



BOT aims to finalize virtual banking license rules

The Bank of Thailand (“BOT”) has made a decision to grant virtual banking licenses to three operators, a strategic move aimed at enhancing the stability of the fiscal market while providing added protection to depositors in light of potential unforeseen risks associated with this innovative business model.

Currently, the licensing regulations are still undergoing the finalization stage, reflecting the BOT's meticulous approach to ensure a robust and well-structured framework for virtual banking operations. The BOT is actively working to complete this process. However, before they can accept licensing applications in 2024, a few additional steps need to be taken to ensure a comprehensive and secure virtual banking ecosystem. In addition, the BOT plans to announce the names of the successful applicants in 2024 to commence their virtual banking operations in 2025. Once approved, these applicants are required to commence their business within one year after receiving approval of a virtual banking license from the Minister of Finance.

This move towards virtual banking licenses is expected to offer a full range of financial services tailored to different customer groups, thereby providing a better banking services experience and stimulating competition among financial institutions. However, in addition to the aforementioned goals, the BOT expects that virtual banking will not pose engaging risks to financial

stability. Based on the study conducted by the BOT, there are many virtual banking businesses abroad that were unable to survive, which has affected depositors. Therefore, the BOT aims to set up criteria for applicants to have at least registered capital of 5 billion baht to ensure that a bank or a company is strong enough and well-structured to apply and operate a virtual banking.