

Policy Statement of the Bank of Thailand
Re: Establishment and Supervision of Foreign Financial Institutions'
Representative Offices of in Thailand

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ธนาคารแห่งประเทศไทย

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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.

Policy Statement of the Bank of Thailand

**Re: Establishment and Supervision of Foreign Financial Institutions' Representative Offices
in Thailand**

1. Rationale

The Bank of Thailand hereby amends its policy statement on the establishment and supervision of foreign financial institutions' representative offices in Thailand to allow for greater operational flexibility and to facilitate foreign financial institutions' representative offices in Thailand in operating their business efficiently.

2. Scope of Application

This policy statement shall apply to licensed foreign financial institutions' representative offices in Thailand, and foreign financial institutions seeking to establish a representative office.

3. Repealed Policy Statement

Policy Statement of the Bank of Thailand Re: Establishment and Oversight of Representative Offices in Thailand of Foreign Financial Institutions dated 28 September B.E. 2554 (2011)

4. Content

4.1 Definition

In this Policy Statement,

“Representative office” means an office of a foreign financial institution in Thailand established to function as a representative of such foreign

financial institution in its operations in Thailand, in accordance with the scope of business prescribed by the Bank of Thailand.

4.2 Principle

A foreign financial institution seeking to establish a representative office in Thailand must obtain prior approval from the Bank of Thailand. **The submission of the application for approval shall be in accordance with the requirements in the public manual.** In considering the approval, the Bank of Thailand will take into account the stability of the Thai financial institution system, and also the foreign financial institution's financial soundness and credibility. **The Bank of Thailand therefore deems it appropriate to set guidelines for representative offices to comply with once they have been approved to establish a representative office in Thailand, as set forth in this Policy Statement.**

4.3 Scope of Business

A representative office may only conduct operations relating to information collection, such as collecting information on its customers' financial positions and on Thailand's economic and financial conditions to submit to its head office or other offices. This also includes contacting, advising, or liaising with customers in Thailand to conduct business with the head office or other offices of such foreign financial institution, etc. In this regard, such operations must be conducted solely to support the undertaking of financial institution business, and must not undertake any business that could be construed to be financial institution business as stipulated in Section 4 of the Financial Institution Business Act B.E. 2551 (2008), or any business incidental to or necessary for the undertaking of financial institution business as stipulated in Section 36 of the Financial Institution Business Act B.E. 2551 (2008).

4.4 Application submission

A foreign financial institution seeking to establish a representative office in Thailand shall submit an application for approval together with documents certified by a legal firm and the Royal Thai embassy in the country in which the foreign

financial institution's head office is located, **in accordance with the requirements in the public manual.**

Once such foreign financial institution has obtained approval to establish a representative office in Thailand from the Bank of Thailand, it must establish a representative office within one year from the date on which the approval was granted by the Bank of Thailand. The foreign financial institution shall notify the Bank of Thailand of the representative office's place of business; business commencement date; and the name, work experience, and scope of authority of the representative office's top-ranking executive (or any equivalent position), at least seven **business days** prior to the representative office's date of business commencement, **in accordance with the requirements in the public manual.**

4.5 Supervision

A foreign financial institution that has obtained approval from the Bank of Thailand to establish a representative office shall comply with the following requirements.

(1) The representative office must prepare and submit, on a quarterly basis, a report of credits granted by its head office and other offices to borrowers in Thailand, and a report of contingent liabilities of its head office and other offices to customers in Thailand. **Such reports shall be in accordance with the requirements in the public manual** and shall be submitted within the end of the month following the end of the reporting quarter.

Reports on the representative office's number of employees, expenses, and audited financial statements should be retained by the representative office, in order to be made available for examination upon the Bank of Thailand's request.

(2) The representative office shall agree to facilitate the financial institution examiner in conducting onsite examinations on its operations and assets, as appropriate.

(3) The foreign financial institution must ensure that its representative office's operations comply with all applicable Thai laws. In addition, it must immediately notify the Bank of Thailand, with all relevant details, of any change in the foreign financial institution's oversight processes concerning the representative office, or any development adversely impacting the foreign financial institution's financial soundness and/or reputation.

(4) The foreign financial institution must notify the Bank of Thailand of the name, work experience, and scope of authority of the representative office's **top-ranking executive (or any equivalent position), within fifteen business days from the date of any change, in accordance with the requirements in the public manual.** The foreign financial institution must also comply with the Policy Statement of the Bank of Thailand Re: Endorsement of Foreign Directors and Employees Working in Financial Institutions and Representative Offices of Foreign Financial Institutions.

(5) In the event of a relocation of the representative office's place of business, the Bank of Thailand must be notified of the address and telephone number of the new place of business, as well as the business commencement date, **within fifteen business days from the business commencement date at the new place of business, in accordance with the requirements in the public manual. Customers and all stakeholders must also be informed.** In addition, the prior place of business must be sold within one year from the date of such relocation.

(6) Should the foreign financial institution intend to change the name of the representative office, it shall notify the Bank of Thailand and provide supporting documents, including a letter from the home country's authority(ies) consenting to the name change (certified by a legal firm and the Royal Thai Embassy in the country where the foreign financial institution's head office is located).

(7) In the event that the foreign financial institution's head office undergoes a merger and acquisition, the representative office shall follow the requirements set in the **public manual.**

(8) Should the foreign financial institution intend to close the representative office, the foreign financial institution must notify the Bank of Thailand at least fifteen **business days** prior to the representative office's closure date. The

foreign financial institution shall also return its license to the Bank of Thailand, **in accordance with the requirements in the public manual. In addition, its place of business must be sold within one year from the representative office's closure date.**

(9) The Bank of Thailand may revoke the foreign financial institution's license to establish a representative office in Thailand if it is found to have engaged in misconduct that may adversely impact Thailand's financial and economic stability, or in any other case deemed appropriate by the Bank of Thailand.

(10) The Bank of Thailand may add or amend any requirements regarding the representative office for the foreign financial institution to comply with, as deemed appropriate.

5. Effective date

This Policy Statement shall come into effect from 1 June 2022 onwards.