

Unofficial Translation

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

Please refer to the Thai text for the official version.

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Notification of the Bank of Thailand

No. FPG. 14/2563

Re: Prescription of Rules, Procedures and Conditions for Operating an Electronic System or Network Business for Peer-to-Peer Lending (Peer-to-Peer Lending Platform)

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**1. Rationale**

The Bank of Thailand is well aware of the advantages of fund raising or lending through an electronic system or network (peer-to-peer lending platform) to meet a customer's demand for funds or loans, especially for small and medium-sized enterprises (SMEs) and retail customer, along with demand for a new source of investment that offers higher returns to investors.

At the same time, the Bank of Thailand deems it necessary to supervise peer-to-peer platform providers to ensure that they provide secure and stable systems and recognize the importance of consumer protection. Therefore, the Bank of Thailand hereby issues regulations on supervision of peer-to-peer lending platform business by virtue of the power conferred by the Ministry of Finance Notification Re: Business Subject to Approval under Clause 5 of the Declaration of the Revolutionary Council No. 58 (Electronic System or Network Business for Peer-to-Peer Lending) by prescribing rules, procedures and conditions for operating the business. The rules prescribed allow platform providers to operate the business only as a channel or intermediary for credit financing through an electronic system or network. In addition, during the introductory stage, to ensure proper service provision, risk management and consumer protection process, the Bank of Thailand requires any person who intends to operate the business to participate in testing and developing innovation using new technologies to support financial services (Regulatory Sandbox) before applying for a license.

**The amendment made to the Bank of Thailand Notification herein is to prescribe qualifications and prohibited characteristics of a platform provider's major shareholders, directors, persons with management authority, and the directors, managing partners, persons with management authority of a platform provider's parent company to promote good corporate governance.**

## 2. Statutory Power

By virtue of the power conferred by Clause 4 , Cause 7, Clause 8, Clause 9, Clause 10, Clause 16 and Clause 20 of the Ministry of Finance Notification Re: Business Subject to Approval under Clause 5 of the Declaration of the Revolutionary Council No. 58 (Electronic System or Network Business for Peer-to-Peer Lending), the Bank of Thailand hereby prescribes rules, procedures and conditions for operating an electronic system or network business for peer-to-peer lending for platform providers to comply with.

## 3. Repealed Notification

The Bank of Thailand Notification No. FPG. 4/2562 Re: Prescription of Rules, Procedures and Conditions for Operating an Electronic System or Network Business for Peer-to-Peer Lending dated 9 April 2019.

## 4. Scope of Application

This Notification shall apply to an electronic system or network provider for peer-to-peer lending that is not a financial institution according to the Ministry of Finance Notification Re: Business Subject to Approval under Clause 5 of the Declaration of the Revolutionary Council No. 58 (Electronic System or Network Business for Peer-to-Peer Lending).

## 5. Content

### 5.1 Definition

“Peer-to-peer lending” means credit financing between lenders and borrowers through an electronic system or network.

“Electronic system or network” means website, application or any other electronic media of a similar nature used in supporting peer-to-peer lending transactions.

“Platform provider” means a provider of an electronic system or network for peer-to-peer lending as a normal trade.

“Customer” means a borrower, a lender, or a person who wishes to lend or borrow through an electronic system or network.

“Borrower” means a natural person who applies for loans through an electronic system or network.

“Lender” means a natural person or juristic person who offer loans through an electronic system or network, excluding a crowdfunding system provider under the

Notification of the Capital Market Supervisory Board Re: Offering of Securities for Sale through Crowdfunding System.

## 5.2 Principle

As platform providers are electronic intermediaries connecting lenders and borrowers non face-to face, therefore platform providers shall have a reliable and stable work system to support operation, screen lenders and borrowers, assess risk and serviceability of borrowers appropriately considering the country's household indebtedness and warning borrowers not to borrow more than their ability to repay, have a third party or a system for safekeeping customers' funds, disclose a complete and accurate information and treat their customers fairly. In addition, to ensure sustainable corporate governance, a platform provider's major shareholders, directors and persons with management authority, and the directors, managing partners and persons with management authority of a platform provider's parent company shall have qualifications and not possess a prohibited characteristic as specified by the Ministry of Finance and the Bank of Thailand.

## 5.3 Qualifications of a platform provider and license application

### 5.3.1 Qualifications and prohibited characteristics

A platform provider, a platform provider's major shareholders, directors, and persons with management authority, and directors, managing partners and persons with management authority of a platform provider's parent company shall have qualifications and not possess a prohibited characteristic as specified in Ministry of Finance Notification Re: Business Subject to Approval under Clause 5 of the Declaration of the Revolutionary Council No. 58 (Electronic System or Network Business for Peer-to-Peer Lending).

### 5.3.2 License application

Any person intends to operate the business shall consult the Bank of Thailand on a case-by-case basis before applying for a license and require testing in the Regulatory Sandbox<sup>1</sup> with the Bank of Thailand to complete a successful test and being ready to offer such service in a wide scope of service in order to be qualified to apply for a license through the Bank of Thailand. In the next phase once the Bank of Thailand issues standards related to

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<sup>1</sup> See the Bank of Thailand's Guidelines for testing and developing innovation using new technologies to support financial services (Regulatory Sandbox).

risk supervision of the business and customer care, the Bank of Thailand may not require the person who intends to operate the business to participate in the Regulatory Sandbox testing.

A license application for operating the business shall be submitted to the Ministry of Finance through the Bank of Thailand using the application forms and delivery channels as specified by the Bank of Thailand in the Public Handbook. Platform providers must begin their electronic system or network business within 1 year from the date on which the license is granted by the Minister of Finance. The license shall be valid for 5 years from the date on which it is granted.

### **5.3.3 License renewal**

License renewal shall be done by the platform provider by submitting a renewal application through the Bank of Thailand as specified in the Public Handbook at least 90 days before the license expires.

## **5.4 Conditions for business operation**

A platform provider is only allowed to operate the business as a channel or intermediary that facilitates loan agreements between lenders and borrowers through an electronic system or network. All loans must be denominated in Thai Baht. In case the platform provider wishes to also operate another business such as a debt collection business, he or she shall submit an application for approval to the Bank of Thailand as specified in the Public Handbook on a case-by-case basis.

### **5.4.1 Qualifications of customers, loan types and credit limits**

#### **(1) Qualifications of borrowers, loan types and credit limits**

A borrower must be a natural person who has ability to repay the loan and must not be the platform provider's director, person with management authority, major shareholder or person related to them. Loan types and maximum credit limits for each borrower are as follows:

(1.1) For loans that are not for occupation, the guidelines for consideration specified in the Bank of Thailand regulations relating to personal loan business under supervision shall apply *mutatis mutandis* to the consideration of credit limits, number of credit lines and income or financial position used to set the credit limits.

