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Issuance of the BOT Notification No. 16/2569 Re: Guidelines on Risk Management for Cash-Related Transactions for Financial Institutions

The Bank of Thailand ("BOT") has issued the new Notification Re: Guidelines on Risk Management for Cash-Related Transactions for Financial Institutions ("Notification") which will be effective on 1 April 2026.

The primary objective of this Notification is to require the financial institutions to strengthen their risk management associated with cash-related transactions, in a manner that is robust, end-to-end, and commensurate with the level of risk involved.

The key requirements are summarized below:

1. Oversight of Risk Management for Cash Transactions

Senior Management shall oversee and ensure that the financial institution establishes and implements robust risk management processes, guidelines, and operating procedures for cash-related transactions. This includes developing appropriate frameworks for managing affected customers, which must be commensurate with the customer's risk profile, the nature of the transaction, the geographic area, and the service delivery channels.

2. Risk Management Standards for Cash Transactions

Financial institutions shall maintain a risk management framework for cash-related transactions that is commensurate with the associated risk levels

3. Obligation to Report to the BOT

Financial institutions are required to report data concerning unusual financial behavior or cash-related transactions to the BOT in the prescribed format. This is to enable the BOT to effectively monitor and oversee the holistic risk management of the financial institution system.