

Ministry of Finance Notification

Re: The Application for and the Issuance of a License to Undertake Commercial Banking Business, Finance Business, and Credit Foncier Business

By virtue of Section 9 Paragraph 4 of the Financial Institutions Business Act B.E. 2551 (2008), the Minister of Finance, with the advice of the Bank of Thailand, hereby issues the rules, procedures, and conditions for the application for and the issuance of a license to undertake commercial banking business, finance business, and credit foncier business as follows:

Article 1. This Notification shall come into force on the day following the date of its publication in the Royal Thai Government Gazette.

Article 2. In this Notification,

“financial institution” means a financial institution established in accordance with Section 4 of the Financial Institutions Business Act B.E. 2551, excluding commercial bank which is a branch of a foreign commercial bank.

“foreign commercial bank” means a bank established under foreign law to undertake commercial banking business;

“Minister” means the Minister of Finance

Article 3. An applicant must possess the following qualifications:

- (1) has expertise, experience, and resources that can support business operations of a financial institution;
- (2) has good governance and a good reputation with credibility;
- (3) has good performance; and
- (4) has sound financial condition.

Article 4. In the case where the applicant intends to apply to establish a commercial bank which is a subsidiary of a foreign commercial bank, the applicant must possess the qualifications prescribed in Article 3 and must be a foreign commercial bank with sound risk management system, established in a country with supervisory authorities that maintain sound financial institution supervision standards, and whose supervisory authorities give consent to provide information on the applicant to the Bank of Thailand upon request, to the extent that enables the Bank of Thailand to supervise the subsidiary operating in Thailand.

Article 5. To ensure appropriateness and alignment with the business models and characteristics of each type of financial institution that may vary with the changing

circumstances in each period, the Minister, with the advice of the Bank of Thailand, may prescribe in a notification additional requirements on specific expertise and experience, as well as the qualifications and prohibited characteristics of the applicant.

Article 6. The applicant can submit their application to the Bank of Thailand within the application period and in accordance with the rules, procedures, and channels prescribed by the Minister, with the advice of the Bank of Thailand, as well as submit the supporting documents and information as prescribed that are correct and complete.

The Minister, with the advice of the Bank of Thailand, will determine the period for submitting an application to establish a financial institution based on the necessity and appropriateness of the establishment of such financial institutions, in order to maintain the stability of the financial system, considering the benefits to the overall Thai economic and financial system, the level of competition in the financial institution system, and alignment with the country's economic and financial conditions. Such period may be specified separately for each type of financial institution.

Article 7. The applicant for a license to establish a commercial bank, finance company, and credit foncier company, except for the applicant that is a foreign commercial bank applying to establish a subsidiary, must submit their application along with the following supporting documents and information:

- (1) business model and business plan
- (2) details of the organizational structure, committees' structure, chain of commands, and reporting lines within the financial institution
- (3) a list of directors, managers, persons with power of management, and advisors, including their names, qualifications, and experiences.
- (4) clear risk management plan, which includes strategic risk, credit risk, market risk, liquidity risk, operational risk including business continuity plans, and Information Technology risk
- (5) consumer protection plan of the financial institution
- (6) plan to establish financial business group in the case where the financial institution must establish such financial business group

Article 8. The applicant that is a foreign commercial bank applying to establish a subsidiary must submit the supporting documents and information prescribed in Article 7 (1) (2) (3) (4) (5), as well as the following documents and information:

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(1) a consent letter from the supervisory authority of the applicant, allowing the applicant to establish a subsidiary in Thailand and confirming that the supervisory authority has applied prudential regulations in accordance with the international standards;

(2) a confirmation letter from the applicant or parent company to:

(1) undertake that it shall oversee and ensure compliance of its subsidiary with the laws, regulations, and policies of supervisory authority and other relevant authorities in Thailand, both those currently in effect and those which will come into force in the future;

(2) undertake that it shall, with utmost effort, provide liquidity and capital support to its subsidiary, immediately when the capital fund of the subsidiary falls or is potentially falling below the level required by law; and

(3) undertake that it shall provide information to the Bank of Thailand upon request.

(3) information in English on consolidated supervision regulations of the country of origin of the applicant.

Article 9. The Minister, with the advice of the Bank of Thailand, may prescribe in a notification requiring the applicant to submit additional supporting documents and information to ensure appropriateness with the business models and characteristics of each type of financial institution that may vary with the changing circumstances in each period.

Article 10. In applying for a license, the applicant shall pay a fee of zero baht. However, the Minister, with the advice of the Bank of Thailand, may otherwise prescribe rules regarding the payment of fees for the application for and the issuance of a license as deemed appropriate.

Article 11. In reviewing the application(s), the Bank of Thailand shall give due consideration to the overall benefits to the Thai economic and financial system, the stability of the financial system, the appropriate level of competition in the financial institution system at that time, and the potential and capability to operate each type of financial institution in accordance with the business plan of the applicant. The Minister, with the advice of the Bank of Thailand, may prescribe in a notification additional criteria and conditions to be considered in the review of the application(s).

In this regard, the Bank of Thailand shall have the authority to settle and its opinion considered final for any problem related to rules, procedures, and conditions set out in this Notification.

Article 12. The Bank of Thailand shall propose a list of qualified applicant(s) to receive the license(s) along with supporting reasons to the Minister for consideration and approval

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within 6 months from the end of the application period as prescribed by the Minister. Where there is a reasonable cause, the Minister may extend the review period to the total of no more than 1 year. In approving the proposed list of qualified applicant(s), the Minister may impose any additional conditions.

Where there is a reasonable cause that necessitates changes to the application review process to ensure appropriateness with the business models of a financial institution and the characteristics of the applicant, or where there is any other reasonable cause, the Minister, with the advice of the Bank of Thailand, may prescribe in a notification a different duration for the consideration of the application.

Article 13. After the list of qualified applicant(s) proposed by the Bank of Thailand has been approved by the Minister, the Bank of Thailand shall announce a list of successful applicant(s). A successful applicant shall establish a public limited company to request a license to undertake commercial banking business, finance business, or credit foncier business, as the case may be, from the Minister through the Bank of Thailand, and begin business operations within 1 year from the date of the Minister's approval. Where there is a reasonable cause, the Bank of Thailand may grant an extension of the period of no more than 1 year. In granting such extension, the Bank of Thailand may impose any additional conditions. In such event, the Bank of Thailand shall notify the Minister regarding the period extension granted and additional conditions imposed at the soonest. However, the Minister, with the advice of the Bank of Thailand, may prescribe in a notification a different duration for the successful applicant(s) to begin business operations as deemed appropriate.

In requesting for a license as outlined in Paragraph 1 of this Article, the successful applicant must fulfill the conditions as may be prescribed by the Minister, with the advice of the Bank of Thailand, which include having appropriate and sufficient registered paid-up capital to operate each type of financial institution and must pass the readiness assessment by the Bank of Thailand before submitting the request. Furthermore, the Minister, with the advice of the Bank of Thailand, may prescribe in a notification additional conditions for each type of financial institution as deemed appropriate

Announced on 19 November 2567 B.E.

Pichai Chunchavajira

Minister of Finance