(1.2) For loans that are for occupation or business project, either secured or unsecured, and other secured loans such as factoring loans, the credit limit for each borrower shall not exceed 50 million baht. For financial assets-backed loans, a loan to value shall be set appropriately considering the borrower's ability to repay the loan.

In case the borrower has already received a portion of loan amount needed for occupation or business project from other lending sources and need additional loan amount to fill the gap or expand the business, the borrower can apply for such loan from an electronic system or network business provider provided that the borrower discloses information about the project's credit lines and loan amounts previously approved.

In this respect, the platform provider shall verify qualifications, loan types and credit limits as appropriate, for example, requiring borrowers to self-declare that they have not already received loans of the same type or same project more than the credit limits, or using credit data from the national credit bureaus references

## **(2) Qualifications of lenders and credit limits**

A lender must have knowledge and understanding of credit financing and the risk involved in lending through an electronic system or network. A client suitability assessment must be done before providing loans. A lender must not be a crowdfunding system provider under the Notification of the Capital Market Supervisory Board Re: Offering of Securities for Sale through Crowdfunding System or a platform provider of electronic system or network business for peer-to-peer lending.

In case the lender is a director or person with management authority of the platform provider, the amount of loan provided shall not exceed 10 percent of total loan for each loan agreement.

In addition, the maximum credit limits for providing loans assigned to each lender are as follows:

(2.1) lenders who are institutional investors, joint ventures, venture capitals, or specific investors under the Notification of the Capital Market Supervisory Board Re: Offering of Securities for Sale through Crowdfunding System can offer loans to borrowers without limit;

(2.2) any lender not specified in (2.1) can offer loans through all platform providers together at the maximum of 500,000 baht in a period of 12 months (excluding the principal amount that is paid off). Platform providers should encourage lenders to diversify their loan portfolios. Platform providers shall verify all those qualifications as appropriate such as requiring lenders to self-declare the information about the loans they provide.

Furthermore, before providing loans, platform providers shall give advice on loan types according to their lender's risk appetite level and shall provide adequate information for decision-making of each loan type. In this regard, a

client suitability assessment shall be conducted for no longer than 2 years prior to the date of providing loan.

#### **5.4.2 Interest rates, service charges, fees and other expenses**

(1) The interest rates or rates of return from providing loans specified in loan agreements between lenders and borrowers shall not exceed the rate specified in the Civil and Commercial Code.

(2) The service charges, fees and other expenses charged by platform providers shall be fair, reasonable, and not taking advantage of their customers.

#### **5.4.3 Management and work system**

Platform providers shall establish management processes and work systems related to their services, for example, Know-Your-Customer (KYC) process, creditworthiness assessment as set out in Attachment 1.

**In case the platform providers outsource their services to reduce operating cost and enhance flexibility and efficiency of the operation, the practices set out in Attachment 2 shall be followed.**

**Furthermore, in case platform providers want to materially change services or work system in a manner that may affect the service operation, the platform providers shall notify the Bank of Thailand at least 30 days before the making change.**

#### **5.4.4 Risk management** platform providers shall

(1) establish a proper risk management, especially IT and cyber risk, according to guidelines on IT management that are in accordance with international or generally accepted standards, for example, setting up data security measures for transmission, processing, and storage to prevent any unauthorized or not-allowed access or modification, setting up a proper process for data disposal, especially data related to customers whose service agreement has ended or is terminated.

(2) review and develop their work system and service process on a regular basis consistent with any changed circumstance to reduce operating cost and fix weak points of the system.

(3) establish a Business Continuity Management (BCM) and the Business Continuity Plan (BCP) to prepare for unusual events, including a backup work system that can be used

as a substitute in the event of an emergency. The Business Continuity Plans and backup systems must be tested and reviewed at least once a year to ensure that they are workable and ready to use.

#### **5.4.5 Consumer protection**

(1) Platform providers should service their consumers based on good governance and have awareness of at least 4 of their rights, i.e. (1) the right to receive complete, accurate, and sufficient information for decision-making, (2) the right to choose any financial service they need, (3) the right to complain when having a problem with their services; for this respect the platform providers should set up channels for receiving complaints and measures to mitigate damages or handle such complaints and (4) the right to receive compensation as appropriate for incurred damages

(2) Platform providers shall disclose accurate, adequate, clear, up-to-date and beneficial information to customers through an electronic system or network as set out in Attachment 3 and have a system to store historical data for an investigation especially when there is a complaint as well as an examination by the Bank of Thailand when being requested. Also they shall provide fair agreements, protect customer personal data, conduct advertisement and sales promotions with appropriate contents and presentation methods, and establish guidelines for handling complaints, as set out in Attachment 4.

#### **5.4.6 Documentation, retention, and submission of electronic information**

**Platform providers can document, retain, and submit information in accordance with this Notification and disclose information to customers in general or change notifications to their customers through an electronic format. The Bank of Thailand regulations on Documentation, Retention, and Submission of Electronic Information by Financial Institutions shall be applied mutatis mutandis.**

#### **5.4.7 Change of location**

Platform providers who intend to relocate their head office or change their contact address shall notify the Bank of Thailand as specified in the Public Handbook at least 15 days prior to the date of change. If platform providers do not receive objection from the Bank of Thailand, it means that they receive permission to relocate their head office or change their contact address.

Nevertheless, platform providers shall make an announcement of a head office relocation or contact address change at least 15 days in advance by at least displaying the announcement on their electronic system or network. During the

relocation period, they shall have practical guidelines in place to provide convenience for their customers as appropriate.

#### **5.4.8 Temporary suspension of services**

(1) In case of a temporary suspension of the services resulting from the advance planning such as suspension for system maintenance, platform providers shall notify the Bank of Thailand as specified in the Public Handbook at least 15 days in advance, and notify their customers at least 15 days prior to the suspension.

(2) In case of a temporary suspension of the services resulting from necessity or major incidents such as system failure, or incidents related to fraud or corruption, or suspicion that the system has been hacked, platform providers shall immediately notify such incident and its preliminary solution within 24 hours after the incident is discovered or should be discovered and later notify its cause and additional solutions to the Bank of Thailand, and notify their customers of the temporary suspension of the services immediately.

#### **5.4.9 Termination of business operation**

Platform providers who intend to terminate their operation shall submit an application for permission to terminate the operation, including work plans for cessation of business, customer service processes for both lenders and borrowers, overdue or underpaid loans management process, asset or collateral management process and other relevant processes or important information to the Bank of Thailand as specified in the Public Handbook at least 90 days in advance of termination.

