

Notification of the Ministry of Finance
Business that requires a permit according to section 5 of the Declaration of the
Revolutionary Council No. 58
(Nano-Finance for the occupation under supervision)

According to section 5, 7, 8, and 14 of the Declaration of the Revolutionary Council No. 58 (dated 26 January 1972) regarding the supervision of trading businesses which has an impact on public safety and well-being, the Minister of Finance shall announce the Notification to regulate the Nano-Financing for occupation, as specified in this law, as the business resemble to banking that requires permission under this Notification as follows;

Section 1. In this notification,

“Nano-Finance for the occupation” means loaning, purchasing, discounting or rediscounting bill of exchange or any other types of negotiable instrument, including the hire-purchase and leasing for a person who aims to utilize its benefits in an occupation which has no property or asset prescribed as a collateral.

“Nano-Finance for the occupation under supervision” means Nano-finance for the occupation which has a purpose for utilizing on the occupation, and has flexible financing procedures conform to the characteristics of a related group of debtors such as a business start-up. Accordingly, it is subject to the conditions that the aggregate amount of credit shall not exceed one hundred thousand baht per one debtor, and it shall have a prescribed time period for financing agreed between the consumer and business operator.

Nano-finance for the occupation under supervision shall not include Nano-finance for the occupation which has been resulted from the sale and lease back of products categorized as automobiles and motorcycle, the financing with a pledge on car license (car for cash) and motorcycle license, hire-purchasing and leasing in the products which are commercially distributed by the business operator, the credit for the travelling to work in foreign countries, and other credits announced by the Bank of Thailand.

“Consumer” means consumer in accordance to Thai Consumer Protection Act.

“Business operator” means a person who operates a business regarding the Nano-finance for the occupation as a normal trade.

“Financial Institution” means

(1) commercial bank, finance company, and credit foncier company, in accordance to the Financial Institution Business Act

(2) Specialized Financial Institution established under specific law

Chapter 1 Permit Application

Section 2. The business regarding the Nano-Finance for the occupation under supervision is the business that requires a permit.

The first paragraph shall not be applied to

(1) Financial Institution

(2) A business operator of the business regarding Nano-Finance for the occupation which is for the payment of customer's product or service, or other fees over his own business.

Section 3. The business operator shall be a legal entity in the form of limited company or public limited company, permitted by the Minister in written form. Accordingly, the Minister may stipulate any rule for such permission if appropriate.

The permit application shall be submitted to the Bank of Thailand under the rules and form prescribed by the Bank of Thailand.

Section 4. The business operator shall have paid-up registered capital at minimum of fifty million baht.

Chapter 2 Conditions for business operating

Section 5. The aggregation amount of interest, indemnity, service and other fees which could be charged by the business operator shall not exceed thirty-six per cent per annual year (Effective rate).

Section 6. The business operator shall apparently specify all the details of interest, indemnify, and other fees, resulting from Nano-finance for the occupation under supervision, in its prospectus application and contract. Hence, such action must be in accordance with the form prescribed by the Bank of Thailand.

Section 7. The business operator shall;

(1) notify the Bank of Thailand regarding the formation of its branch office in advance of no later than fifteen days before the formation of such branch office. The branch

office as mentioned shall include the meaning of branch office prescribed by the Bank of Thailand.

- (2) protect the consumer's private information, unless
 - (a) the consumer's consent is received in writing form
 - (b) the disclosure is an inevitable duty, or for the benefits of investigation or legal proceedings
 - (c) it is disclosed for the auditor of such business operation
 - (d) the credit information is passed to the Credit Data Business Operator
 - (e) it is disclosed for the benefit of legality
 - (f) it is disclosed for other benefits as permitted by the Bank of Thailand

Section 8. The business operator is not permitted to perform the following lists:

- (1) Raising public fund, except an issuing of bill and offering for private investor (Private Placement : PP), and an issuing of debenture in accordance to the Securities and Exchange Act B.E. 2535 including the amendment versions.
- (2) Reduce the capital, without a permission from the Minister.
- (3) Relocate the business head-office, or relocate or close down the branch office, without a permission from the Bank of Thailand.
- (4) Transfer of the debt resulted from the Nano-Finance for the occupation under supervision to the debt of current account contract, unless the consumer's consent is received in writing form in advance. The compound interest is not allowed for the debt resulted from the Nano-Finance for the occupation under supervision which has not been transferred to the debt of current account contract.
- (5) Cease or restrain the business operating of the business regarding Nano-Finance for the occupation under supervision without a permission from the Minister.

