

Daily Thai News Updates: 21 September 2016

1. Central bank to allow fintech experimentation

Source: **The Nation** ([Link](#))

The bank of Thailand will open the way for financial-technology (fintech) product experimentation under its regulatory “sandbox” in the first quarter of next year, in the hope that fintech developers applying to participate can receive licences quickly once they decide to commercialise their products or services. Vireka Suntapuntu, senior director of the Financial Institution Applications Department, said at a press briefing yesterday that the central bank was holding an online public hearing via its website about the regulatory sandbox until October 15, before announcing the opening up of the sandbox to commercial banks as the first group that would be allowed to join the scheme in the first quarter of next year. Non-bank financial institutions with fintech developments will be able to apply for the sandbox in the second quarter, she said.

The regulatory sandbox is suitable for banks, non-bank fintech developers and technology firms that have sufficient capital and human resources, while start-ups who are fintech beginners should join the incubator programmes offered by financial institutions or the Fintech Club before joining the sandbox. The experimental period under the regulatory sandbox will be around six months to 12 months.

2. Korean platform launches ‘11street Campus’ in Bangkok

Source: **The Nation** ([Link](#))

South Korean e-commerce platform 11street, which was launched in Thailand last month, says it is strengthening its commitment to help Thai businesses increase their online sales with the opening of the “11street Campus” in central Bangkok. The seller-focused educational and training facility spans 930 square metres in Bhiraj Tower at EmQuartier. The Campus is separated into various zones with a wide range of services for small and medium-sized enterprises. It is equipped with photo studios with state-of-the-art technology capable of 360-degree product shots with which businesses can showcase their products. The most popular categories for Thais selling products on 11street include fashion, beauty, electronics, leisure, sports, and children's and infant goods. “Thailand is the fifth global location for 11street and we are staying true to our commitment in making 11street the easiest to use for both Thai sellers and buyers,” said Hong Cheol Jeon, chief executive of 11street (Thailand).

3. Foreign Business Act requirements eased for certain trades

Source: **The Nation** ([Link](#))

This regulation will allow foreigners to conduct certain businesses without being required to obtain a foreign-business licence under the Foreign Business Act. This change to the FBA is expected to be put into effect before year-end. The draft regulation eases the restrictions on foreigners operating a representative or regional office. Currently, if a foreign company operates either of these types of offices, the office is only allowed to provide limited non-revenue earning activities in Thailand after obtaining a foreign-business licence. A representative or regional office is not a legal entity separate from its head office, which differs from the regional operating headquarters and international headquarters incentive schemes, which are only granted to companies registered in Thailand that are profit-generating. The key distinction between a representative office and a regional office is the nature of the activities that can be provided for the benefit of the head office and, in some instances, its affiliates.

4. Joint focus on resort for the elderly

Source: **The Nation** ([Link](#))

The Amatara Wellness Resort in Phuket and Bangkok Hospital Group have announced integrated tourism and wellness services to serve ageing societies mainly in Asia and Europe. The parties signed a memorandum of understanding in Phuket yesterday. Prattana Punnakitikashem, managing director of Amatara A Destination Spa Ltd, operator of the Phuket resort, said it had rebranded and repositioned the resort last year to cash in on the growing wellness market and ageing society. "The resort aims to become one of the top five wellness destinations in Asia," she said. She added that 90 per cent of its customers would come from outside Thailand. Half of them will be from Asia, such as Hong Kong, Singapore, mainland China and South Korea, and half from such countries as the United Kingdom, Germany, the United States and Australia.

5. Reverse mortgage details eyed

Source: **Bangkok Post** ([Link](#))

The Fiscal Policy Office (FPO) is discussing with the Bank of Thailand the criteria for reverse mortgages, which are expected to be rolled out early next year. The criteria for the home equity mortgage conversion service are expected to be laid down this year, said Banthornchome Kaewsard, fiscal policy adviser to the FPO. "The initial principles of reverse mortgages will be similar to regular mortgages, but it needs to address risks. We must discuss how to get rid of risks such as fixing borrowers' ages and insurance against risks," she said. The government is keen on widening the retirement safety net for Thais as society ages, helping the elderly live comfortably in retirement and reduce their fiscal burden. Measures include setting up the National Savings Fund, a voluntary pension fund for non-formal workers, as well as plans to

implement reverse mortgages and a mandatory provident fund. The percentage of Thais aged 60 and over is expected to increase from 14% of the population now to 17.5% in 2020, 21.2% in 2025 and 25.2% in 2030, the FPO estimated. Reverse mortgages allow elderly homeowners to convert their home equity into cash with no repayment of the loan until the borrower dies or the home is sold to help them cover monthly living expenses and healthcare costs.

By Nandini Malhotra