



## Legal News

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### **Temporary relaxation of loan-to-value ratio cap for housing loans and mortgage lending**

The Bank of Thailand (BOT) announced a Circular Notice BOT.ForNorSor2.Wor.1004/2564 on 20 October 2021 Re: Economic stimulus measure during the impact of the Covid-19 pandemic to temporarily ease the loan-to-value (LTV) ratio for mortgage lending and aim to boost the economy and increase the employment rate through the property sector and its related businesses.

The main points of regulation are as follows:

1. The loan-to-value ratio limit of housing loans for borrowers has been lifted from 70-90% up to 100% of the total home value for all types of mortgage loan contracts (including top-up loan and refinance) for 1) the second home priced below 10 million Baht and 2) the first home priced above 10 million Baht
2. Effective for the housing loan agreement starts as of 20 October 2021 until 31 December 2022.

However, again, it does not mean a cancellation of the LTV rules as the ratio limit of housing loans is still existing but allowing homebuyers to borrow loans of up to 100% of the total home value temporality until the end of 2022 for all types of mortgage loan contracts (including top-up loan and refinance).

### **Draft rule to limit digital asset operators to expand the use of digital assets as a means of payment for goods and services**

The Bank of Thailand, the Securities and Exchange Commission (SEC), and the Ministry of Finance have considered and agreed by the resolution of SEC no. 1/2565 dated 6 January 2022 to a plan to regulate and limit digital asset business operators obtaining the license under Emergency Decree on Digital Assets

Business Operation, B.E. 2561 (2018) from expanding their business to cover services related to the use of digital assets as a means of payment.

The main proposed rules to limit the use of digital assets for payments are as follows:

1. Not convince or declare itself ready to provide services to merchants in accepting digital assets as payment for goods and services
2. Not set up or facilitate merchants with payment systems in accepting digital assets as payment for goods and services such as QR Code, Scan to Pay
3. Not provide E-wallet services to merchants as payment for goods and services
4. Must transfer Thai Baht currency to the account owner of the trader after selling digital assets to Thai Baht
5. Not provide services to transfer digital assets from account of the trader to any other account for the purpose of payment for goods and services
6. Not provide services to transfer money from account of the trader to any other account for the purpose of payment for goods and services
7. Not perform any activities beyond no. 1-6 to facilitate or support the use of digital assets as a means of payment.

The SEC is currently announcing a public hearing on the proposed rules to limit digital asset businesses from providing services in a manner which facilitates or supports the use of digital assets as a means of payment for goods and services. Once officially regulated, digital asset business operators must comply with the rules within 15 days.

## Contacts

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