



Ministerial Regulation  
on Customer Due Diligence  
B.E. 2563 (2020)

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By virtue of section 4 Paragraph one of the Anti-Money Laundering Act B.E. 2542 (1999), section 20/1 paragraph two of the Anti-Money Laundering Act B.E. 2542 (1999) as amended by the Anti-Money Laundering Act (No. 3) B.E. 2552 (2009) and Section 20/1 paragraph three of the Anti-Money Laundering Act B.E. 2542 (1999) as amended by the Anti- Money Laundering Act (No. 5) B.E. 2558 (2015), the Prime Minister hereby issues the Ministerial Regulation as follows:

**Article 1** This Ministerial Regulation shall come into force after the lapse of ninety days from the date of its publication in the Government Gazette.

**Article 2** The following Ministerial Regulations shall be revoked.

- (1) Ministerial Regulation on Customer Due Diligence B.E. 2556 (2013)
- (2) Ministerial Regulation on Customer Due Diligence (No.2) B.E. 2559 (2016)
- (3) Ministerial Regulation on Customer Due Diligence for a person engaging in a profession under Section 16 paragraph one (2) (3) (4) (5) (6) (7) (8) and (10) B.E. 2559 (2016).

**Article 3** In this Ministerial Regulation:

“customer” means a natural person or a legal person or a legal arrangement who establishes a business relationship or conducts a transaction with a financial institution or a person engaging in profession under Section 16;

“legal arrangement” means a natural person or juristic person who has legally agreed to hold, make use of, dispose of or manage assets in any ways for the benefit of another natural person or juristic person;

“ultimate beneficial owner” means a natural person who ultimately owns or controls the business relationships of a customer of a financial institution or a person engaging in a

profession under section 16 or the natural person on whose behalf a transaction is being conducted by the customer or the person(s) who ultimately have a controlling ownership interest in a legal person or a legal arrangement;

“politically exposed person (PEP)” means an individual who is or has been entrusted with prominent public function in Thailand or in a foreign country; such as, a Head of State or Government, a minister, a senior official in the government or Court or independent organization or prosecutorial organization or the military, a senior executive of a state enterprise or other government agencies, an important political party official, a person who is or has been entrusted with prominent function in an international organization and person holding an equivalent position. This shall be prescribed in a Notification issued by the Secretary-General and approved by the Board;

“family members” mean

- (1) father, mother, child(ren), adopter or adopted child of a PEP;
- (2) biological siblings or stepbrothers/sister of a PEP;
- (3) spouse or a de facto partner of a PEP or person as (1) or (2);

“close associate” means

- (1) an individual who controls or manages assets or other benefit of a PEP;
- (2) an individual who has close relationship due to establishment or continuing business relationship with a PEP;

“senior executive” means a person who has authority and responsibility for planning, supervising or controlling including managing and administrating of a financial institution or a person engaging in profession under Section 16;

“business relationship” means a transaction conducted between a customer and financial institution or a person engaging in profession under Section 16 for the objectives of using financial, business, trading or professional service of the financial institution or a person engaging in profession under Section 16 continuously or in an agreed period;

“occasional transaction” means a transaction conducted between a customer and financial institution or a person engaging in profession under Section 16 for the objectives of using financial, business, trading or professional service of financial institution or a person engaging in profession under Section 16 occasionally without the objective of establishing business relationship;

“risk” means risk of money laundering or financing of terrorism or proliferation of weapons of mass destruction;

“reliable information source” means data source which provide information that was constructed with appropriate rationale, methodology or reference for access by the public or any business for verification or acknowledgement of that information.

## Chapter I General Provisions

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**Article 4** Financial institutions and persons engaging in professions under section 16 shall not establish a business relationship or conduct an occasional transaction with a customer using anonymous account or account in fictitious names.

**Article 5** Financial institutions and persons engaging in professions under section 16 shall examine transactions conducted by customer for risk management and mitigation. In case of suspicion of being involved or may involve with predicate offence, money laundering or financing of terrorism or proliferation of weapons of mass destruction, they shall file a suspicious transaction report with the Office.

