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Required License under the Payment Systems Act in Thailand


The Payment Systems Act B.E. 2560 (“PSA”) was published in the Thai Government Gazette in 2017 and came into effect on 16 April 2018. Following this, the regulators i.e. the Ministry of Finance (“MoF”) and the Bank of Thailand (“BoT”) have issued relevant notifications on the types of regulated payment systems, services and compliance requirements on 16 April 2018.

Under PSA, existing or new service providers are required to register or apply for license to conduct payment services depending on the actual services i.e. e-payment service provider that has their own franchise payment with an accumulated transactions of less than THB50 million per month will not have to apply for license or registration unless it exceeds that for more than 6 months in which, registration will be required within 30 days. The scope of payment services are very broad and will cover all existing licensed service providers’ businesses.

Application for license

Licenses are required for regulated payment services such as:

1. credit card, debit card or ATM card services except the credit card issued for payment of goods, services or any other payments under the provider’s own business or within its own franchise business.
2. electronic money services except for:
 - a. payment of goods, services, or any fees to one vendor or service provider,
 - b. payment of foods or beverage in food center,
 - c. payment of goods, services, or any fees to several vendors or service providers with average monthly accrual advanced payment of less than THB50 million for the past 6 months with either one of the following characteristic:
 - i) payment of specific goods or services designated in advance or within the same franchise,
 - ii) payment of goods or services to shops within the same place or area,
 - iii) payment of goods or services to shops where the business operator directly holds more than 50 percent of shares, and
 - iv) payment of goods or digital content services which are regulated by the National Broadcasting and Telecommunications Commission under the Broadcasting and Telecommunications law.
3. service for receiving electronic payment on behalf of sellers of goods, providers of services or creditors which are acquiring, payment facilitating and receiving electronic payment on behalf of others except:
 - a. service of receiving payments under the provider’s own business or within its own business,
 - b. service to cardholders issued by the service provider itself,
 - c. service of receiving payments for goods or digital content services which are regulated by the National Broadcasting and Telecommunications Commission under the Broadcasting and Telecommunications law.

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4. electronic fund transfer service which is the fund transfer between transferor and transferee or money remittance for which, both or either one has no bank account whether it is domestic or international.
 5. any other payment service which may have impacts on public financial systems or public interests.

Registration

Registration is required for:

1. electronic payment services for payment of goods, services, or any fees to several vendors or service providers with average monthly accrual advanced payment of THB50 million onwards for the past 6 months with either one of the characteristic in the above mentioned (2)(c), and
2. any of the payment services as mentioned above which constitute innovations involving the use of new technology and are being tested for the provision thereof or payment services which are available to restricted users according to the criteria as prescribed by the BOT for the Regulatory Sandbox.

Any existing service providers, who fall under the prescribed regulated payment services must either register or apply for a license within 120 days after the effective date (16 April 2018) which will be due on 15 August 2018 if they wish to continue the services. After the submission of the application, existing operators can continue to operate their businesses until further instructions from BoT. New operators must obtain license or register the payment service as required by the MoF and the BoT before they can commence their payment services but are not subject to this 120 days period.

The requirements for the submission of application are comprehensive however, it will not create additional burden to the existing service providers as most of the required documents and information are easily accessible. For existing service providers, failing to apply for the appropriate license within 120 days while continuing to operate the services may be punishable with an administrative fine not exceeding THB2 million; and a criminal sanction of imprisonment for a term not exceeding 5 years or a fine not exceeding THB500,000; or to both. The administrative fine and criminal sanctions can also be extended to a director or a manager or any person responsible for the operation of the business entity.

Given the broad scope of regulated payment services and the serious administrative fine and criminal sanction imposed on the business operator and the directors and responsible officers, we recommend that the compliance to the new regulations must carefully be reviewed.

If you have any questions or require any additional information, please contact [Threenuch Bunruangthaworn](#), [Archaree Suppakruha](#), [Panwadi Maniwat](#) or the ZICO Law partner you usually deal with.

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