



Legal Perspectives on the Success Factors of Virtual Banking in Thailand

The development of virtual banking in Thailand has attracted significant regulatory and commercial attention. At the Bangkok Post Tech Conference 2023, experts identified several key elements that determine the sustainability and success of virtual banks within the Thai financial system.

A central factor is the use of open data. As emphasized by industry participants, digital lending is expected to be the main revenue source for virtual banks. Effective access to and use of open data will enable these institutions to expand their customer base while maintaining asset quality. Without robust data-sharing mechanisms, the ability of virtual banks to compete with traditional financial institutions would be severely limited.

Another critical issue is capital adequacy and scale. The Bank of Thailand requires each applicant for a virtual banking license to have registered capital of not less than ฿5 billion. This requirement creates a high barrier to entry and has prompted the formation of joint ventures and consortia between financial institutions and technology firms. Such collaborative structures not only meet capital requirements but also integrate technological capabilities with financial expertise.

The issue of cybersecurity and consumer trust is also fundamental. Thailand ranks among the highest globally in mobile banking adoption but is simultaneously exposed to high levels of cybercrime and financial fraud. In this respect, virtual banks must establish secure platforms that integrate modern identity verification tools, including the National Digital ID system and biometric authentication. Failure to do so would compromise public trust and erode market confidence.

Beyond compliance and security, the strategic orientation of virtual banks must align with global best practices. Experts highlighted that successful models internationally share common attributes: they are customer-centric, they monetize data effectively, they operate within broader ecosystems of partners, and they deliver superior user experiences. The use of cloud-based infrastructure supports these objectives by ensuring scalability, operational flexibility, and compliance with evolving regulatory standards.

In summary, the long-term viability of virtual banking in Thailand depends on the effective combination of regulatory compliance and market innovation. Open data, sufficient capital, strong cybersecurity, and customer-focused services must be integrated within a secure technological framework. From a legal and regulatory standpoint, these elements collectively determine whether virtual banks can operate sustainably while contributing to Thailand's broader financial ecosystem.

Should you have any question, please do not hesitate to contact us via info@bgloballaw.com