**Article 6** Financial institutions and persons engaging in professions under section 16 shall ensure that documents, data or information collected for identification, risk assessment, management, and mitigation is kept up-to-date until the business relationships with customers are terminated. This shall not include data or information of occasional customer.

**Article 7** All electronic information relating to customer due diligence under this Ministerial Regulation which financial institutions and persons engaging in professions under section 16 acquired under the law on electronic transactions or other relevant laws shall be regarded as information or evidence relating to customer due diligence under this Ministerial Regulation.

## Chapter II Assessment, Management and Mitigation of Money Laundering or Financing of Terrorism or Proliferation of Weapons of Mass Destruction Risks

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**Article 8** Financial institutions and persons engaging in professions under section 16 shall have in place and implement internal policies and procedures for the assessment, management and mitigation of risks within organization of financial institutions and persons engaging in professions under section 16. The policies and procedures shall be

(1) in written form

(2) regarded as highest importance with approval of the Board or senior management of a financial institution and a person engaging in profession under Section 16;

(3) periodically reviewed and kept up-to-date;

Formulation and implementation of policies and procedures under paragraph one shall be in line with Notification issued by the Secretary-General and approved by the Board.

**Article 9** Financial institutions and persons engaging in professions under section 16 shall prescribe appropriate measures to assess the risks in organization of financial institutions and persons engaging in professions under section 16 as follows;

(1) taking into consideration risk factors about customers, geographical area or country, product or service, transaction or delivery channel in risk assessment;

(2) making risk assessment report;

(3) ensuring that result of risk assessment is kept up-to-date.

Financial institutions and persons engaging in professions under section 16 shall manage and mitigate risk consistent with result of risk assessment under paragraph one and take into consideration result of risk assessment under national risk assessment report made by the Office.

Guideline for consideration of risk factors under paragraph one shall be in line with Notification issued by the Secretary-General and approved by the Board.

**Article 10** Financial institutions and persons engaging in professions under section 16 shall assess, manage and mitigate risk of all customers from the establishment until the termination of business relationship or when carrying out occasional transaction with customer and shall take into consideration risk factors under article 9 paragraph one before classifying risk level of a customer.

**Article 11** Financial institutions and persons engaging in professions under section 16 shall classify the levels of the CDD measures for each customer consistent with risk.

For high-risk customers, financial institutions and persons engaging in professions under section 16 shall conduct enhanced CDD measures in accordance with Article 12. If a customer's risk factor changed afterwards, and lower the risk of such customer, the financial institution and persons engaging in professions under section 16 shall consider reclassifying risk level of that customer commensurate with result of risk assessment. Such risk level reclassification shall be approved by senior executives.

For low-risk customer, financial institutions and persons engaging in professions under section 16 may apply simplified CDD measures in accordance with Article 17 paragraph one (5), unless where such low-risk customer is suspected to have engaged in acts or conducted transactions or any other actions which may be involved with predicate offence, money

laundering or financing of terrorism or proliferation of weapons of mass destruction, financial institutions and persons engaging in professions under section 16 shall reclassify the customer as a high-risk customer and undertake enhanced CDD measures in accordance with Article 12.

**Article 12** Financial institutions and persons engaging in professions under section 16 shall apply enhanced CDD measures for high risk customers. These measures shall at least include the followings:

(1) acquiring information from reliable sources or obtaining additional information from such customer concerning sources of funds or source of wealth or income or the objectives for each transaction, including, information of their businesses, occupation, name and address of work place or signature of person who conducts transaction including e-signature under law on electronic transactions or other relevant laws;

(2) obtaining the approval of senior executives to establish the business relationship or to conduct occasional transaction with high-risk customers;

(3) reviewing of information and risk of customer, the result shall be considered by a senior executive whether continuation of business relationship could be approved.;

(4) conducting enhanced transaction monitoring for high-risk customers, by increasing the frequency or procedures or methods for monitoring transactions and business relationships, and increasing the frequency of verification of identification of customers and beneficial owners.

**Article 13** Financial institutions and persons engaging in professions under section 16 shall consider that a customer or beneficial owners is a politically exposed person, or being family member or close associate of such person.

