



## **Bank of Thailand (the “BOT”) ‘s Public Hearing on Amendment to Lending Measures**

The Bank of Thailand (“BOT”) proposed for the amendment to its lending measures in accordance with Regulatory Impact Assessment (“RIA”).

In this regard, there are two main aspects of amendments as provided below:

The first aspect of the amendment is to make the financial institution perform transactions similar to lending money more efficient and better manage risks, while complying with the governance of the BOT. There are many details of the first aspect worth noting including the proposed amendment to improve the scope which an insurer can be used to commutate the Single Lending Limit to cover trade credit insurer instead of limiting to just export credit insurer as previously. Moreover, the amendment aims to allow a commercial bank to buy debts from foreign commercial banks in addition to domestic entities. Additionally, the amendment aims to include factoring transaction and guarantee transaction as an underlying asset for conducting risk participation business and allows the commercial bank to conduct risk participation business with a foreign insurance company whose credit rating is at the investment grade.

The second aspect of the amendment is to lessen cost of operation for the financial institution that performs a related lending transaction. In summary, the proposed amendment grants an exception to ratification requirement in case that the amendment to the condition is to decrease or revoke the original credit limit. Moreover, the proposed amendment will allow the financial institution to continue perform in accordance with the agreement after the other party has become the major shareholder or a business with related interest.