

## Unofficial Translation

This translation is for the convenience of those unfamiliar with the Thai language.  
Please refer to Thai text for the official version.

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### Notification of the Bank of Thailand

No. SVG. 9/2560

Re: Regulations on Supervision of Specialized Financial Institutions  
Operating Financial Business under the Islamic Principles (No.2)

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#### 1. Rationale

As the Bank of Thailand has issued the Bank of Thailand Notification No. SVG. 19/2559 Re: Regulations on Supervision of Specialized Financial Institutions Operating Financial Business under the Islamic Principles dated 11 October B.E.2559, where the section of regulation relating to the regulations on large exposures (Single Lending Limit) allows the Islamic Bank of Thailand to grant credits, make investments, undertake contingent liabilities or credit-like transactions to any person, at the end of the day, for no more than 200 million Baht, while the calculation approach, methods for counting of exposures for each type of transactions, and exemptions for the calculation of Single Lending Limit, as well as relaxation of the supervision of large exposures have been applied in the same manner as other Specialized Financial Institutions.

Since the implementation of the Single Lending Limit guidelines lead to certain restrictions on the extension of loans of the Islamic Bank of Thailand, therefore, to ensure that the Islamic Bank of Thailand can proceed with its resolution arrangements under the restructuring and business plans, the Bank of Thailand, thereby, deems that it is appropriate to amend the regulations on supervision of Specialized Financial Institutions operating financial business under the Islamic principles to be in line with the restructuring scheme of the Islamic Bank of Thailand. The amended regulation allows the Islamic Bank of Thailand to grant credits, make investments, undertake contingent liabilities or credit-like transactions to any person at the end of the day (Single Lending Limit) for no more than the limit as specified by the Bank of Thailand hereinafter.

#### 2. Statutory Power

By virtue of Sections 50 and 52, together with that of Section 120 of the Financial Institutions Business Act B.E. 2551, whereby the Bank of Thailand, upon approval of the Minister of Finance, has issued regulations on large exposures (Single Lending Limit) of Specialized Financial Institutions for Specialized Financial Institutions operating

financial business under the Islamic principles to comply with the provisions in this Notification.

### 3. Amended Notification

The provisions under Clause 4.4.1 (2) of the Notification of the Bank of Thailand No. SVG 19/2559 Re: Regulations on Supervision of Specialized Financial Institutions Operating Financial Business under the Islamic Principles dated 11 October B.E.2559 shall be repealed and replaced by the provisions under Clause 5 of this Notification.

### 4. Scope of Application

This Notification shall be applied to Islamic Bank of Thailand.

### 5. Contents

(2) The Notification of the Bank of Thailand Re: Regulations on Large Exposures (Single Lending Limit) for Specialized Financial Institutions

(2.1) For the compliance on the aforementioned Notification, the Islamic Bank of Thailand can grant credits, make investment, undertake contingent liabilities or credit-like transactions to any person, at the end of the day, for no more than the following limits:

Group of customers	Maximum amount (Limit)
1) Existing customers	1,000 million Baht
2) New customers	500 million Baht
3) State enterprises <sup>1</sup>	2,000 million Baht

In this regard, the Islamic Bank of Thailand must cautiously consider the borrower's financial capacity, especially large exposures, by considering on the calculation approach, methods for counting of exposures for each type of transactions, and exemptions for the calculation of Single Lending Limit, as well as relaxation of the supervision of large exposures in the same manner as other Specialized Financial Institutions.

(2.2) Where the Ministry of Finance deems that the Islamic Bank of Thailand can recover its business according to the restructuring plan and the Islamic Bank of Thailand can maintain the capital adequacy ratio no more than the minimum level according to the Notification of the Bank of Thailand Re: Regulations on Supervision of Specialized Financial Institutions Operating Financial Business under the Islamic Principles, the Islamic

<sup>1</sup> Please refer to the updated list of state enterprises at the website of the State Enterprise Policy Office – <http://www.sepo.go.th>

Bank of Thailand may, thereby, grant credits, make investment, undertake contingent liabilities or credit-like transactions to any person, at the end of the day, for no more than 25% of its total capital, in place of the limits as specified in the above Table.

## 6. Transitional Provisions

6.1 Granting credits, making investment, undertaking contingent liabilities or credit-like transactions to any person by the Islamic Bank of Thailand under a binding agreement before 1 January 2017 shall remain under the relaxation as specified in Clause 5.2 of the Notification of the Bank of Thailand No. SVG 19/2559 Re: Regulations on Supervision of Specialized Financial Institutions Operating Financial Business under the Islamic Principles dated 11 October 2016.

6.2 Granting credits, making investment, undertaking contingent liabilities or credit-like transactions to any person by the Islamic Bank of Thailand that have been granted relaxation from the Bank of Thailand on a case-by-case basis shall remain under such relaxation.

6.3 Granting credits, making investment, undertaking contingent liabilities or credit-like transactions to any person by the Islamic Bank of Thailand under a binding agreement from the effective date of this Notification up to the day that the Ministry of Finance deems that the Islamic Bank of Thailand can recover its business according to the restructuring plan and that the Islamic Bank of Thailand can maintain the capital adequacy ratio no more than the minimum level as specified in Clause 4.5 of the Notification of the Bank of Thailand No. SVG 19/2559 Re: Regulations on Supervision of Specialized Financial Institutions Operating Financial Business under the Islamic Principles. In case that 25% of total capital of the Islamic Bank of Thailand is less than the limit as specified in aforementioned Clause 5, the Islamic Bank of Thailand can proceed with those agreements depending on the type of loans, which is either term loans or call loans, according to the relaxation guidelines as specified in Clause 5.2 of the Notification of the Bank of Thailand No. SVG 19/2559 Re: Regulations on Supervision of Specialized Financial Institutions Operating Financial Business under the Islamic Principles dated 11 October B.E.2559.

In this regard, all documents and the outstanding amounts of all borrowers and customers within the scope of relaxation must be kept at the Islamic Bank of Thailand for the purpose of examination by the Bank of Thailand's examiners.

## 7. Effective Date

This Notification shall be effective after the date announced in the Government Gazette onwards.

**Announced on 22<sup>nd</sup> August 2017**

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