Where a customer or beneficial owner is a politically exposed person of a foreign country or being family member or close associate of such person, financial institutions and persons engaging in professions under section 16 shall reclassify such customer as a high-risk customer and shall undertake enhanced CDD measures in accordance with Article 12.

Where a customer or beneficial owner is a politically exposed person in Thailand or of an international organization or being family member or close associate of such person, financial institutions and persons engaging in professions under section 16 shall apply CDD measure consistent with classified risk level of customer.

**Article 14** Where a customer or beneficial owner is from high-risk areas or countries which prescribed by Secretary-General, financial institutions and persons engaging in professions under section 16 shall undertake enhanced CDD measures in accordance with

Article 12. Secretary-General may prescribe countermeasures on customers to be taken by financial institutions and persons engaging in professions under section 16 as follows;

- (1) limiting business relationship or conduct of financial transactions;
- (2) reviewing the established business relationship
- (3) other measures as prescribed by Secretary-General.

**Article 15** Financial institutions and persons engaging in professions under section 16 shall identify and conduct risk assessment and adopt appropriate measures to manage and mitigate the risks before the introduction of the new product, new service or the use of a new technology in the following cases.

(1) The development of new products or new business conduct as well as new channels or mechanisms for service delivery.

(2) The application of new or emerging technology with both new and existing products or services

Measures of risk management and mitigation under paragraph one shall be in line with guidelines set out by the Secretary-General and approved by the Board.

### Chapter III

#### Customer Due Diligence

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##### Part I

##### General Provisions

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**Article 16** Financial institutions and persons engaging in professions under section 16 shall conduct customer due diligence when:

- (1) establishing business relationships;
- (2) carrying out occasional transactions

(a) that are single transactions or several transactions which appear to be linked and with total value of one hundred thousand baht or above; or

(b) that are bill payment services where each transaction values five hundred thousand baht or above; or

(c) that are electronic money services or wire transfers where each transaction values fifty thousand baht or above;

(3) there is suspicion that it may involve with predicate offence or money laundering or financing of terrorism and proliferation of weapons of mass destruction

- (4) there are doubts about the previously obtained customer identification data.

**Article 17** The customer due diligence procedures conducted by financial institutions and persons engaging in professions under section 16 shall be as follows:

(1) identifying the customer and verifying the customer's identity using documents, data or information from reliable sources in addition to those obtained from the customer;

(2) identifying the ultimate beneficial owner and taking appropriate measures to verify the identity of the ultimate beneficial owner using documents, data or information from reliable sources in addition to those obtained from the customer;

(3) validating information of the customer and the ultimate beneficial owner against the list of designated persons under the Counter-Terrorism and Proliferation of Weapons of Mass Destruction Financing Act;

(4) obtaining information from the customer on the intended purpose of transaction and used them for consideration whether the transaction is in line with intended nature of the business relationship or the conduct of occasional transaction;

(5) monitoring customers during the course of business relationship to ensure that it is consistent with the purpose of intended business relationship, business profile, classified risk level, as well as source of funds, and other obtained information.

Identification of customer and ultimate beneficial owner under paragraph one (1) and (2) shall be in line with guidelines prescribed by the Secretary-General.

**Article 18** In the case of another person was designated to establish a business relationship or to conduct an occasional transaction on behalf of a customer, financial institutions and persons engaging in professions under section 16 shall verify that such person purporting to act on behalf of the customer is so authorized, and shall also identify and verify the identity of that person in accordance with Article 17 paragraph one (1) and (3).

**Article 19** When identifying and verifying identity of customers that are legal persons and legal arrangements, further to the conduct of customer due diligence on the customer under Article 17 and 18, financial institutions and persons engaging in professions under section 16 shall understand the nature of their business including structure of management or ownership and controlling power of such legal persons or legal arrangements. Such identification and verification shall be conducted by using information or evidence as follows:

(1) name, legal form and proof of legal status and existence.

(2) the powers that control, regulate and bind the legal person or legal arrangement as well as the names of the relevant persons having a senior management position in the legal person or legal arrangement. Financial institutions and persons engaging in professions under section 16 shall also conduct CDD on the customer under Article 17 (3).

(3) the address of the registered office, and, if different, the address of head office.