### **5.5 Submission of reports to the Bank of Thailand**

Platform providers have a duty to prepare and submit reports on their performance and complaints, including other reports or additional information as requested by the Bank of Thailand on a case-by-case basis, to the Bank of Thailand as specified in the Public Handbook as follows:

(1) annual financial statements audited by registered auditors and signed by authorized directors acting on behalf of the platform provider shall be submitted to the Bank of Thailand within 180 days from the end of the accounting period;

(2) monthly service reports such as information reports on lenders and borrowers and performance reports in accordance with specified reporting forms shall be submitted to the Bank of Thailand within 30 days from the end of the month.



(3) reports of customer complaints data and statistics and reports of unusual incidents, fraud or corruption, suspension of an electronic system or network service shall be submitted to the Bank of Thailand monthly within 30 days from the end of the month.

#### **5.6 Application for permission from the Bank of Thailand**

In case platform providers cannot comply with the rules and conditions under this Notification, the Bank of Thailand may consider a relaxation on compliance on a case-by-case basis. In this respect, the platform providers shall submit a request for waiver together with reasons and details of necessity and an improvement plan to the Bank of Thailand as specified in the Public Handbook on a case-by-case basis. In consideration of relaxation on compliance, the Bank of Thailand may also issue more rules or conditions.

#### **5.7 Additional conditions, amendment, suspension or revocation of permission**

The Bank of Thailand may order amendment or suspension of operation, in whole or in part, and may also issue more rules, procedures or conditions for platform providers to comply with or make a recommendation to the Minister of Finance to consider revocation of licenses. In case the license is revoked by the Minister of finance's order, the platform provider, director or person with management authority of the platform provider shall return the license certificate to the Bank of Thailand within 15 days.

### **6. Effective date**

This Notification shall come into force as from the day following the date of its publication in the Government Gazette.

**Announced on 31<sup>st</sup> July 2020**

(Mr. Veerathai Santiprabhob)

Governor

Bank of Thailand

Regulatory Policy Department

Telephone 0 2283 6938, 0 2283 5869, 0 2283 6835

Email FIBPandCSTeam2@bot.or.th

## Management and Work System

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Platform providers shall establish service systems which are suitable, secured, and sufficient for efficient business operations in accordance with relevant laws. The platform providers shall comply with at least the following standards:

### 1. Process and work system

1.1 Establish secured, reliable, and uninterrupted service systems at least for those related to lending orders, borrowing orders, loan agreement services, tracking money received and paid by lenders and borrowers according to loan agreements.

1.2 Verify a customer's identity by conducting Know-Your-Customer (KYC) process according to the regulations issued by the Anti-Money Laundering Office before start providing services, as well as conducting customer due diligence (CDD) process, and appropriately authenticating customers every time they access the services.

1.3 Establish an effective system for evaluating a borrower's creditworthiness which is used as supporting data in determining interest rates or returns that lenders would receive if they lend to that borrower. The implications of risk rating should also be explained to the customers, especially the lenders.

Nevertheless, platform providers may advice measures to reduce credit risk for lenders such as advising their lenders to use risk protection services provided by third parties to help support expected loss resulting from a borrower's failure to repay.

1.4 Establish a system for client suitability assessment. Platform providers shall establish assessment procedures to ensure that lenders have knowledge and understanding of transaction's features and process, including risk involved and potential consequences from providing loans, and accept the risk incurred before making a decision to offer loans through their electronic system or network. The platform providers may conduct different client suitability assessments depending on types of borrowers.

1.5 Setting credit limits and loan types consistent with lenders' and borrowers' characteristics.

1.6 In case loans can be canceled, such as project loans, a supporting system shall be set to receive a cancellation request from lenders with a 48-hour cooling-off period. When a lender makes a cancellation request, the system must send a confirmation notice of such request to the lender and refund the money to the lender within 3 working days from the date the lender request cancellation.

In case of failure to establish a system that lenders can request cancellation at any time as specified in paragraph one, there shall be procedures set to notify such information and conditions to lenders before providing loans.

1.7 Establish procedures to notify lenders before providing loans so that they acknowledge their conditions and potential risks in the following cases:

1.7.1 the case with a condition of closure for receiving on the lending order before the scheduled date when the loan is fully subscribed;

1.7.2 the case with a condition of closure for receiving on the lending order for a partially subscribed loan that can be provided.

1.8 Establish procedures and set a specified time frame as standard practice for adequate and effective complaint handling, including setting a contact channel for sending an inquiry or complaint.

In this respect, platform providers must set redress procedures for their customer as appropriate.

## **2. Custody of money, assets and collaterals; sending and receiving money under loan agreements between lenders and borrowers**

2.1 Platform providers shall not receive or hold money, assets or collaterals under the peer-to-peer lending, except the money or assets that are considered service charges, fees or other expenses under 5.4.2 (2) of this Notification.

2.2 Platform providers shall set practices for custody of money, assets or collaterals of their customers as follows:

2.2.1 have a third party who has procedures and system for custody of money, assets or collaterals receive and safe keep customers' money, assets and collaterals in conformity with the platform providers' service objectives. Such third party shall be a qualified custodian authorized by the Securities and Exchange Commission, or a deposit-taking financial institution that provide an escrow account services under supervision by the Bank of Thailand, or anyone who operate a system of custody to receive and safe keep money, assets and collaterals under supervision by main regulatory authorities, or

2.2.2 an asset custody system using technology for receiving and safe-keeping customers' money, assets and collaterals in conformity with the platform providers' service objectives. The system shall preserve confidentiality, integrity, and availability of information and shall receive permission to operation from the Bank of Thailand. Platform providers shall submit applications for permission as specified in the Public Handbook.

2.3 Platform providers shall arrange the third parties or asset custody systems under 2.2 to safe keep money, assets or collaterals of customers in separate transactions between a lender and borrower and shall also separate those money, assets or collaterals from custodian-owned assets.

In case platform providers significantly alter their asset custody system under 2.2.2, they shall apply for permission to change from the Bank of Thailand as specified in the Public Handbook at least 60 working days in advance of the change. The Bank of Thailand shall consider and make decision within 30 working days from the date of receiving the complete and correct applications and supporting documents. Nevertheless, in case the Bank of Thailand have not yet notified the decision to the platform providers and the due date has passed, the platform providers shall be allowed to proceed with the changes.

In addition, platform providers shall prepare a performance report and an examination of operations related to custody of money, assets or collaterals to ensure compliance with the specified conditions and keep the performance and examination reports available for an examination by the Bank of Thailand.

