



Bank of Thailand (“BOT”) Prepared For Lending Policy Update

On 27 May 2024, the BOT opened for a public hearing on the Draft of the Policy of the BOT regarding Lending to Specific Businesses (“Draft”).

This Draft, which, if it comes to effect, would replace the existing policy on the same matters (“Existing Policy”), would see the additions in the aspect of risk management to the Existing Policy, including the tightening in a lending related to the securities.

There are many areas that the Draft touches on. For example, the Draft includes the lending that would accommodate the rule as a controlled lending in addition to a lending that is not beneficial to the country’s long-term productivity in order to improve risk management of the financial institutions. The Draft also sees the end in using lent securities to be used as a collateral for the loan of money.

In the past, the BOT already stipulated the Existing Policy which has covered the granting of loan of financial institutions in order to control a lending that is not beneficial to the country’s long-term productivity and endorse a lending that is beneficial to the country’s development. However, as the Existing Policy was introduced in 2009, the BOT sought to update the Existing Policy to make it suitable to the present-day business operation and environment.