**Article 20** financial institutions and persons engaging in professions under section 16 shall identify the beneficial owner(s) of the customer and take reasonable measures to verify the identity of such persons, as follows:

(1) for legal persons:

(a) the identity of the natural persons who exercise controlling power over the legal person, taking into account the fact of receiving benefit or ownership

(b) to the extent that there is doubt whether the person(s) with the controlling is the beneficial owner or where no natural person exerts controlling power under (a), the identity of the natural persons who exercising control power shall be identified by other means;

(c) where no natural person is identified under (b) above, financial institutions and persons engaging in professions under section 16 shall identify and take reasonable measures to verify the identity of the relevant natural person who holds the position of senior managing official.

(2) for legal arrangements:

(a) in case of a trust – the identity of the settlor, the trustee(s), the protector, the beneficiaries or class of beneficiaries, and any other natural person exercising ultimate effective control over the trust including any person in a chain of control/ownership;

(b) in case of a trust under the law on trusts for transactions in the capital market – the identity of the settlor, the trustee(s), the beneficiaries, the purposes of the trust and the asset to be placed under the trust;

(c) for other types of legal arrangements – the identity of persons in equivalent or similar positions under (a) or (b) as the case may be.

Where customers are legal arrangement under paragraph one (2), financial institutions and persons engaging in professions under section 16 shall arrange for disclosure of status for trustee(s) or persons in equivalent or similar positions from the establishment of business relationship or the conduct of occasional transaction with customers.

**Article 21** Financial institutions and persons engaging in professions under section 16 may not identify the ultimate beneficial owner(s) in accordance with Article 20 when establishing business relationship or conducting occasional transaction with



(1) The government, a central or provincial or local government, a state enterprise, a public organization or other government agencies;

(2) The Chaipattana Foundation, the Foundation for the Promotion of Supplementary Occupations and Related Technique of Her Majesty Queen Sirikit of Thailand, or Saijaithai Foundation under the Royal Patronage;

(3) Specialized financial institutions under Financial Institutions Businesses Act;

(4) Companies registered in securities market or the stock exchange center under the law on securities and exchange;

(5) provident funds established and registered under the law on provident fund

(6) mutual funds established and registered under the law on securities and exchange

(7) funds established under specialized law

(8) other customers prescribed by Secretary-General and approved by the Board.

Where there is a doubt that the establishment of business relationship or the conduct of occasional transaction with the customer under paragraph one involved or may involve with predicate offence or money laundering or financing of terrorism or proliferation of weapons of mass destruction, financial institutions and persons engaging in professions under section 16 shall identify the beneficial owner(s) of the customer in accordance with Article 20.

**Article 22** financial institutions and persons engaging in professions under section 16 shall complete identification and verification of customers in accordance with Article 17 paragraph one (1) (2) and (3) before establishing a business relationship or conducting occasional transaction with customers. Where there is the need to prevent an interruption to the normal conduct of business, financial institutions and persons engaging in professions under section 16 shall complete the identification and verification of a customer at first opportunity after the establishment of business relationship or the conduct of occasional transaction with such customers and shall apply at least one additional measures as follows to manage and mitigate risk;

(1) limited number of transaction to be conducted

(2) limited type of transaction to be conducted

(3) limited value of transaction to be conducted

**Article 23** Where CDD cannot be conducted in accordance with Article 17, financial institutions and persons engaging in professions under section 16 shall refuse the establishment of business relationship or the conduct of transaction or termination of business relationship or the conduct of occasional transaction with such customer and shall consider filing a suspicious transaction report with the Office.

**Article 24** Where a customer is willing to conduct subsequent transactions after the establishment of business relationship or the conduct of occasional transaction, financial institutions and persons engaging in professions under section 16 may rely on the identification and verification information previously conducted on such customer.

Where there is a doubt about the accuracy of information under paragraph one, financial institutions and persons engaging in professions under section 16 shall repeat the identification and verification of the customer.

**Article 25** For the benefit of the conduct of customer due diligence, financial institutions and persons engaging in professions under section 16 shall take additional actions as follows;

(1) for a customer with incomplete and inadequate information, follow up and verify until all necessary information is obtained by taking into account the risk level and conduct CDD on the customer;

(2) for a dormant customer or a customer who is a delinquent debtors and required information could not be obtained, set out a measure requiring such customers to contact financial institutions and persons engaging in professions under section 16 for their next transaction in order to obtain such information from the customer at the first opportunity and to conduct CDD on the customer.