## Regulations on Supervision of Outsourcing

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In case platform providers use outsourcing services to reduce their operating cost and increase flexibility and efficiency of the business, they shall choose the outsourcing service providers who are credible and be responsible to the customers as if they operate the services themselves. They shall comply with the 3 important principles, namely, (1) to establish a system for taking care of customers properly especially in the aspects of data disclosure to their customers, confidentiality and security of their customer's data and customer complaints and problems handling, (2) to ensure continuity of operation and provision of services to their customers, and (3) to establish risk management for using outsourcing service providers and platform providers shall be ready for supervision by the Bank of Thailand, external auditors, or other government agencies in matters operations and other internal control systems, including submission of relevant data on outsourcing service providers and their subcontracts (if any) upon request to completely recognize actual performances and risks. In addition, platform providers shall comply with the following practices for supervision of outsourcing:

### 1. Selection of outsourcing service providers

Platform providers shall set appropriate criteria for selecting outsourcing service providers before entering into a new contract or renewed contract, covering at least the following important issues:

- 1.1 competence, expertise, and operating experiences;
- 1.2 financial soundness;
- 1.3 business reputation, track records of complaints or litigation cases;
- 1.4 organizational culture and service policies that are appropriate for platform providers;
- 1.5 assessment results from external auditors in case of contract renewal with the current outsourcing service provider.

### 2. Treatment and responsibility to customers

Platform providers shall always be aware that outsourcing is just the delegation of services to the outsourcing service providers. Platform providers continue to be responsible to their customers as if they provide the services

themselves. Therefore, they shall ensure that their customers are treated properly at least on the following issues:

2.1 having outsourcing service providers establish a system to well maintain security and confidentiality of customer information and platform provider information, including strict oversight of their staff with regards to maintaining confidentiality of customer information and platform provider information;

2.2 having in place an appropriate system to handle customer complaints and problem solving by recording and monitoring customer complaints including complaints about customers' personal information handling. Platform providers shall specify appropriate guidelines for solving such problems and report to their senior management or persons with management authority periodically;

2.3 neither the service quality for customers deteriorate or the cost burden that normally incurs to platform providers is passed onto customers, and ensuring that using outsourcing services does not obstruct compliance to the laws, rules and regulations of the authorities;

2.4 disclosure of information that may affect their customers in advance by delegating outsourcing service providers to act on behalf of platform providers;

2.5 in case of contract expiration or termination for whatever reason, platform providers shall ensure that their customers' information has been destroyed or been entirely removed from outsourcing service providers;

2.6 ensuring that information related to customers or platform providers is handled in accordance with Clause 5 of the Declaration of the Revolutionary Council No. 58 (Electronic System or Network Business for Peer-to-Peer Lending) or other relevant laws;

2.7 considering clear and appropriate penalties for outsourcing service providers who do not comply with the requirements specified in 2.1 – 2.6.

### 3. Business continuity management of outsourcing service providers

Platform providers shall require outsourcing service providers to have a business continuity plan in case critical business functions or functions that have an impact on customers at large, as well as appropriate resource allocation to prepare for such case.

Platform providers shall conduct a test on business continuity plan with outsourcing service providers regularly to be able to always provide critical services and shall record test results in writing for an examination by the Bank of Thailand.

4. Management of risks associated with outsourcing service providers

Platform providers shall set a clear written guideline for managing risks associated with outsourcing in line with the importance of the business functions that are outsourced. Also, they shall communicate with relevant parties to understand and fully comply with the guideline and shall arrange their outsource service providers to prepare and consistently update operation manuals and other related documents.

## Information Disclosure

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Platform providers shall disclose information that is accurate, adequate, clear, up-to-date and beneficial for customer's decision making as follows:

### 1. Disclosure of general information

Platform providers shall disclose information about themselves; investment risks; service operations; borrowing and lending data; complaints; and service charges, fees and other expenses of platform providers through an electronic system or network for customers to learn and understand about using an electronic system or network service. In this respect, platform providers shall disclose at least the following information adequately, clearly, and up-to-date:

**1.1 platform provider information** such as general information of platform providers that is accurate and up-to-date for communication (e.g. company name, contact address, telephone number, channels to receive complaints) name list of directors and persons with management authority, financial position (e.g. annual financial statements audited by registered auditors), conflict of interest policy;

**1.2 information to raise borrower awareness of his/ her own indebtedness** such as a statement that is clearly shown to customers to be aware of their expected indebtedness so that they take into account their ability to repay before applying for loans;

**1.3 information to raise borrower awareness of investment risk** such as a statement that is clearly shown to customers to be aware that loan provisions are not deposits thus they do not receive protection from Deposit Protection Agency, risk incurred from providing loans through an electronic system or network, other conditions such as there is no secondary market to support in case the need to use the money lent out arise and the loan is non-cancelable or non-callable;

### **1.4 Information about services** such as

- rights, duties, responsibilities, and terms and conditions that customers have or should have when using services;
- information on taxation that customers may be subject to from using electronic system or network services;
- policies and other procedures such as disclosure of information in the case that platform providers suggest a third party to operate debt collection services; the information to be



disclosed for such case shall cover debt collection process, procedures and expenses related to debt collection, overdue debt management, and court filing process;

- information for customers to learn about potential risks from using services, and guidance on the safe use of services for customers to understand and be aware of risk as well as to use services safely and appropriately;

- process or procedures for using services such as service application, loan application procedures for borrowers including checking the eligibility of borrowers, borrower selection process, loan selection by lenders, and processing time for each procedure.

#### **1.5 Loan information** such as

- loan application data, detailed information on loan application, loan types such as consumer loans;

- information on a borrower's creditworthiness;

- information on calculation of loan interest rates in the form of Annual Percentage Rates (APR);

- information on loan provision in case a platform provider's directors or persons with management authority or any person related to them are lender of the loan such as number of borrowers, loan amounts, ratio of their lending amount to total loan for each loan agreements.

#### **1.6 Statistics of service usage and complaints** such as

- loan statistics, number of lenders, number of borrowers, and concentration of lenders and borrowers over the last 5 years<sup>2</sup>;

- Annual Percentage Rate (APR) statistics classified by types of loans;

- quantity, value, and rate of defaults over the last 5 years;<sup>2</sup>

- data on current loan status such as number of outstanding amount of transactions, outstanding principal amount, amount of impairment or loss incurred in a transaction for both performing loans (PL) and non-performing loans (NPL);

- loan data and statistics in case a platform provider's directors or persons with management authority or any person related to them are lender of the loan number of borrowers, loan amounts and ratio of their lending amount to total loan;

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<sup>2</sup> In case there are fewer than 5 years of historical data, platform providers shall disclose statistics for the most recent year and all available historical data.

