



*Vision : A Reputable Organization Commanding Public Trust and Respect*

# **Household Financial Services**

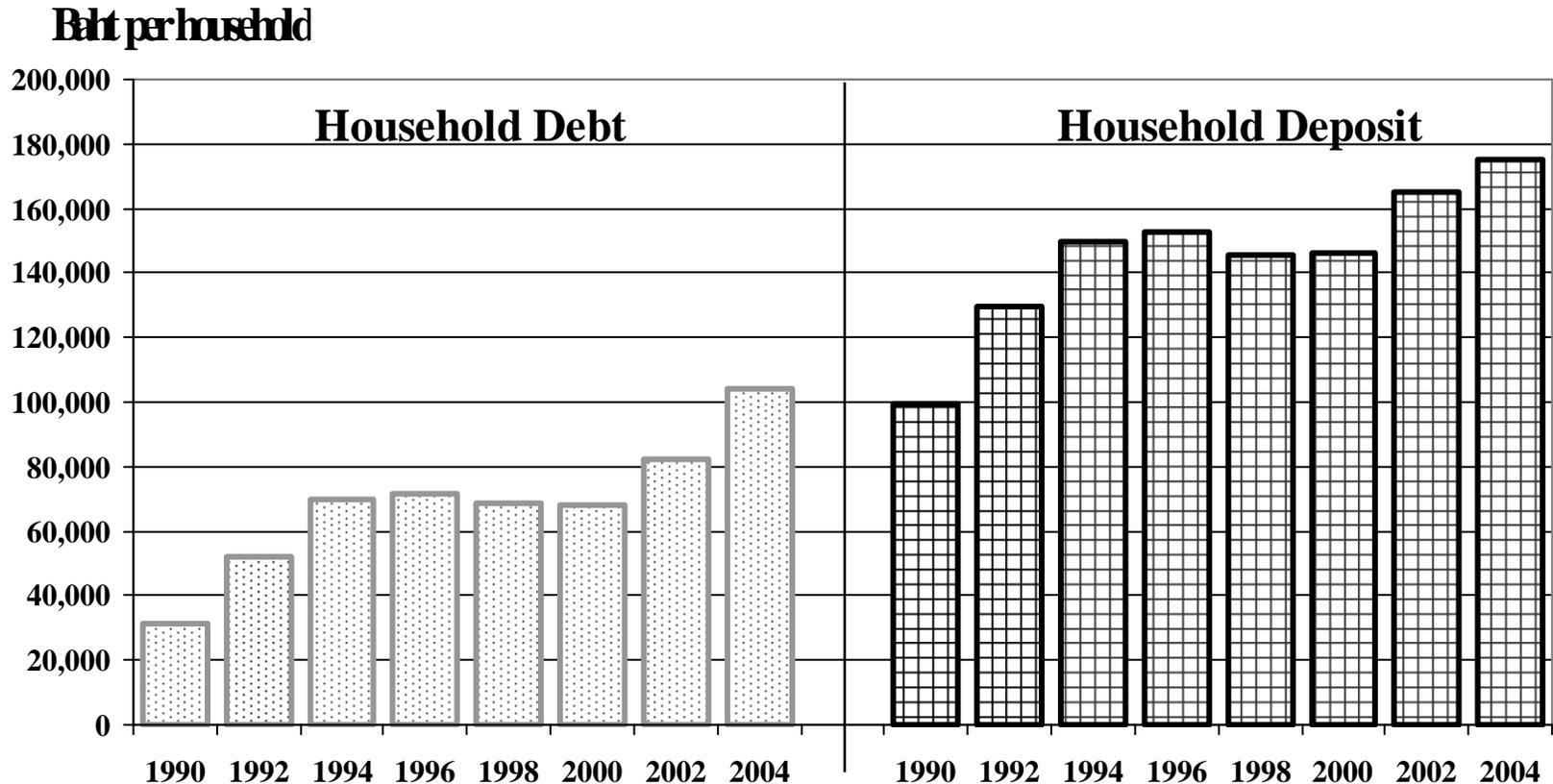
*Products, Supervision & Consumer Protection*

