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BOT Introduces New Standards for Hire Purchase and Leasing Businesses

The Bank of Thailand ("BOT") has issued Notification introducing new rules governing hire purchase and leasing businesses for automobiles and motorcycles, which will be effective on 1 June 2026. The regulation aims to strengthen financial consumer protection by promoting more responsible, transparent, and fair business practices across financial institutions and non-bank operators.

The notification establishes requirements concerning the disclosure and collection of interest, service fees, penalties, and other charges. Business operators must ensure that charges are reasonable, non-duplicative, and not unfair to customers, while key information must be disclosed in a complete, accurate, and clear manner to enable customers to understand financial obligations before entering into agreements.

The framework also addresses debt burden disclosure, early account closure and contract termination procedures, default interest calculations, debt repayment allocation, and fair customer treatment standards. In addition, the BOT places particular emphasis on customer communications and advertising practices to ensure that information provided does not mislead consumers.

Businesses in the hire purchase and leasing sector should proactively review their contractual documents, pricing structures, disclosure practices, and customer communication processes to prepare for compliance with the new regulatory requirements before the implementation date.