- complaints data and statistics such as number of complaints, problems raised in complaints, problem solving success rate, etc.

**1.7 Information about service charges, fees and other expenses** such as

- types, rates, methods for calculating service charges, fees and other expenses related to electronic system or network services such as service charges related to being intermediaries assisting in the matching of lenders and borrowers;

- service charges related to provision of electronic system or network services such as service charges for debt collection services, fees and other expenses that are charged to customers;

- other expenses resulting from guarantees or purchases of insurances provided by third parties to protect borrowers from risk (if any). Platform providers shall clearly disclose such expenses separately from their service charges or fees.

## **2. Disclosure of borrower information**

Platform providers shall ensure that borrowers or persons who wish to borrow disclose complete, accurate, and adequate information so that they can use the information to analyze a borrower's profile and risk accurately and adequately disclose the information to lenders for decision-making. Borrowers shall at least disclose the following information:

### **2.1 Details about borrowers** such as

- age
- address or domicile
- occupation, position, work experience, or details about type and nature of business
- income and sources of income
- records of loan application and approval from all platform providers (if any)
- quantity and value of loans of the same type or project that are currently approved by other lending sources (if any)
- records of loan payment and loan defaults (if any)
- credit scores evaluated by platform providers

### **2.2 objectives and details of loan application** such as

- loan objectives

- details about business prospects
- types and details of collaterals, including their obligations such as order of pledged collaterals (if any)
- loan amount and loan term
- loan payment channels and related details

### **3. Disclosure of specific information**

Platform providers shall disclose specific information related to each loan agreement to their customers on an electronic system or network so that their customers can monitor forms, details, conditions, and current status of each lending. Platform providers shall disclose at least the following specific information:

#### **3.1 Details of loan application and loan provided** such as

- transaction amount
- outstanding principal amount
- number of unpaid installments
- amount of impairment or loss incurred in a transaction for performing loans (PL) and non-performing loans (NPL)

#### **3.2 Factors used to evaluate a borrower's creditworthiness**

#### **3.3 Return to lenders from providing loans**

**3.4 Taxation of returns that lenders received from providing loans** such as tax withholding

**3.5 Other conditions and important information about lending** such as a condition of closure for receiving on the lending order

## Additional Regulations on Market Conduct Management

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Platform providers should provide fair and appropriate services in order to facilitate customer protection by complying with regulations on market conduct management in addition to the information disclosure as specified in Attachment 3 at least the following:

### 1. Making a service agreement

#### 1.1 Electronic system or network service agreement

Platform providers shall provide service agreements between platform providers and customers for the provision of electronic system or network services that are legally enforceable and fairly. They shall at least specify the platform provider's name, the customer's name, scope and conditions of the service as well as fees or service charges (if any).

#### 1.2 Peer-to-peer loan agreement

Platform providers shall provide peer-to-peer loan agreements that are legally enforceable and fairly. They shall at least clearly specify the lender's name and address, the borrower's name and address, loan type, loan amount, obligations, loan term, interest rate and other conditions for both lenders and borrowers. Platform provider shall deliver the loan agreement to the lender and the borrower. They may disclose the borrower's name and address to the lender upon request.

### 2. Safekeeping customer information

Platform providers shall keep customer information confidential by not using personal information or personally identifiable information that they acquire from the business operation exploit personal information or personally identifiable information that they know or obtain from conducting business for a trade or purposes other than providing an electronic system or network service, except in the following cases which shall be complied with their relevant laws:

2.1 disclosure with written consent of the lender or the borrower, whichever is applicable;

2.2 disclosure in line of duty or to facilitate and investigation or legal proceeding;

2.3 disclosure to a platform provider's auditor;

2.4 submission of credit information to the credit bureau according to the law on credit information business;

2.5 disclosure to facilitate compliance as stipulated by law.

### **3. Advertisement and sales promotions**

Advertising and public relations of services provided by platform providers shall have appropriate contents and presentation methods to provide complete, accurate and adequate information for customer to make a decision on using services, or applying for loans or providing loans. Advertising and public relations or sales promotions activities shall comply with at least the following regulations:

3.1 Contents about peer-to-peer lending such as rate of return from providing loans, cost of borrowing and related fees are clear and accurate. There is no content that is deceptive, exaggerated, distorted, concealed or misleading.

3.2 Do not use advertising words in effort to expedite decision-making on applying for loans or providing loans, and do not use methods that may discourage a lender from taking information into consideration before providing loans or from being the person making a decision on providing loans, for example, offering additional return to lenders who successfully invite new lenders (member get member) or Ponzi-like schemes.

3.3 Do not guide or promise guaranteed returns from providing loans.

3.4 There is a clear and appropriate warning statement about the risks associated with applying for or providing loans, especially a warning to borrowers to not borrow more than their debt serviceability, a warning about the risk that lenders may not receive money or returns fully as specified in the loan agreement and the risk from having no secondary market in which loans are bought before maturity.

3.5 Addressing about contact channels and ways to request for more information about using the service, or applying for or providing loans.

3.6 In case of using or refer to secondary data from other data sources, the data should come from a credible source and be clearly cited.

### **4. Complaints handling**

Platform providers shall investigate complaints about peer-to-peer lending and notify the progress of the investigation and further procedures to complainants within 7 days from the date of receiving a complaint. Also they shall complete resolving complaints and notify complainants as soon as possible.

Unofficial Translation

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

Please refer to the Thai text for the official version.

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Ministry of Finance Notification

Re: Business Subject to Approval to Clause 5 of the Declaration of the Revolutionary Council  
No. 58

(Electronic System or Network Business for Peer-to-Peer Lending)

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By virtue of the power conferred by Clause 5, Clause 7, Clause 8 and Clause 14 of the Declaration of the Revolutionary Council No. 58 dated 26 January 1972 (B.E. 2515) regarding the supervision of trading business which has an impact on public safety and well-being, the Minister of Finance hereby issues a notification that regulates electronic system or network business for peer-to-peer lending, which is the business similar to acquiring of capital fund and lending such fund to other persons or using the acquired fund to purchase or discount bills or other negotiable financial instruments or credit instruments, that has characteristics as specified in this Notification, as the business that requires permission as follows:

**Clause 1** The Notification of the Ministry of Finance Re: Business Subject to Approval to Clause 5 of the Declaration of the Revolutionary Council No. 58 (System or Electronic Network Business for Peer-to-Peer Lending Transaction) dated 10 September 2018 (B.E. 2561) shall be repealed.