**Thailand Experiences**



Vision : A Reputable Organization Commanding Public Trust and Respect

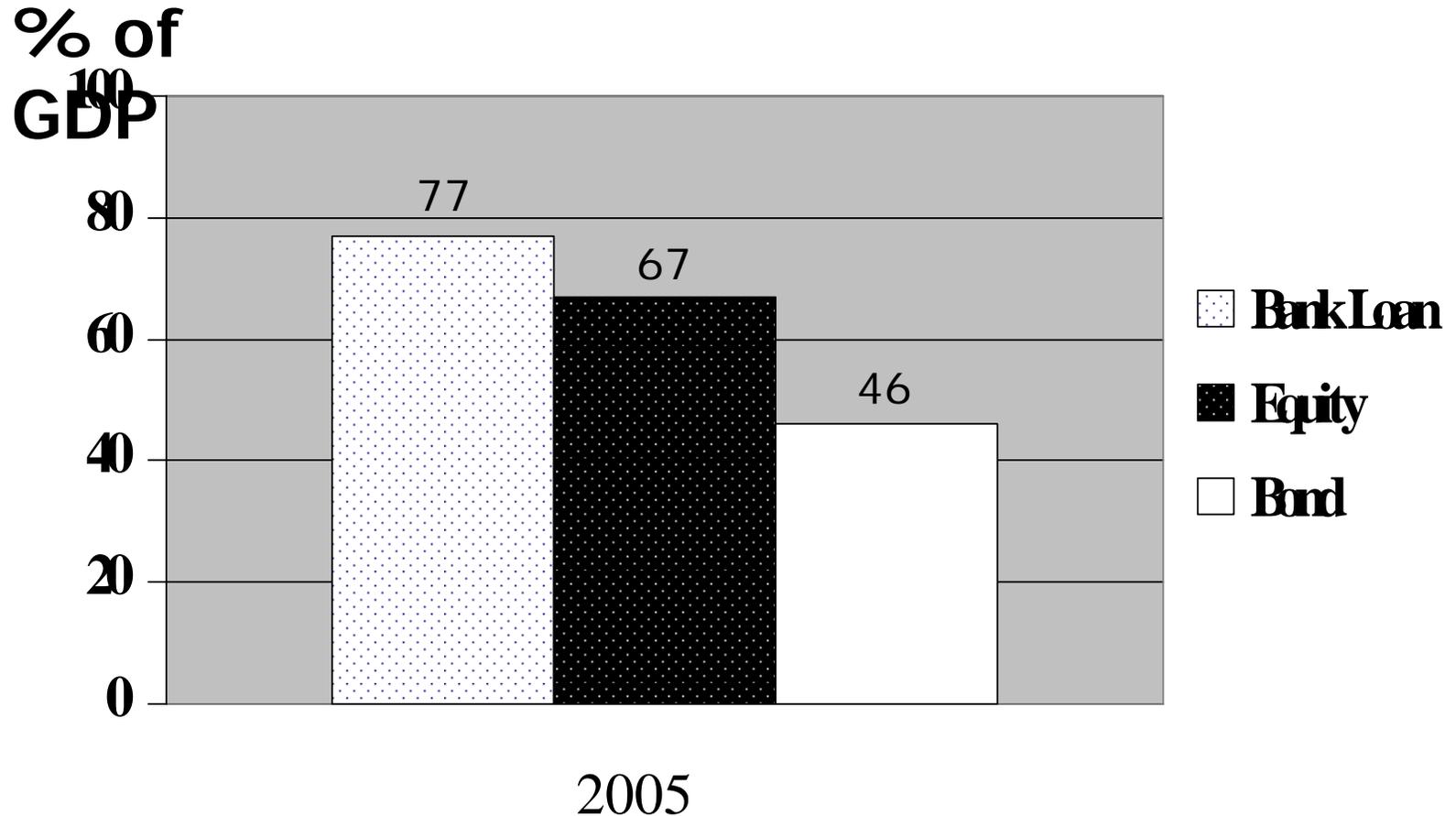
# Financial Liabilities and Assets of the Household Sector