**Article 26** Where financial institutions and persons engaging in professions under section 16 suspect that a transaction involves with predicate offence or money laundering or financing of terrorism or proliferation of weapons of mass destruction, they shall take particular care in conducting CDD. Where there are reasonable grounds to believe that the CDD process will tip off the customer or potential customer, they may choose not to pursue that process and file a suspicious transaction report with the Office.

## Part II

### Beneficiaries of Insurance Policies

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**Article 27** Where establishing a business relationship relating to life insurance business, in addition to the conduct of CDD in accordance with Article 17, financial institutions shall obtain the following information:

(1) for beneficiary(ies) that is a natural person or a legal person or a legal arrangement – the name of the person;

(2) for beneficiary(ies) that are designated by characteristics or by class or by other means –sufficient information concerning the beneficiary to satisfy the financial institution that it will be able to establish the identity of the beneficiary at the time of the payout.

The financial institution shall verify the identity of the beneficiary(ies) referred to in paragraph one at the time of the payout.

**Article 28** Financial institutions shall include the beneficiary's information of an insurance policy as a factor in risk management for a customer.

If a financial institution determines that a beneficiary who is a legal person or a legal arrangement presents a higher risk, it shall apply enhanced CDD in accordance with Article 12 and take reasonable measures to identify and verify the identity of the beneficial owner of the legal person or legal arrangement, at the time of payout.

Where a beneficiary is a politically exposed person or where a politically exposed person is designated by characteristics or by other means as a beneficiary or the beneficial owner of the beneficiary, a financial institution shall conduct enhanced scrutiny to establish the relation between the policy holder and the beneficiary who is a politically exposed person, and obtain senior management approval before the payout. Where there is a suspicion of predicate offence or money laundering or financing of terrorism or proliferation of weapons of mass destruction, it shall consider filing a suspicious transaction report with the Office.

**Article 29** Where a financial institution is unable to comply with Article 27 or Article 28, it shall consider filing a suspicious transaction report with the Office.

### Part III

#### Information Accompanying Wire transfers

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**Article 30** The provisions in this Part shall not apply to financial institutions providing following wire transfer:

(1) any wire transfer that flows from a transaction carried out using a credit or debit or prepaid card for the purchase of goods or services. This shall be in line with guidelines set out by the Secretary-General and approved by the Board;

(2) any wire transfer that is financial institution-to-financial institution transfers, which is conducted for the benefit of the financial institutions.

**Article 31** Where cross-border wire transfer service is provided involving a value of fifty thousand baht or above, the ordering financial institution shall include information of originator and beneficiary with the transfer instruction to the beneficiary financial institution and the following information:

(1) full name of the originator;

(2) where the originator transfers funds from own account opened with the ordering financial institution, originator's account number shall be identified, or where the originator does not have an account with the ordering financial institution, a unique transaction reference number shall be included which permits traceability of the transaction;

(3) the originator's address, national identification number, personal identification number issued by the government or date and place of birth;

(4) the beneficiary's full name;

(5) where the transfer is made to an account opened with the beneficiary financial institution, the beneficiary's account number shall be identified, or where the beneficiary does not have an account with beneficiary financial institution, a unique transaction reference number shall be included which permits traceability of the transaction.

An ordering financial institution shall verify the accuracy of information under paragraph one (1) (2) and (3) before sending each wire transfer instruction to the beneficiary financial institution.

**Article 32** Where cross-border wire transfer service is provided involving a value lower than fifty thousand baht, the ordering financial institution shall include information of originator and beneficiary together with the transfer instruction to the beneficiary financial institution and the following information:

(1) full name of the originator;

(2) where the originator transfer funds from own account opened with the ordering financial institution, account number shall be identified, or where the originator does not have an account with the ordering financial institution, a unique transaction reference number shall be included which permits traceability of the transaction;

(3) the beneficiary's full name;

(4) where the transfer is made to an account opened with the beneficiary financial institution, the beneficiary's account number shall be identified, or where the beneficiary does not have an account with the beneficiary financial institution, a unique transaction reference number shall be included which permits traceability of the transaction.