**Clause 2** In this Notification

“Electronic system or network” means website, application or any other electronic media of a similar nature used in supporting peer-to-peer lending transactions.

“Peer-to-peer lending” means credit financing between lenders and borrowers through an electronic system or network.

“Platform provider” means a provider of an electronic system or network for peer-to-peer lending as a normal trade.

“Financial Institution” means

- (1) a financial institution according to the law on financial institution business;
- (2) a specialized financial institution.

“Borrower” means a natural person who applies for credits through an electronic system or network.

“Lender” means a natural person or a juristic person who offers a loan through an electronic system or network, excluding a crowdfunding system provider under the Notification of the Capital Market Supervisory Board Re: Offering of Securities for Sale through Crowdfunding System.

“Consumer” means a consumer according to the law on consumer protection, including a borrower or a lender.

“Person with management authority” means

(1) a manager, deputy manager, executive director or any person holding an equivalent position under a different title;

(2) a person with whom the platform provider has entered into a contract to delegate its management authority, in whole or in part; or

(3) a person who has de facto power to control or dominate a manager, or director or management of the platform provider to comply with his/her instructions in policy formulation or business operation of the platform provider.

“Company” means a limited company, a public limited company, limited partnership, registered ordinary partnership or any other juristic person.

“Parent Company” means a company that has controlling power over another company.

“Controlling power” means the power to control another company either directly or indirectly in the following manners:

(1) holding more than 50 percent of total paid-up shares;

(2) having the power to control a majority of voting rights at the company’s shareholder meeting;

(3) having the power to control the appointment or dismissal of persons with management authority or directors at least half of the total number of directors in the company; or

(4) having the power of control in the manner prescribed by the Bank of Thailand.

Holding of 20 percent or more of a company’s total paid-up shares, either directly or indirectly, is presumed to have controlling power unless it can prove otherwise.

“Subsidiary company” means

(1) a company that has another company as parent company; or

(2) a subsidiary company of the company under (1) at all levels.

“Affiliated companies” means subsidiary companies that have the same parent company.

“Related person” means a person who is related to another person in the following manner:

- (1) spouse;
- (2) child or adopted child who is not yet reach adulthood;
- (3) company in which that person or person under (1) or (2) has management authority;
- (4) company in which that person or person under (1) or (2) has power to control a majority of voting rights at the shareholders’ meeting;
- (5) company in which that person or person under (1) or (2) has power to control the appointment or dismissal of directors;
- (6) subsidiary company of the company under (3), (4) or (5);
- (7) affiliated company of the company under (3), (4) or (5);
- (8) principal or agent; or
- (9) other persons with characteristics as specified by the Bank of Thailand.

In case where a person holds 20 percent or more of a company’s total paid-up shares, either directly or indirectly, it is presumed that such company is related to such person unless it can prove otherwise.

“Major shareholder” means a person who holds or has the platform provider’s shares, either directly or indirectly, in excess of 10 percent of the total paid-up shares, inclusive of shares held by related persons.

“Financial business and payment systems” means

- (1) financial institution business according to the law on financial institution business;
- (2) credit card business, personal loan business under supervision, retail loan business for the occupation under supervision (Nano Finance), provincial retail credit business under supervision (Pico Finance) and electronic system or network business for peer-to-peer lending which require licenses according to the law;
- (3) payment systems business and payment services business according to the law on payment systems;
- (4) asset management business according to the law on asset management companies;
- (5) business related to foreign means of payment according to the exchange control regulations;



(6) life insurance business according to the life insurance law, and non-life insurance business according to the non-life insurance law;

(7) securities business, financial advisory business, investment advisory business and crowdfunding system business according to the law on securities and exchange;

(8) derivatives business according to the law on derivatives;

(9) trustee business according the law on trust for transactions in capital market;

(10) securitization business according to the law on special purpose juristic persons for securitization;

(11) other businesses as specified by the Bank of Thailand.

## Chapter 1

### Starting Business and Applying for a License

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**Clause 3** The operation of an electronic system or network business for peer-to-peer lending is the affair that requires permission.

The provisions of paragraph one shall not apply to financial institutions.

**Clause 4** A platform provider shall be a juristic person in the form of a limited company or public limited company registered in Thailand that is not a financial institution, who receives a license from the Minister. In granting a license, the Minister may prescribe guidelines as deemed appropriate.

License application shall be submitted through the Bank of Thailand in accordance with guidelines and forms prescribed by the Bank of Thailand. Nevertheless, the Bank of Thailand may require applicants to participate in testing and developing innovation using new technologies to support financial services (Regulatory Sandbox) with the Bank of Thailand in accordance with the rules, procedures, and conditions prescribed by the Bank of Thailand before submitting opinions to the Minister.

After receiving a complete and correct application and required documents, the Bank of Thailand shall submit its opinion to the Minister to consider granting a license to operate an electronic system or network business for peer-to-peer lending within sixty working days from the date of receiving the complete and correct application and required documents.

In case there is a reasonable cause to believe or there appears any fact that a major shareholder, director or person with management authority of the applicant has any of the prohibited characteristics according to Clause 12 (2) (j) and Clause 12 (2) (k); or a director, managing partner or person with management authority of the applicant's parent company has any of those prohibited characteristics, the Bank of Thailand may extend consideration period twice, for sixty working days from the due date each time. The Bank of Thailand shall report to the Minister about such extended consideration periods.

Licenses granted for operating an electronic system or network business for peer-to-peer lending shall have a maximum validation period of five years from the date of approval.

License renewal shall be done by the platform provider by submitting a renewal application through the Bank of Thailand at least ninety working days before the current license expires.

**Clause 5** A platform provider shall have paid-up registered capital and have shareholders' equity no less than five million baht throughout the business operating period, as well as having no less than seventy-five percent of total paid-up shares with voting rights held by Thai nationals.

