

Unofficial Translation
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Notification of the Bank of Thailand

No. SorNorSor. 6 /2556

**Re: Guidelines and Conditions for Establishing a Branch and Undertaking the
Business of a Branch of Foreign Commercial Bank's Subsidiary**

1. Objective

In accordance with the second phase of the Financial Sector Master Plan: FSMP II (B.E. 2553-2557), the Minister of Finance considers the policy to allow the entrance of new foreign commercial banks which will help facilitate the increasing international trade and investment from further regional liberalization. New foreign commercial banks shall be incorporated in Thailand as a subsidiary, which is permitted to open up to 20 branches and 20 off-premise ATMs with no location restriction.

The Minister of Finance issued Notification of Ministry of Finance Re: Rules, Procedures, and Conditions for the Establishment of New Foreign Commercial Bank's Subsidiary, dated 7 June B.E. 2556. According to the Notification, foreign commercial banks that meet the specified qualifications and conditions can apply to establish a subsidiary, whereby Article 3 of the Notification stipulates that the establishment of a branch of the subsidiary shall be in accordance with the rules as prescribed by the Notifications of the Bank of Thailand.

The Bank of Thailand hereby issues guidelines and conditions for establishing a branch of foreign commercial bank's subsidiary that has been licensed by the Minister of Finance in accordance with the Notification of Ministry of Finance.

2. Statutory power

By virtue of the provisions of Section 13, Section 37, Section 71 and Section 80(2)(kor) of the Financial Institution Business Act B.E. 2551, which contains provisions in relation to the restriction of rights and liberties of persons in respect of which Section 29, in conjunction with Section 31, Section 33, Section 36, Section 39, Section 41 and Section 43 of the Constitution of the Kingdom of Thailand so permit, the Bank of Thailand hereby issues the guidelines and conditions for establishing a branch and undertaking the business of a branch of foreign commercial bank's subsidiary as stipulated in this Notification.

3. Scope of application

This Notification shall apply to a foreign commercial bank's subsidiary under the Financial Institution Business Act B.E. 2551 that has been licensed by the Minister of Finance in accordance with the Notification of Ministry of Finance Re: Rules, Procedures, and Conditions for Establishing New Foreign Commercial Bank's Subsidiary, dated 7 June B.E. 2556.

4. Essence

4.1 In this Notification, the terms "a branch" and "an electronic branch using automatic teller machine – ATM" shall have the meaning as defined in relevant Notification of the Bank of Thailand that stipulates guidelines on operating a branch of commercial bank.

4.2 Application to establish a branch of foreign commercial bank's subsidiary

A foreign commercial bank's subsidiary that has been licensed by the Minister of Finance in accordance with the Notification of the Ministry of Finance Re: Rules, Procedures, and Conditions for the Establishment of New Foreign Commercial Bank's Subsidiary, dated 7 June B.E. 2556 may apply to open up to 20 branches and 20 off-premise ATMs.

4.3 Type of branches and undertaking business of a branch

The Notification of the Bank of Thailand that stipulate guidelines on operating a branch of commercial bank shall apply, mutatis mutandis, to the operation of a branch of the subsidiary under 4.2.

5. Effective date

This Notification shall come into force on the date following the day of its publication in the Royal Thai Government Gazette.

Announced on 13 June B.E. 2556

Mr. Prasarn Trairatvorakul
Governor
Bank of Thailand