



(1942-2017)



BANK OF THAILAND

# Payment & FinTech Development in Thailand



Financial Technology Department

Bank of Thailand

16 April 2018

# National Initiative to Promote e-Payment and Financial Innovation



**National  
e-Payment  
Master Plan**

**FinTech  
Regulatory  
Sandbox**



1

## PromptPay

2

## Card Expansion

3

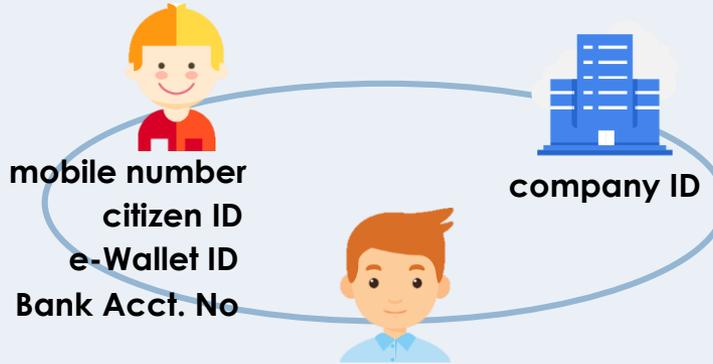
## e-Tax System

4

## Government e-Payment

5

## Literacy & Promotion



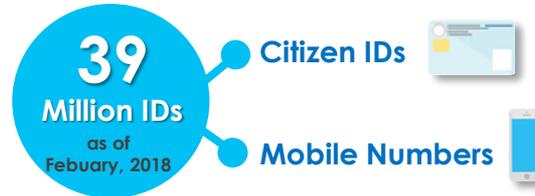
## PromptPay

- Real-time fund transfers
- Bill payment
- Request to pay

**PromptPay : Real-Time Fund Transfer System**

Facilitate e-Payment transactions among people, businesses and governments

### No. of PromptPay registration



### Transferred Volume

**133 M**

Total Value

**THB 520 BN**

as of March, 2018

### Retail Consumer Fund Transfer Per Transaction

Not exceed 5,000 THB	<b>Free of Charge</b>
> 5,000 - 30,000 THB	Not exceed 2 THB
> 30,000 - 100,000 THB	Not exceed 5 THB
> 100,000 – Max amount	Not exceed 10 THB

No limitation on number of transactions

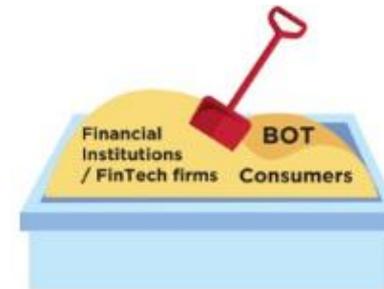
Almost  
free  
now

## Building a Sustainable FinTech Ecosystem

The experimental framework for innovative financial services which leverage **new technologies** with accommodative regulations under limited environment

### Three main objectives:

- 1 Promoting financial innovation
- 2 Protecting consumer rights
- 3 Containing acceptable risks



### Technology

- Blockchain
- Biometrics
- Standard QR code
- Machine learning / AI
- Big Data

### Use Cases

- ✓ QR Payment
- ✓ Document Authentication
- ✓ Biometric Authentication
- ✓ Cross-border Money Transfer

# Thailand : Standard QR Code for Payment

Collaboration of BOT, 5 major international payment networks, banks, and Thai e-payment service providers on adoption of standardized QR code for payment in Thailand (Aug 30, 2017)

## Strategic Directions

1

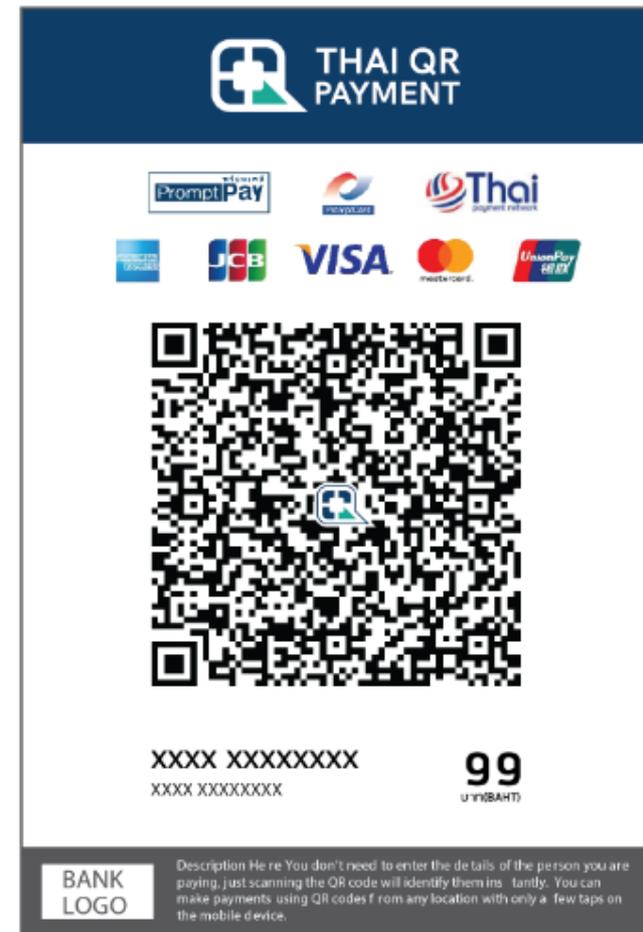
Suitable for payments of off-line and on-line merchants