Vision : A Reputable Organization Commanding Public Trust and Respect

# Financial Liabilities and Assets of the Household Sector

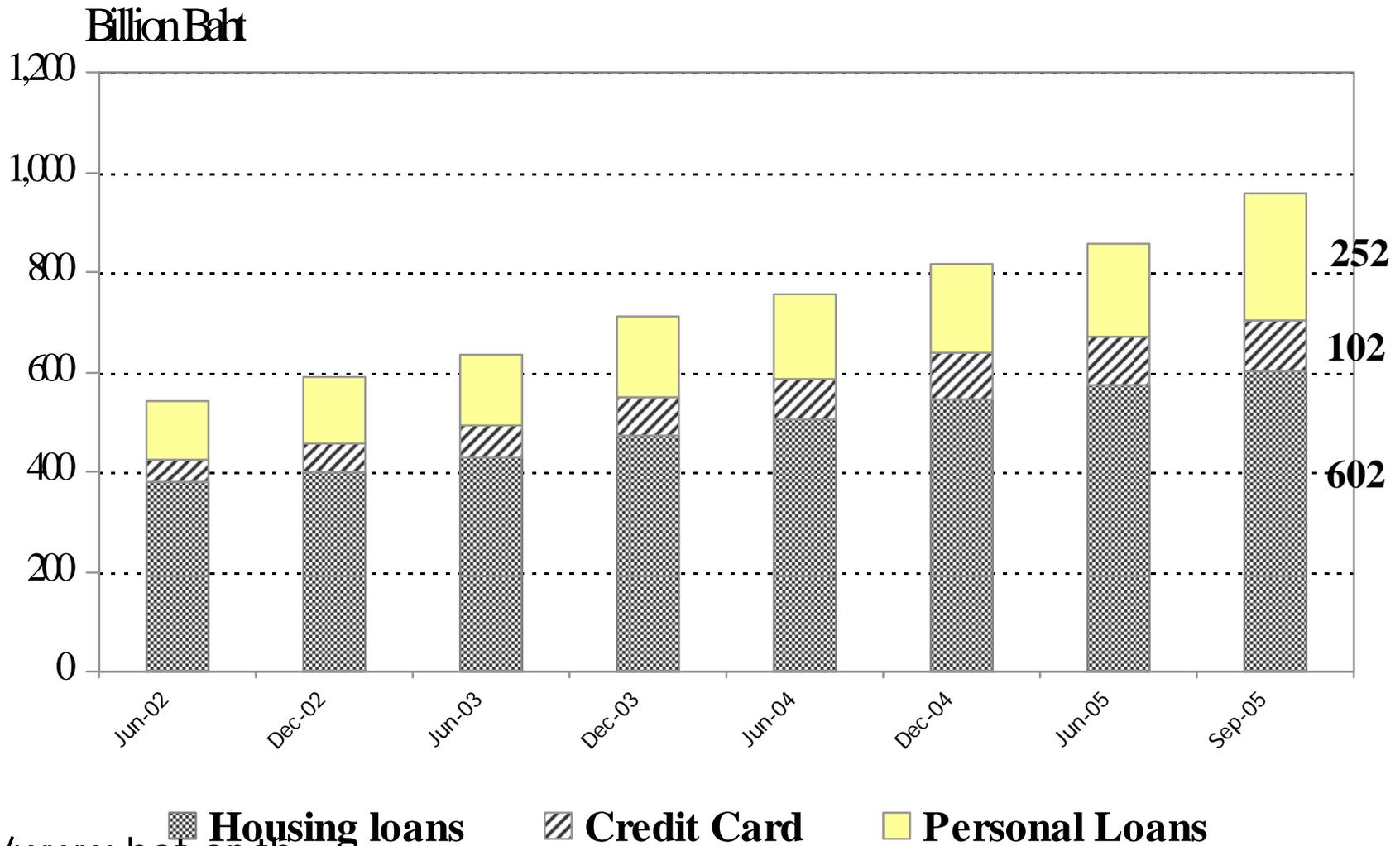




Vision : A Reputable Organization Commanding Public Trust and Respect

# Consumer Loans

- Outstanding -