**Clause 6** To applying for a license, a juristic person who intends to operate an electronic system or network business for peer-to-peer lending shall not have the following prohibited characteristics:

(1) being under court-ordered receivership;

(2) being ordered to temporarily suspend its operations, either in whole or in part, or being the juristic person whose license or registration certificate to conduct financial business and payment systems has been revoked;

(3) having been subject to the court's final order of money laundering or asset seizure for public revenue according to the law on anti-money laundering, or having been listed on the List of Designated Persons related to terrorism or proliferation of weapon of mass destruction, or having been sentenced by the court's final judgment for an offence related to financing of terrorism or proliferation of weapon of mass destruction financing according to the law on counter-terrorism and proliferation of weapon of mass destruction financing;

(4) having had conducted a financial business and payment systems without an authorized license or registration certificate according to the law and engaged in business practices that are unfair or take advantage of consumers;

## Chapter 2

### Conditions for Business Operation

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#### **Clause 7** Platform providers shall

(1) clearly and fully disclose details about service charges, fees, and other expenses collected from service users related to the use of an electronic system or network for peer-to-peer lending on their electronic system or network, contract or related documents as specified by the Bank of Thailand;

(2) specify in the service contract that the interest rates of the lending contract shall not exceed the rate specified in the Civil and Commercial Code;

(3) keep confidentiality of information provided by lenders and borrowers except for the following cases:

- (a) disclosure with written consent from the lender or borrower, as the case may be;
- (b) disclosure in line of duty or to facilitate an investigation or legal proceeding;
- (c) disclosure to an auditor of the platform provider;
- (d) submitting credit information to the credit bureau according to the law on credit information business;
- (e) disclosure to facilitate compliance as stipulated by law;
- (f) disclosure for other benefits as authorized by the Bank of Thailand.

#### **Clause 8** Platform providers are prohibited to undertake as follows:

(1) public borrowing or deposit-taking except issuing bills to be sold to limited group of investors (Private Placement: PP) and issuing debenture according to the law on securities and exchange;

(2) being a lender or borrower through their own or other platform providers' electronic system or network;

(3) capital reduction except receiving permission from the Minister;

(4) ceasing operation of the electronic system or network business for peer-to-peer lending except receiving permission from the Minister;

(5) conducting another business except receiving approval from the Bank of Thailand or relating to the provision of services through an electronic system or network for peer-to-peer lending as authorized by the Bank of Thailand; the Bank of Thailand may prescribe additional rules and conditions for those businesses.

To apply for approval under Clause 8 (3) or Clause 8 (4), the platform provider shall submit a letter explaining the reason for application and a business plan or supporting document specified by the Bank of Thailand. The Bank of Thailand shall consider and make a recommendation to the Minister to grant approval within sixty working days from the date of receiving the complete and correct application and required documents.

**Clause 9** The Bank of Thailand shall have the power to prescribe guidelines for operating an electronic system or network business for peer-to-peer lending, including the following rules:

- (1) qualifications of lenders and borrowers;
- (2) business activities undertaken by a platform provider;
- (3) service charges, fines and fees related to an electronic system or network business for peer-to-peer lending and other businesses relating to peer-to-peer lending through an electronic system or network;
- (4) verification and security related to the electronic system or network for peer-to-peer lending;
- (5) practices for handling lender-related and borrower-related information ;
- (6) practices for handling complaints;
- (7) accounting and reporting;
- (8) policies, work plans, public relations, and advertising and sales promotions;
- (9) outsourcing;
- (10) disclosure of a platform provider's, director's, or person with management authority's misconduct;
- (11) opening, relocating or closing down of head office or contact address;
- (12) temporary suspension or termination of business operation;
- (13) application for approval of termination of business or other matters that the Bank of Thailand deems necessary in order to supervise the electronic system or network business for peer-to-peer lending.

Nevertheless, in case of necessity, the Bank of Thailand shall have the power to ease the rules under paragraph one for platform providers on case by case basis.

**Clause 10** For the purpose of consumer protection, the Bank of Thailand shall have the power to prescribe the following practice guidelines for a platform provider:

- (1) other businesses that a platform provider is allowed to operate;
- (2) market conduct, notice for debt repayment and debt collection;

(3) juristic acts and contracts between a platform provider and an individual or a consumer as specified by the Bank of Thailand in the aspects of contents, methods used to calculate benefits or contract forms;

(4) requirements in case juristic acts or contracts entitle platform providers to unilaterally change the terms;

(5) disclosure of information about platform providers.

**Clause 11** For the purpose of consumer protection, the Bank of Thailand shall have the power to disclose information about platform providers and directors or persons with management authority who are involved in commission of an offense under this Notification and all relevant notifications prescribed by the Bank of Thailand.

**Clause 12** Directors or persons with management authority shall have full qualifications and shall not have any of the prohibited characteristics as follows:

(1) Qualifications in terms of competence, capability and experience

Directors or persons with management authority shall have competence, capability and experience as deemed necessary and suitable for their positions, and do not have or had performed work which indicated lack of professional standards.

(2) Prohibited characteristics in terms of honesty, integrity and reputation

(a) being a bankrupt or having been a dishonest bankrupt;

(b) having been imprisoned by the court's final judgment on the offences of theft, snatching, extortion, blackmail, robbery, gang-robbery, cheating fraud, cheating against creditors, criminal misappropriation or receiving of stolen property, regardless of whether the sentence has been suspended;

(c) having been imprisoned by the court's final judgment on the offences relating to counterfeit and alteration according to the Criminal Code or the offences relating to computers according to the law on computer-related crimes;

(d) having been sentenced by the court's final judgment on an offence of money laundering, or having been subject to the court's judgment or order of asset seizure for public revenue according to the law on anti-money laundering, or having been listed on the List of Designated Persons related to terrorism or proliferation of weapon of mass destruction, or having been sentenced by the court's final judgment for an offence related to financing of terrorism or proliferation of weapon of mass destruction financing according to the law on counter-terrorism and proliferation of weapon of mass destruction financing;

(e) having been a director, managing partner or person with management authority in financial business and payment systems at the time its license or registration certificate systems was revoked and that person was involved in or responsible for such revocation;

(f) having been removed from the position of a director or person with management authority of a financial institution according to the law on financial institution business, or having been removed from the position of a director or person with management authority of a securities company according to the law on securities and exchange, or having been removed from the position of a director or person with management authority of a life or non-life insurance company according to the law on life insurance and non-life insurance, unless such removal is not associated with dishonest conduct;

(g) having been dismissed or discharged from government service, state organization or agency on a charge of malfeasance in office;

(h) having been imprisoned by the court's final judgment on an offence relating to the operation of financial business and payment systems;

(i) having been accused or subject to a complaint, or having been prosecuted, by the Bank of Thailand or the Office of the Securities and Exchange Commission or Office of Insurance Commission or any government agency in the country or abroad, on the charge of a fraudulent or dishonest act, with the exception that the case is final and the person was found not guilty;

(j) there is a reasonable doubt that the person has engaged or is engaging in a business that is deceptive to others or to the public, or dishonest or unfair treatment against consumers;

(k) there is a reasonable doubt that the person has engaged or is engaging in an act of discrimination or stirring up discrimination, seeking personal benefits or benefits for his or her group or participating in any decision-making which may create a conflict of interest; or there is a reasonable doubt about dishonest or fraudulent work behavior;

(l) being a disqualified person or being a person having a prohibited characteristic as specified by the Bank of Thailand.

