



## **Fiscal Policy Office of the Ministry of Finance proposed for amendment to regulation regarding Pico-finance**

The Fiscal Policy Office (“FPO”) of the Ministry of Finance (“MOF”) has recently issued a draft of amendment to the MOF’s notification regarding the microfinance or pico-finance (“Draft”) at the provincial level in order to avoid the rate of loan shark issues and protect consumers. This Draft proposes that the amount of interest, indemnity, service, and other fees must not exceed 28 to 36 percent of the loan.

In addition to that, a business operator is required to:

- (1) to be registered as a company under Thai laws, having at least 50 percent of its total shares held by a Thai shareholder;
- (2) have 50 percent of its registered capital fully paid-up;
- (3) operate its business activities within one year after a pico-finance license is granted from the MOF the license for pico-finance. If the business operator does not operate its business activities by granting a loan to its customers within one year from the date of the granted license, the license will be revoked and shall be returned to the MOF within 15 days.