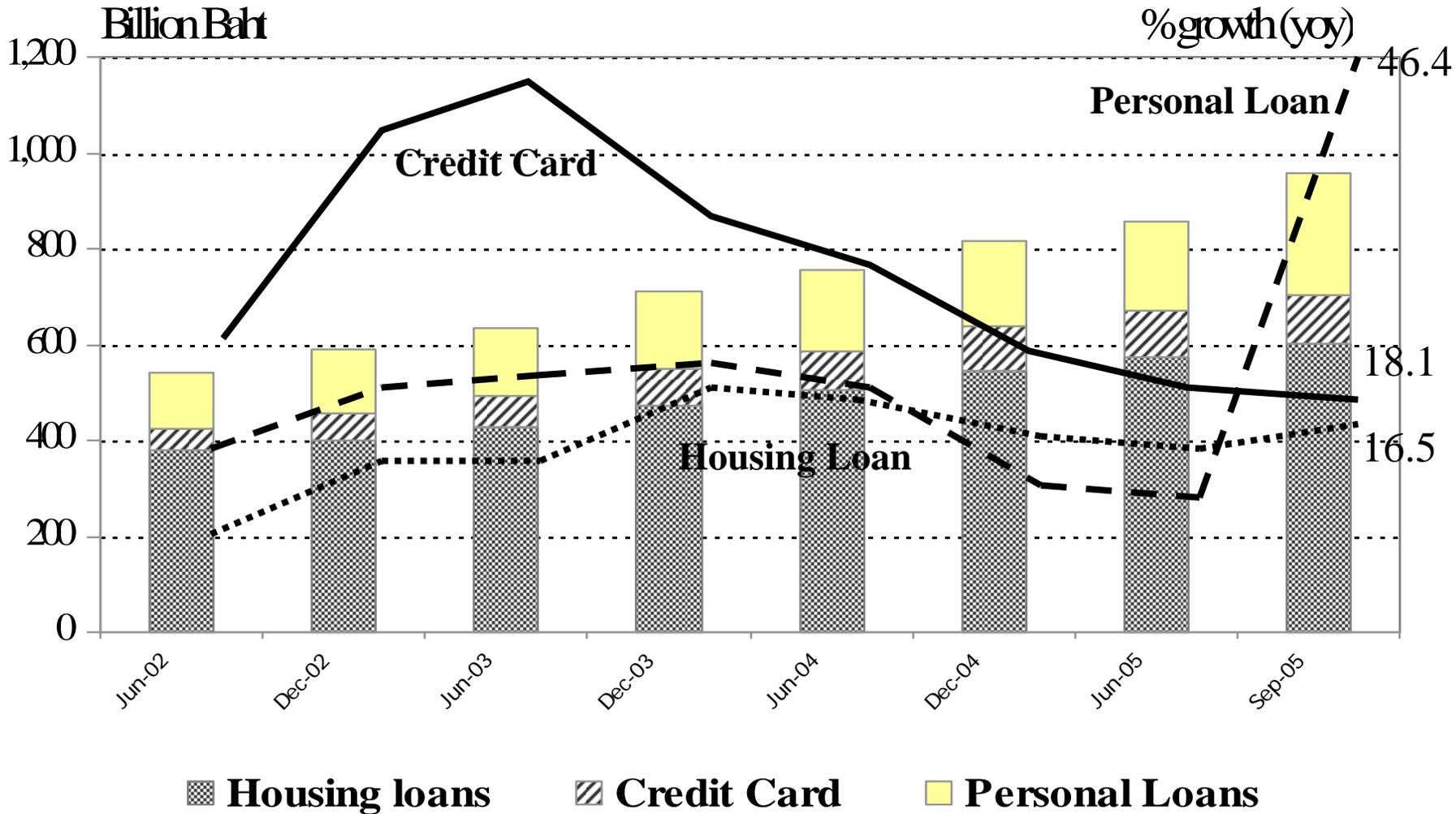




Vision : A Reputable Organization Commanding Public Trust and Respect

# Consumer Loans

- Growth rate -

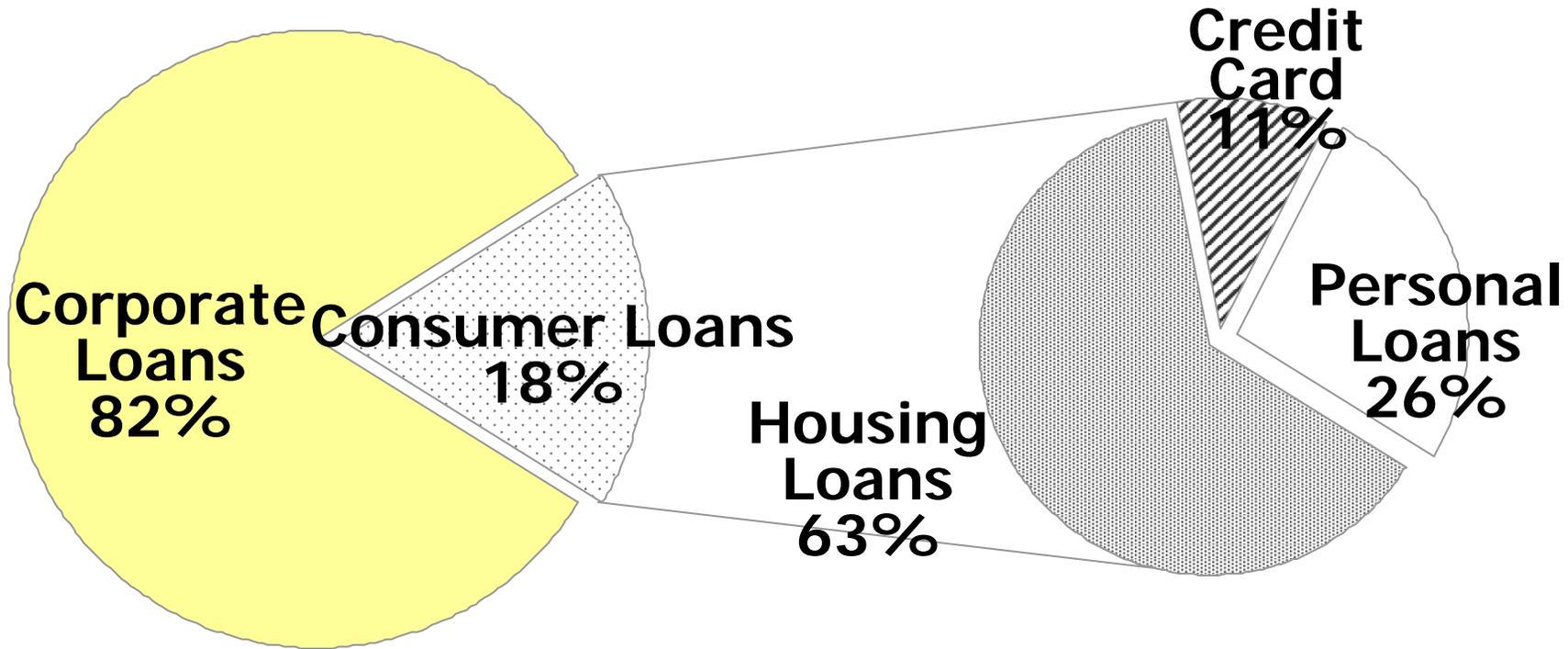




*Vision : A Reputable Organization Commanding Public Trust and Respect*

# ***Consumer Loans***

**- Market Share -**



2005



Vision : A Reputable Organization Commanding Public Trust and Respect

# *Household Financial Products*

## *Capital market*

<b>Types of product</b>	<b>Regulator</b>	<b>Accessibility</b>
<i>Equity</i> Stocks Warrants Mutual fund units	SEC	No condition
<i>Debt instruments</i> Bond Debentures		