The permission application in the following section 8(2) and (5) shall be done by submitting the application stating the reason to acquire such permission to the Bank of Thailand, then the Bank of Thailand shall consider and propose such application to Minister immediately.

Section 9. The Bank of Thailand shall have the authority to prescribe the rule to operate the business regarding the Nano-Finance for the occupation under supervision in the following subjects;

- (1) The qualification of the user of Nano-Finance for the occupation under supervision.
- (2) Interest, indemnity, service charge, and other fees related to the Nano-Finance for the occupation under supervision.

However, the business operator may request for the actual and moderate expenses from the consumer, apart from the matters in the first paragraph as prescribed in the Notification of the Bank of Thailand.

(3) The examination and security regarding Nano-Finance for the occupation under supervision.

(4) The demanding for disbursement and debt collection

(5) The dispose and transfer of debt

(6) The performing and managing regarding the consumer's information

(7) The performing when being requested.

(8) The accounting and reporting.

(9) The prescribing of policy, framework, and public relations.

(10) Other matters that the Bank of Thailand considers necessary to regulate and oversee the Nano-Finance for the occupation under supervision.

Section 10. The director, manager, or any person with power to manage the affair of the business operator shall not be classified as:

(1) Being declared bankrupt

(2) Having been imprisoned by a final court judgement on the offences against property which have been done by corruption

(3) Having been a director, manager, or a person with power of management which the license revocation has been announced by the Minister following section 11

(4) Having been a person who is restricted or lacks of qualification, as prescribed in the Notification of the Bank of Thailand.

Section 11. In the circumstance when;

(1) A business operator violates or neglects to comply with any of the operating conditions

(2) the financial status or the operation of the business operator might cause significant detriment to the public interest, the Bank of Thailand shall have the power to order the business operator to correct its violation, the financial status, or any business operating, within the prescribed period and report such order and result of to the Minister without delay, but no later than thirty days since the date of order or result perceiving.

If no correction has been done within the period prescribed by the Bank of Thailand as stated in the first paragraph, the Minister under the advice of the Bank of Thailand shall have the power to order the business operator to cease all or some part of its business temporarily within the prescribed period to proceed the correction. In this regard, the Minister shall also stipulate any rule, procedure, or any condition for the business operator.

If no correction has been done complying to the Minister's order as stated in the second paragraph, the Minister shall have the power to withdraw the permission to perform the business regarding Nano-Finance for the occupation under supervision, and those stated in second paragraph shall also be compliantly applied.

Section 12. In an event that the business operator wishes to cease the business regarding Nano-Finance for the occupation under supervision, such person must inform the Minister through the Bank of Thailand.

After being informed, the Bank of Thailand shall take a consideration and immediately propose the opinion to the Minister no later than thirty days since the date of informing with all correct documents.

The Minister, under advice of the Bank of Thailand, shall take a consideration and may provide the instruction regarding the time of cessation and under which condition and measure that shall be applied.

Section 13. The Bank of Thailand shall have an authority to appoint the Bank of Thailand officer to act as competent official to perform and enforce the outcome that is in accordance to the Declaration of the Revolutionary Council No. 58 (dated 26 January 1972) and this Ministerial Notification, including the power to oversee the operation of the business regulated in this Notification and legal proceedings in accordance to the Declaration of the Revolutionary Council No. 58 (dated 26 January 1972).

Section 14. When it has been requested by the competent official, the director, official, employee, or auditor of the business operator must provide statement or declare the book of account and other evidences related to the business of such business operator, as demanded by the competent official.

Section 15. In order to provide an effective supervising, the Bank of Thailand shall notify the rules, procedures, or conditions prescribed by the Bank of Thailand in accordance to article 9 to the Minister. Also, the business operator shall send the copy of paper which has been reported to the Bank of Thailand to the Ministry of Finance under the rules, procedures, or conditions prescribed by the Bank of Thailand following the approval of the Ministry of Finance.

Section 16. This notification shall be in force from the following day that it has been published in the Gazettes.

Announced on 26 December 2014

Countersigned by,
Sommai Phasee
Minister of Finance