

P2P Lending Regulation

The Bank of Thailand (“**BOT**”) issued the Notification No. SorNorSor. 4/2019 re: Rules, Procedures and Conditions for Operation of Peer to Peer Lending (“**P2P**”) System or Platform (“**Notification**”) on 29th April 2019. The Notification is effective from 30th April 2019.

1. P2P Lending Platform Service Provider (“**SP**”), Borrower and Lender

An SP must be a private limited company or a public limited company registered in Thailand with a paid-up registered capital (shareholders’ equity) of not less than THB5 million owned at least 75% by a Thai shareholder.

The SP must obtain approval from the Ministry of Finance (“**MOF**”) through the BOT before it can operate a P2P lending platform services. A test in the Regulatory Sandbox regulated by the BOT is required for the SP before it can obtain approval from the MOF.

A borrower must be an individual only. Directors, authorized persons or major shareholders of the SP or persons related to them cannot be a borrower.

A lender can be an individual, a private limited company or public limited company.

The SP cannot act as a lender or a borrower.

2. P2P Lending, Interest Rates and Credit Limits

The P2P lending can be made in Thai Baht only. The interest rate cannot be higher than 15% per annum.

The objective of loan to individual borrower can be for personal use or business use, subject to some credit limits and restrictions.

The lender that are institutional investors, joint ventures, venture capitals or specific investors under the Notification of the Capital Market Supervisory Board can lend to borrowers without limit. Other types of lenders are subject to a loan limit of THB500,000 per year.

3. Segregation of Assets

The SP cannot accept or keep monies, assets or securities of its P2P lending customers, except for services fees, charges and other costs, provided that they are kept with a custodian licensed by the SEC or a financial institution holding an escrow account services license granted by the BOT.

4. Contracts

The SP must sign a contract with each customer for providing P2P lending platform services. The lender and the borrower must also sign a P2P lending contract.



AUTHOR



Kowit Somwaiya
Managing Partner | **Bangkok**
kowit.somwaiya@lawplusltd.com



Naddaporn Suwanvajukkasikij
Partner | **Bangkok**
naddaporn.suwanvajukkasikij@lawplusltd.com

LawPlus Ltd.
Unit 1401, 14th Floor, Abdulrahim Place 990
Rama IV Road, Bangkok 10500, Thailand
Tel: +662 636 0662
Fax: +662 636 0663

LawPlus Myanmar Ltd.
Unit No. 520, 5th Floor, Hledan Centre
Corner of Pyay Road and Hledan Road, Kamayut Township,
Yangon, Myanmar
Tel: +95 (0)92 6111 7006
and +95 (0)92 6098 9752