### (3) Prohibited characteristics in terms of financial soundness

A director or person with management authority of platform providers shall not have any difficulty in making principal repayment or interest payment to a financial institution or a credit company.

**Clause 13** A major shareholder of the platform provider shall not have any of the prohibited characteristics according to Clause 12 (2) in this Notification.

**Clause 14** The platform provider's parent company shall have directors, managing partners or persons with management authority that do not have prohibited characteristics in terms of honesty, integrity and reputation according to Clause 12 (2) which are the same as those qualifications set for directors or persons with management authority of platform providers.

**Clause 15** In case there is a change of shareholders, directors or persons with management authority of the platform provider, or there is a change of directors, managing partners or persons with management authority of the platform provider's parent company, the platform provider shall notify the change to the Bank of Thailand in writing or through an electronic channel as specified in Public Handbook within fifteen working days from the date of the change.

In case there is a change of juristic person's name, platform providers shall notify the Bank of Thailand in writing or through an electronic channel as specified in Public Handbook at least seven days in advance, and shall also notify the change to consumers at least seven days in advance in writing or through an electronic channel or any other channels that can reach the consumers.

**Clause 16** Where it appears that

(1) the platform provider violates or fails to comply with any of the rules or conditions set for operating the business;

(2) the platform provider's financial position or operating performance may create a serious damage to the public interest;

(3) the platform provider has the following prohibited characteristics:

(a) being under court-ordered receivership or being a bankrupt;

(b) having had the license or registration certificate to conduct financial business and payment systems revoked;

(c) having been sentenced by the court's final judgment of an offence of money laundering, or having been subject to the court's judgment or order of asset seizure for public revenue according to the law on anti-money laundering, or having been listed on the List of Designated Persons related to terrorism or proliferation of weapon of mass destruction, or having been sentenced by the court's final judgment for an offence related to financing of terrorism or proliferation of weapon of mass destruction financing according to the law on counter-terrorism and proliferation of weapon of mass destruction financing; or

(d) having had conducted financial business and payment systems without an authorized license or registration certificate according to the law and engaged in business practices that are unfair or take advantage of consumers;

(4) the platform provider's director or person with management authority is disqualified or has a prohibited characteristic according to Clause 12;

(5) the platform provider's major shareholder has a prohibited characteristic according to Clause 13;

(6) the director, managing manager or person with management authority of the platform provider's parent company has a prohibited characteristic according to Clause 14,

the Bank of Thailand shall have the power to order the platform provider to rectify such violation or non-compliance or rectify the financial position or operating performance within the time limit specified and report to the Minister about such order and its result without delay which shall not be later than thirty days from the date of order or result perceiving.

If no correction has been done within the period prescribed by the Bank of Thailand under paragraph one, or in case the Bank of Thailand deems it necessary and urgent, the Bank of Thailand shall have the power to order the platform provider to terminate all or some of its operation temporarily to make corrections within the time limit specified and report to the Minister about such order and its result without delay which shall not be no later than thirty days from the date of order or result perceiving. In such case, the Bank of Thailand may prescribe additional rules, procedures or conditions for the platform provider to comply with.

If the platform provider is still in violation by not complying with the Bank of Thailand's order under paragraph two, or in case the Bank of Thailand fails to issue the order under paragraph two, or the authorized electronic system or network service for peer-to-peer lending has discontinued for more than two consecutive years, the Minister, with the advice of the Bank of Thailand, shall have the power to revoke the license to operate the electronic system or network business for peer-to-peer lending which has been granted. In such case, the Minister may prescribe additional rules, procedures or conditions for the platform provider to comply with.

**Clause 17** In case that the platform provider wishes to cease the electronic system or network business for peer-to-peer lending, such person shall seek approval from the Minister by submitted an application through the Bank of Thailand.

After receiving the application according to paragraph one, the Bank of Thailand shall consider and make an advice to the Minister without delay which shall not be later than thirty working days from the date of receiving the complete and correct application and required documents.



The Minister, with the advice of the Bank of Thailand, may consider and order the timing of approval to cease operation and specified certain conditions and procedures. The consideration shall be completed within thirty working days from the date of receiving advice from the Bank of Thailand under paragraph two. In case of necessity that prevents the consideration from being completed within the time limit, the Minister shall issue a letter to notify the extension of consideration period to the platform provider prior to the due date. The extended consideration period shall not be more than thirty working days from the prior due date.

**Clause 18** The Bank of Thailand shall have the power to appoint Bank of Thailand's employee to be an officer to act in accordance with the Declaration of the Revolutionary Council No. 58 dated 26 January 1972 (B.E. 2515) and this Notification, including the power to examine the operation of the business as specified in this Notification and proceed the legal proceedings in accordance with the Declaration of the Revolutionary Council No. 58 dated 26 January 1972 (B.E. 2515).

**Clause 19** Upon the officer's request, the platform provider shall testify or deliver the actual book of accounts and other supporting documents related to the business of the platform provider as requested. Also, platform provider shall provide that major shareholders, directors, persons with management authority, employees, staff or platform provider's auditor or platform provider's parent company or managing partner or persons with management authority of the parent company shall testify or deliver the actual book of accounts and other supporting documents related to the business of the platform provider as requested

**Clause 20** In order to provide an effective supervision, the Bank of Thailand shall notify the rules, procedures and conditions specified in this Notification to the Minister and send a copy of the paper which has been reported to the Bank of Thailand by the platform provider to the Ministry of Finance.

#### Transitional Provision

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**Clause 21** Any platform provider who has received a license to operate the business prior to the effective date of this Notification shall be deemed to be an authorized platform provider under this Notification.

**Clause 22** In case that platform provider who has received a license to operate the business prior to the effective date of this Notification according to Clause 21 has a prohibited characteristic as specified in this Notification, or any of the platform provider's major shareholders, directors or persons with management authority or any of the directors, managing partners or persons with management authority of the platform provider's parent company lacks qualifications or has a prohibited characteristic, the platform provider shall make rectification within one hundred and eighty days from the effective date of this Notification.

In addition, the platform provider who has received a license to operate the business prior to the effective date of this Notification according to Clause 21 shall notify the information of the platform provider's major shareholders, directors and persons with management authority and the directors, managing partners and persons with management authority of the platform provider's parent company as specified in Public Handbook within sixty days from the effective date of this Notification.

**Clause 23** This Notification shall come into force as from the day following the date of its publication in the Government Gazette.

Announced on 30<sup>th</sup> July 2020

(Mr. Santi Promphat)  
Deputy Minister of Finance  
Acting Minister of Finance