Where the ordering financial institution has reasonable cause to suspect that the transaction involves or may involve with a predicate offense or money laundering or financing of terrorism or proliferation of weapons of mass destruction, it shall verify the accuracy of information under paragraph one (1) and (2) before sending each wire transfer instruction to the beneficiary financial institution.

**Article 33** Where several individual cross-border wire transfers from a single originator are bundled in a batch file for transmission to beneficiaries, ordering financial institution shall provide the account number or unique reference number and other relating information of originator and beneficiary that is fully traceable within the beneficiary's country.

**Article 34** The provisions under Article 31 and Article 32, as the case may be, shall apply to domestic wire transfer service, except in the case where this information can be made available to the beneficiary financial institution by other means, the ordering financial institution shall only include the account number or unique reference number of originator and beneficiary with the transfer instruction to the beneficiary financial institution.

When requested by the beneficiary financial institution, information under Article 31 paragraph one or Article 32 paragraph one, as the case may be, or on the order of the Office, the ordering financial institution shall prepare and send such customer information to the beneficiary financial institution or the Office as the case may be within three working days.

**Article 35** The wire transfer instruction shall not be sent to the beneficiary financial institution where the ordering financial institution cannot comply with Article 31, 32, 33 or Article 34.

**Article 36** Where a financial institution is the intermediary in the wire transfer chain, all information of originator and beneficiary received from ordering financial institution shall be retained with the transfer instruction sent to the beneficiary financial institution.

Where technical limitations prevent all required originator or beneficiary information accompanying a wire transfer to be retained with a related wire transfer instruction received from ordering financial institution or another intermediary financial institution, the intermediary financial institution shall keep such information, for at least ten years, from the date of receiving the wire transfer instruction.

**Article 37** An intermediary financial institution shall take measures to identify wire transfers that lack required originator and beneficiary information.

Where a wire transfer lacks the required originator and beneficiary information, the intermediary financial institution shall have in place risk-based measures for determining that such wire transfer is to be executed or rejected or suspended and appropriate follow up action until all necessary information is obtained.

**Article 38** A beneficiary financial institution shall identify a wire transfer that lack required originator and beneficiary information. Such identification may be real-time monitoring or post-event monitoring.

**Article 39** A beneficiary financial institution shall verify the identity of the beneficiary before payout according to the wire transfer instruction unless the identity was previously verified and there is information of such beneficiary.

**Article 40** Where a received wire transfer lacks the required originator and beneficiary information, the beneficiary financial institution shall have in place risk-based measures for determining that such wire transfer is to be executed or rejected or suspended and appropriate follow up action until all necessary information is obtained.

#### Chapter IV

##### Cross-border Correspondent Banks

##### Reliance on Third Parties for Customer Examination Policies for Foreign Offices, Branches or Subsidiaries

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#### Part I

##### Due Diligence for Correspondent Banking

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**Article 41** Under the provision of this part:

“financial institution” means commercial bank and specialized financial institutions under law on financial institutions businesses.

“respondent financial institution” means cross-border financial institution providing banking services to financial institution under the agreements relating to correspondent banking.

**Article 42** Where a financial institution enters into a correspondent relationship with another financial institution, the financial institution shall undertake the following:

(1) conduct due diligence on the respondent financial institution in accordance with Article 17 paragraph one (1) (2) and (3);

(2) clearly understand the nature of the respondent financial institution’s business;

(3) verify the trustworthiness of the respondent financial institution and the reliability of the agencies responsible for anti-money laundering and countering the financing of terrorism and proliferation of weapons of mass destruction supervision of the respondent financial institution from reliable sources of information;

(4) assess the internal control measures relating to risk management of the respondent financial institution;

(5) set out the responsibilities and liabilities between the financial institution and the respondent financial institution on compliance with anti-money laundering and combating the financing of terrorism and proliferation of weapons of mass destruction measures;

(6) obtain approval from senior management before establishing new business relationships with the respondent financial institution.