2

Applicable for domestic and international users with various payment instruments

3

Affordable for middle and lower market segments



# Thailand : Standard QR Code for Payment

“Less than 6 months from exiting BOT’s regulatory sandbox, standard QR Code has reached **1 million merchants in Thailand**”

## All merchants in our daily life



motorcycle taxis



street vendors



shops



dessert café



wet markets

## Government



## School



# Thailand Blockchain Community Initiative

## 14 Thai Banks Back Blockchain Platform to Digitize Contracts

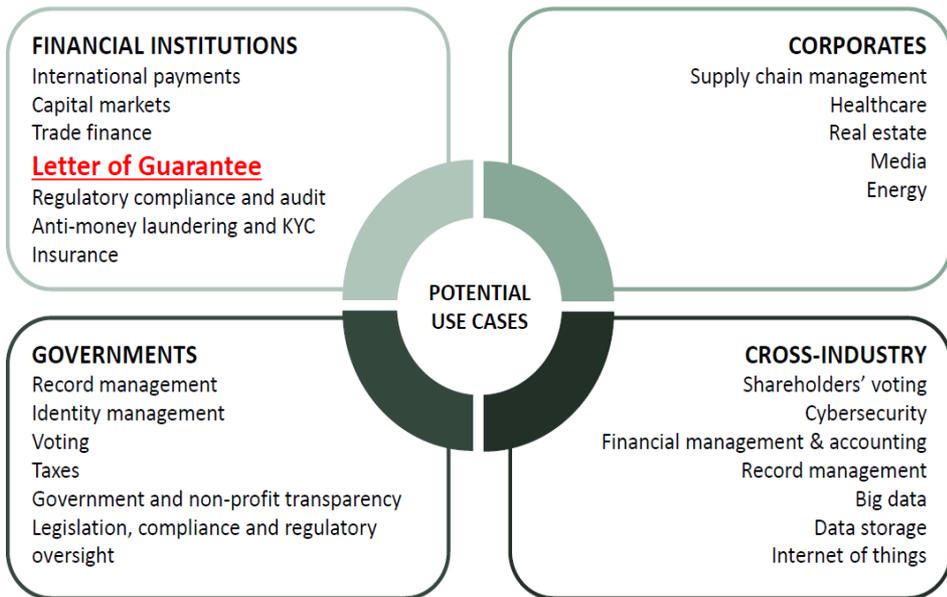
They aim to upgrade businesses efficiency and competitiveness by adopting blockchain technology, with the initiative initially implemented via the LG project.



Fourteen Thai banks will cooperate in the Thailand Blockchain Community Initiative, which will digitize letters of guarantee on a shared blockchain.

## BLOCKCHAIN USE CASES

APPLICATIONS AND BENEFITS WITHIN AND BEYOND FINANCIAL SERVICES



Source: Moody's Investors Service

# Innovation & Competition

## All benefits go to customers

Free of Charge  
for digital transactions

Adoption of New Technology  
& Development of New Products

### Banking giants instigate price war

Players go 'no fee' to claw back ground

29 Mar 2018 at 04:00 4,365 viewed 10 comments  
 NEWSPAPER SECTION: BUSINESS | WRITER: SOMRUEDI BANCHONGDUANG  
 AND SUCHIT LEE SA-NGUAN SUK



### KBank waives fees for digital banking

27 Mar 2018 at 02:02 4,375 viewed 1 comment  
 WRITER: ONLINE REPORTERS



### GSB rides no-fee transaction wave

11 Mar 2018 at 02:11 303 viewed 8 comments  
 WRITER: ONLINE REPORTERS | WRITER: SUCHIT LEE SA-NGUAN SUK AND  
 SARANA CHONG SU



e.g. alternative credit scoring,  
informational based lending



"The cancellation of digital transaction fees will certainly affect commercial banks' fee-based income, but the move encourages transformation to a cashless society and beefs up some operators' competitive edge," said TBA chairman Predee Daochai, the president of Kasikornbank (KBank). "It also compels banks to cut their operating costs."

**Thank you  
for your attention**