5 years for inspection by the Competent Officer,

When authorized money changers undertake the transactions with authorized juristic person as prescribed in (1), the authorized juristic persons shall request the authorized money changers to submit photocopies of their permits; the documents as prescribed in Clause 15 of the Notice of Competent Officer on Rules and Practices regarding Currency Exchange dated March 31, 2004 and the amendments thereafter as well as Foreign Exchange Transaction Forms being exempted.

Clause 8/2⁷ Authorized money changers may transact among themselves for the interest of money changing business and shall comply with the following rules and conditions:

(1) Authorized money changers may purchase or sell foreign currency notes or traveler's cheques payable in foreign currencies with another authorized money changer without limit,

(2) Authorized money changers who purchase from or sell to another authorized money changer shall request a photocopy of permit, issue evidences of purchase or sale with minimum details as prescribed in clause 8(3), provide such evidences to the authorized money changer who requests to buy or sell and keep copies of the evidences at their offices,

(3) Both the authorized money changers who request to purchase or sell and the authorized money changers who purchase or sell shall keep the evidences of purchase or sale as prescribed in (2) for at least 5 years for inspection by the Competent officer.

Clause 8/3⁸ Authorized money changers shall maintain complete, accurate and timely transaction records regarding purchase or sale of foreign currency banknotes or purchase of traveler's cheques

⁶ Clause 8/1 added by the Notification of Competent Officer RE: Rules and Practices regarding the Undertaking of Authorized Money Changers (No.5)

⁷ Clause 8/2 added by the Notification of Competent Officer RE: Rules and Practices regarding the Undertaking of Authorized Money Changers (No.5)

⁸ Clause 8/3 added by the Notification of Competent Officer RE: Rules and Practices regarding the Undertaking of Authorized Money Changers (No.5)

payable in foreign currencies in every type and currency according to clause 8, clause 8/1 and clause 8/2 and shall also be examined by a reliable auditor for at least once a year.

Clause 8/4⁹ In the case where an authorized money changer wishes to temporarily undertake the business outside the authorized office, the authorized money changer shall seek approval from the Competent Officer, stating reasons and necessity and submitting relevant documents, at least 15 days prior to the date of operation outside the authorized office.

Clause 9¹⁰ In the case where there is a change in the nature of the entity or partnership of an authorized money changer; change of name of the entity or partnership or name used in the business; change of name of the office; change of registered address by officials; change of shareholders or partners, proportion of shareholding or partnership; or change of directors, managers or persons having management authority of an authorized money changer, it shall notify such change in writing together with related documents to the Competent Officer within 15 days from the date of change in registration.

In case of change of directors, managers or persons with management authority, the authorized money changer shall also submit a certificate indicating that such persons do not have any prohibited attributes as prescribed in Clause 2.

Clause 10 Authorized money changers shall submit the reports in the prescribed forms.

Clause 11 An authorized money changer whose permit does not expire prior to the enforcement of this Notification can undertake its business until the expiry of the permit. After the expiry, if such authorized money changer wishes to continue to undertake its money changer business, it must submit the application under the rules of this Notification.

Clause 12 This Notice shall come into force as from 11th August 2003 (B.E.2547).

Given on 6th August 2003 (B.E.2547)

Mrs. Tasna Rajatabhothi

Competent Officer

⁹ Clause 8/4 added by the Notification of Competent Officer RE: Rules and Practices regarding the Undertaking of Authorized Money Changers (No.5)

¹⁰ Clause 9 amended by the Notification of Competent Officer RE: Rules and Practices regarding the Undertaking of Authorized Money Changers (No.4)