SEC: The Office of Securities and Exchange Commission



Vision : A Reputable Organization Commanding Public Trust and Respect

# *Household Financial Products*

## *Money and lending market*

<b>Types of product</b>	<b>Regulator</b>	<b>Accessibility</b>
<i>Deposit</i>	BOT	No condition
Saving account		
Current account		
Fixed account		
Promissory note		
NCD		
		> 500,000 B

BOT: Bank of Thailand



Vision : A Reputable Organization Commanding Public Trust and Respect

# *Household Financial Products*

## *Money and lending market*

<b>Types of product</b>	<b>Regulator</b>	<b>Accessibility</b>
<b><i>Loans</i></b>		
Housing loans	<b>BOT</b>	> 10 Mil.B, no exceeding 70% of purchased price
Personal loans	<b>BOT/ MOF</b>	Credit line $\leq$ 5 times
Credit card	<b>BOT/ MOF</b>	$\geq$ 15,000 B per month or 180,000 B per year, credit line $\leq$ 5 times

BOT: Bank of Thailand

MOF: Ministry of Finance

<http://www.bot.or.th>



Vision : A Reputable Organization Commanding Public Trust and Respect

# *Household Financial Products*

## *Money and lending market*

<b>Types of product</b>	<b>Regulator</b>	<b>Accessibility</b>
<b><i>Loans</i></b>  Hire purchase	<b>MOC/BOT</b>	<b>Bank:</b> moveable properties <b>Others:</b> all properties
  Financial lease	<b>BOT</b>	<b>Bank :</b> moveable properties <b>Others :</b> all properties

MOC: Ministry of Commerce

BOT: Bank of Thailand



Vision : A Reputable Organization Commanding Public Trust and Respect

# *Household Financial Products*

## *Money and lending market*

<b>Types of product</b>	<b>Regulator</b>	<b>Accessibility</b>
<b><i>E-banking</i></b> Phone banking Mobile banking Internet banking	BOT	No condition
<b><i>E-Money</i></b>	BOT / MOF	

BOT: Bank of Thailand

MOF: Ministry of Finance



Vision : A Reputable Organization Commanding Public Trust and Respect

# *Household Financial Products*

## *Money and lending market*

<b>Types of product</b>	<b>Regulator</b>	<b>Accessibility</b>
<i>Foreign Exchange</i>	BOT	<b>Local Currency</b> <ul style="list-style-type: none"><li>- Bring into Thailand without limit</li><li>- Take out <math>\leq 50,000</math> B</li></ul> <b>Foreign Currency</b> <ul style="list-style-type: none"><li>- Bring into Thailand without limit</li><li>- Take out <math>\geq 20,000</math> USD,</li></ul>
<i>Fund Manager</i> Private fund	BOT/ SEC	A group of 35 persons of fewer

BOT: Bank of Thailand

SEC: The Office of Securities and Exchange Commission

<http://www.bot.or.th>



Vision : A Reputable Organization Commanding Public Trust and Respect

# *Household Financial Products*

## *Insurance*

<b>Types of product</b>	<b>Regulator</b>	<b>Accessibility</b>
<i>Life Insurance</i> <i>Non-life Insurance</i>	Department of Insurance	No condition



Vision : A Reputable Organization Commanding Public Trust and Respect

# *Consumer Protection*

## *Capital market*

<i>Equity</i>	<ul style="list-style-type: none"><li>● Set up Securities Investor Protection Fund</li><li>● File complaint to SEC (internet, mail, fax, phone)</li></ul>
<i>Debt</i>	<ul style="list-style-type: none"><li>● Transparent disclosure of the information and possible risk to consumer</li><li>● Customer's fund and assets must be segregated from those of brokers</li></ul>



