



Legal News Update

KPMG in Thailand



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Payment services providers play an important role in the facilitation of offline/online/e-commerce payments to merchants and service providers by their customers. The Payment Systems Act B.E. 2560 (2017) (**PSA**) was enacted to enhance oversight and supervision of such payment services and bring them into line with international standards. Under the PSA, some types of service, (e.g. electronic money services, acquiring services, payment facilitating services, electronic money transfer services, and services for the receipt of payment on behalf of sellers, service providers, or creditors), are regulated and considered as undersigned payment services (**Undersigned Payment Services**), for which e-payment licenses (**E-Payment Licenses**) must be obtained from the Minister of Finance by recommendation of the Bank of Thailand (**BOT**) prior to the operation of such services.

To be eligible to apply for an E-Payment License for Undersigned Payment Services, business providers must meet the minimum requirements specified below.

1. The applicant must be a limited company, a public limited company or financial institution, specialized financial institution or state enterprise.
2. Company directors must meet the requirements of the BOT notification issued under the PSA and must not have prohibited characteristics, for example,
 - being a bankrupt person
 - being an incompetent person
 - having been sentenced for the imprisonment by a final court judgment for any fraud, cheating the creditor, embezzlement
 - having been sentenced by a judgment or order of the court on the ground of committing an offence relating to money laundering under anti-money laundering law or involvement in terrorism
 - having been discharged from being a director or an executive of a public limited company due to lacking of appropriateness in respect of trustworthiness in managing business
3. At least one director of a company must be a Thai national residing in Thailand.
4. The paid-up capital requirements for below services are as follows:

Debit Card, Credit Card or ATM Card Issuing (an issuer of debit, credit or ATM cards)	Not less than THB100 million
E-Money (an issuer of pre-paid stored-value cards, or e-wallets, used for making payments of goods, services or any other charges)	Not less than THB100 million
Acquiring (accepts card payments by sending/receiving payment transactions to/from payment card networks)	Not less than THB50 million

Payment Facilitating (PF) (accepts card payments by sending/receiving payment transactions to/from acquisition business providers or other payment facilitation providers)	Not less than THB10 million
Accepting Payment on behalf (accepts non-card payment instruments, such as e-money and bank account)	Not less than THB10 million
Fund Transfer (accepts money from a service user, and subsequently transfers it to a receiver)	Not less than THB10 million

Business providers who intend to undertake more than one type of Designated Payment Service are required to have paid-up capital of no less than the highest amount of capital required for the services for which they apply.

There is no requirement for local, or Thai, shareholders in Undersigned Payment Services provider companies, and in the event that the majority of a provider's shareholders are foreigners, a Foreign Business License (**FBL**) must be obtained from the Department of Business Development (**DBD**).

E-Payment License Application Process

Preliminary Consultation	Discussion with the Bank of Thailand (BOT) to explain the business model and information system, based on information prepared according to the Guidelines on Meeting provided by BOT.
Pre-Approval	Prepare documents for E-Payment License Application and submit drafts online to the BOT for preliminary review.
Application Submission	After receiving confirmation from the BOT that all documents are complete, submit final documents to the BOT. The BOT will pass the final application to the Ministry of Finance to consider issuance of the E-Payment License

It is unnecessary for the applicant to have a banking or financial background in order to be eligible for these payment services. Nevertheless, having a background related to banking and finance will likely enhance the credibility of the applicant and likely accelerate the consideration process of the BOT.

How can KPMG Law assist you?

Our team at KPMG Law can provide legal advice and assist with the required approval request process for E-Payment License and Foreign Business License applications. For more information, please feel free to contact us.

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