**Article 43** With respect to payable-through accounts where the respondent financial institution permits its customers to directly access the correspondent account to conduct their own transactions without the need for the ordering financial institution's process, the correspondent financial institution shall require the respondent financial institution to perform the customer identification and customer due diligence process on that customer, and it shall provide customer due diligence information upon request to the correspondent financial institution.

**Article 44** Where the financial institution enters into a correspondent relationship with a financial institution which is located in high-risk areas or jurisdictions, the financial institution shall undertake the following actions:

- (1) obtain information regarding policies and procedures for the risk management of the respondent financial institution;
- (2) verify the trustworthiness of the respondent financial institution;
- (3) take caution in conducting business relationship with the respondent financial institution;
- (4) regularly update information on the respondent financial institution.

**Article 45** Financial institutions shall refuse to enter into a correspondent banking relationship, or end business relationship with the respondent financial institution with any one of the following attributes:

- (1) a shell bank that does not have actual management arrangements in the country in which that respondent financial institution is incorporated and licensed, except where it is affiliated with the same business group that is subject to effective consolidated supervision on anti-money laundering and combating the financing of terrorism and proliferation of weapons of mass destruction;
- (2) having entered into a correspondent banking relationship with, or providing financial services for, or holding an account with the respondent financial institution under (1);
- (3) not having in place policies and procedures for effective risk management;
- (4) if that respondent financial institution or its ultimate beneficial owner(s) are involved with predicate offenses, money laundering or financing of terrorism or proliferation of weapons of mass destruction.

## Part II

### Reliance on Third Parties

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**Article 46** Under the provision of this part:

“Reliance on third parties” means financial institutions or persons engaging in professions under section 16 relying on third-party financial institutions or persons engaging in professions under section 16 to perform the customer due diligence measures. This provision does not apply to outsourcing or establishment of relationships as delegated agency.

**Article 47** Financial institutions and persons engaging in professions under section 16 may rely on a third party to perform customer due diligence measures under Article 17 paragraph one (1) (2) (3) and (4) and Article 18 or to introduce business only when the following requirements are met;

(1) the third party shall provide immediately the necessary information concerning the implementation under Article 17 paragraph one (1) (2) (3) and (4) and Article 18 to the financial institutions or persons engaging in professions under section 16;

(2) the third party shall make available copies of relevant documentation or other data and information of the customers relating to the requirements under Article 17 paragraph one (1) (2) (3) and (4) and Article 18 for the financial institutions or persons engaging in professions under section 16 immediately upon request;

(3) the third party is under proper regulation and supervision of relevant competent authorities;

(4) the third party completes the customer due diligence procedures and record-keeping requirements on its customer;

(5) in the case of the third party locates and operates in foreign countries, financial institutions and persons engaging in professions under section 16 shall take risk level of those countries into consideration in the assessment of the reliability of the said third party.

In the case where the third party is a financial institution or person engaging in professions under section 16 that is part of the same financial group, and the third party has complied with CDD procedures and record-keeping requirements, and acted in line with Article 50, Article 51 and Article 52, and where the effective implementation of those requirements is regulated and supervised by relevant competent authorities, it shall be deemed that the financial institution or person engaging in professions under section 16 has verified that the measures under paragraph one (3) (4) and (5) are undertaken.

Financial institutions and persons engaging in professions under section 16 shall be held responsible when the third party fails to perform the CDD process, record-keeping requirements, or fails to fully comply with these procedures.

### Part III

#### Internal Controls and Policies for Foreign Branches or Subsidiaries

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**Article 48** Under the provision of this part:



“subsidiaries” means a registered company in country or in foreign countries in which financial institutions or persons engaging in professions under section 16 hold more than 50 percent of total voting shares of that company either directly or indirectly;

“the same business group” means financial institutions or persons engaging in professions under section 16 and their local or foreign branches or subsidiaries which do financial business, other business that supports the financial business, or other business under section 16 which is subject to the business group’s anti-money laundering and countering the financing of terrorism and proliferation of weapons of mass destruction policies and procedures. The scope of business operations of the said business group shall be prescribed by the Secretary-General and approved by the Board.