Vision : A Reputable Organization Commanding Public Trust and Respect

# *Consumer Protection*

## *Money and lending market*

<i>Deposit</i>	<p><b>At current:</b> Full repayment of principal and interest by Financial Institutions Development Fund (FIDF)</p> <p><b>In the future:</b></p> <ol style="list-style-type: none"><li>1. Deposit Insurance Agency to replace FIDF</li><li>2. Partial guarantee to apply</li></ol>
----------------	---



*Vision : A Reputable Organization Commanding Public Trust and Respect*

# ***Consumer Protection***

## ***Money and lending market***

<b><i>All</i></b>	<ul style="list-style-type: none"><li>● Require financial institutions to establish and maintain a clear procedure for handling customer complaints</li><li>● Promote information disclosure on terms and conditions of financial services</li><li>● Give detail of the consumer loan contract</li></ul>
-------------------	--



*Vision : A Reputable Organization Commanding Public Trust and Respect*

# ***Consumer Protection***

## ***Money and lending market***

<b><i>Loans</i></b>	Different guidelines
<b>Personal loans</b>	<ul style="list-style-type: none"><li>● Limit the ceiling of interest, penalty, fees, and other charges no more than 28% per annum</li></ul>
<b>Credit card</b>	<ul style="list-style-type: none"><li>● Limit the ceiling of interest, penalty, fees, and other charges no more than 18% per annum</li><li>● Limit fees and charges of cash withdrawn not exceeding 3% of the drawn amount</li></ul>



Vision : A Reputable Organization Commanding Public Trust and Respect

# *Consumer Protection*

## *Money and lending market*

<i>Loans</i>	Common requirements
<b>Personal loans</b>	<ul style="list-style-type: none"><li>● Disclosure of key information i.e. interest charges, service fees and default rates</li><li>● Changes of interest rate, fees and service charges need approval</li></ul>
<b>Credit card</b>	<ul style="list-style-type: none"><li>● Permission to charge actual but reasonable debt collection expenses</li><li>● Punishment for unrealistic advertisement</li></ul>



Vision : A Reputable Organization Commanding Public Trust and Respect

# *Consumer Protection*

## *Money and lending market*

<i>E-banking</i>	<ul style="list-style-type: none"><li>● Comply with the guidelines for Security of Electronic Services and Practicing Guidelines for IT outsourcing</li></ul>
<i>E-Money</i>	<ul style="list-style-type: none"><li>● Require financial institutions to be responsible for fraud involving electronic fund transfer</li><li>● Comply with the principles of corporate governance</li></ul>



Vision : A Reputable Organization Commanding Public Trust and Respect

# *Consumer Protection*

## *Insurance*

<i>Life Insurance</i>	<ul style="list-style-type: none"><li>● Reserve requirement must be maintained</li><li>● Complaint channel at DOI</li></ul>
<i>Non-life Insurance</i>	<ul style="list-style-type: none"><li>● Transparent disclosure of company's financial operation</li><li>● Clear detail of insurance policy</li></ul>



*Vision : A Reputable Organization Commanding Public Trust and Respect*

# ***Consumer Protection***

**- Consumer Card and Electronic Services Advice -**

## **On fraud prevention**

***Operators should:***

- have resilient security and fraud management practices**
- arrange to have a regular audit trail process of customer transactions**
- provide transaction log as reference**
- continue monitoring development in technology and new form of fraud**
- establish contact channels to receive problem notices or consumer complaints**



*Vision : A Reputable Organization Commanding Public Trust and Respect*

# ***Consumer Protection***

**- Consumer Card Advice -**

## **On card uses**

***Cardholders should:***

- not let card out of sight**
- not recklessly discard receipts of card transaction**
- check receipts against statement**
- report lost or stolen cards to card issuer immediately**
- not give card details through any suspicious channels**
- not write down or disclose card PIN**