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Thailand Moves Forward with Financial Hub Vision: Cabinet Endorses Amended Draft Act on 15 July 2025

On 4 February 2025, the Thai Cabinet approved in principle the Draft Financial Business Center Act, a legislative initiative aimed at establishing Thailand as a regional financial hub. On 15 July 2025, the Cabinet approved a revised version prepared by the Office of the Council of State, incorporating key legal refinements following inter-agency consultations.

The Draft Financial Business Center Act defines eight categories of target financial businesses: (1) commercial banking, (2) payment systems, (3) capital markets, (4) derivatives trading, (5) digital assets, (6) insurance and reinsurance, (7) reinsurance brokerage, and (8) other designated services. To qualify, operators must primarily serve non-residents and be located in government-designated financial zones, while also meeting prescribed employment conditions for Thai nationals.

A central feature of the Draft is the establishment of a One-Stop Authority (OSA) under the Committee for the Regulation and Promotion of the Financial Business Center (Committee). The OSA is empowered to license, regulate, and supervise businesses under the Draft. Licenses are issued by the Director with the Committee's approval, and eligible entities include Thai limited companies, public companies, or foreign branches.

Licensed business under the Draft Financial Business Center Act is prohibited from conducting non-target businesses and may outsource only certain functions—with prior approval from the Director and the Committee—rather than delegating full operational control.

Investment privileges for license business under Draft Financial Business Center Act have been updated as follows:

1. Exemption from foreign ownership limits under the Condominium Law;
2. Immigration privileges for foreign personnel (i.e., the ability to hire foreign professionals for specialized services (e.g., legal professionals);
3. Tax incentives under the Revenue Code (a new addition); and
4. Other regulatory benefits.

The Draft Financial Business Center Act also clarifies the continuation of privileges in the event of license surrender, revocation, or business transfer. In mergers or transfers, privileges may continue for up to 90 days, except tax incentives, which terminate immediately upon license cessation. If a license is revoked, all privileges end on the revocation date, though successors may inherit the original privileges. The Draft Financial Business Center Act reduces the enforcement period for Chapters on licensing criteria, investment privileges, and regulatory supervision from 360 to 180 days after being pass into the Act and its publication in the Royal Gazette.