**Article 49** Financial institutions and persons engaging in professions under section 16 shall set out and implement the internal control policies and procedures commensurate with their risks and the size of the business. Such policies and procedures shall include the followings:

- (1) compliance management arrangements, and appointment of a compliance officer at the management level;
- (2) screening procedures when hiring employees;
- (3) an ongoing employee training program; and
- (4) an independent audit function.

Guidelines for formulation and implementation of the policies and procedures under paragraph one shall be prescribed by the Secretary-General.

**Article 50** Financial institutions and persons engaging in professions under section 16 are prohibited from establishing branches or subsidiaries in high-risk areas or countries as prescribed by the Secretary-General in accordance with Article 14.

Where financial institutions or persons engaging in professions under section 16 have previously established their branches or subsidiaries in high-risk areas or countries as prescribed by the Secretary-General under Article 14, those financial institutions or persons engaging in professions under section 16 shall set out appropriate measures for the management and mitigation of risks, and shall inform the Office accordingly.

In the case it is deemed by the Office that the measures set out under paragraph two are inadequate, the financial institutions or persons engaging in professions under section 16 may terminate the operations of the branches or subsidiaries located in those high-risk areas or countries as appropriate.

**Article 51** In order to achieve the objectives relating to the customer due diligence and risk management measures, financial institutions and persons engaging in professions under section 16 shall undertake the following actions:

(1) requiring their local or foreign branches or subsidiaries which are of the same business group to strictly implement the policies and procedures for the assessment, management and mitigation of risks under Article 8, and the internal control policies and procedures under Article 49;

(2) requiring that policies and procedures are in place for sharing information between the financial institutions or persons engaging in professions under section 16 and their local or foreign branches or subsidiaries which are of the same business group;

(3) requiring that adequate safeguards on the confidentiality of the use of information exchanged under (2) are strictly followed, and prohibiting the disclosure of the fact or the act in any ways that may lead the customers to know that their information is being exchanged. Excepting when there is any other existing domestic law or the law of foreign countries stipulating the use, disclosure or exchange of customer information, such the law shall be applied.

The information used and exchanged between the financial institutions or persons engaging in professions under section 16 and their branches or subsidiaries under paragraph one (2) are account and transaction information of the customers, analysis of transaction reports or suspicious activities involve, or may involve with predicate offenses, money laundering or financing of terrorism or proliferation of weapons of mass destruction, or other information for the benefit of implementation in accordance with the anti-money laundering and combating the financing of terrorism and proliferation of weapons of mass destruction policies.

**Article 52** In the case where the degree of stringency of the measures under the law on anti-money laundering and the law on counter-terrorism and proliferation of weapons of mass destruction financing of the host country is different from Thailand's legal measures, foreign branches or subsidiaries of financial institutions or persons engaging in professions under section 16 shall implement those which are more strict.

In the case that the foreign branches or subsidiaries of financial institutions or persons engaging in professions under section 16 are not able to implement Thailand's legal measures, the financial institutions or persons engaging in professions under section 16 must set out supervisory measures including apply appropriate additional measures to manage the risks and inform the Office accordingly.

In the case it is deemed by the Office that the measures set out under paragraph two are inadequate, the financial institutions or persons engaging in professions under section 16 may terminate the operations of their foreign branches or subsidiaries as appropriate.

Given on 29 April B.E. 2563 (2020)

General Prayut Chan-o-cha

Prime Minister

Remark: Rationale for the enactment of this Ministerial Regulation is that it deems appropriate to revise rules and procedures for customer due diligence under Ministerial Regulation on Customer Due Diligence, B.E. 2556 (2013) amended by Ministerial Regulation on Customer Due Diligence (No.2) B.E. 2559 (2016) and Ministerial Regulation on Customer Due Diligence for a person engaging in a profession under Section 16 paragraph one (2) (3) (4) (5) (6) (7) (8) and (10) B.E. 2559 (2016) to be in line with international standards on anti-money laundering and combating the financing of terrorism and proliferation of weapons of mass destruction where both Ministerial Regulations prescribed similar rules and procedures for both financial institutions and persons engaging in professions under section 16. It also deems appropriate to consolidate into a single Ministerial Regulation for benefit of referencing and used for law enforcement therefore it is necessary to enact this Ministerial Regulation.