

Legal Update: New Rules for Hire-Purchase and Leasing of Cars and Motorcycles Business

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OAL Thailand Office

On 5th June 2025, [the Royal Decree regarding the Determination that the Business of Hire-Purchase and Leasing of Cars and Motorcycles is subject to the Financial Institution Business Act \(B.E. 2551\) B.E. 2568](#), (the “**Royal Decree**”), was issued by virtue of Section 5 of the Financial Institution Business Act, B.E. 2551 and published in the Royal Gazette for regulating cars and motorcycles hire-purchase and leasing (“**Car Leasing Business**”). It entered into force on 2nd December 2025. After that, [the Bank of Thailand Notification No. 55/2568 regarding the Determination of Criteria, Methods, and Conditions for Conducting Hire-Purchase and Leasing Business of Cars and Motorcycles](#) (the “**Notification**”) was issued and entered into force on 3rd December 2025; however, certain sections entered into force on 1st June 2026. (hereinafter collectively referred to as the “**Car Leasing Regulations**”)



This newsletter outlines the key obligations of the Car Leasing Business and provides practical guidance for businesses to ensure that their actions comply with the Car Leasing Regulations and are fully effective.

1. Overview and Scope of the Car Leasing Regulations

The Bank of Thailand (“**BOT**”) issued the Car Leasing Regulations extending the supervisory authority beyond commercial banks to other business operators in order to ensure that the Car Leasing Business will be conducted with transparency and that consumers are not treated unfairly by business operators, as the Car Leasing Business is categorized as a consumer finance business that provides credit to the public and has an impact on the overall economic system.

The Notification applies to all business operators who engage in Car Leasing Business as an ordinary course of business, for instance, banks, financial institutions, financial group companies, and other business, excluding individuals (“**Business Operators**”).

The Car Leasing Regulations set out key principles to ensure fair, responsible, and transparent treatment of customers throughout the entire service lifecycle, from pre-contract, service use, performance of hire-purchase or leasing agreements and payment difficulties, to legal actions.

It emphasizes customer protection by requiring Business Operators to provide non-exploitative services, suitable advice, fair pricing and terms aligned with actual costs, accessible and fair after-sales service, and clear communication of customers’ rights and obligations.

2. Key Regulatory Enhancements

Previously, the car hire purchase business was solely required to comply with [Notification of Contract Committee re: Designation of the Hire-Purchase of Cars and Motorcycles Business as a Contract-Controlled Business](#), issued by the virtue of Consumer Protection Act B.E. 2522 (“**Contract Notification**”).

Under the current dual-regulatory framework, car hire purchase operator must adhere to both Car Leasing Regulations and Contract Notification simultaneously.

Additionally, the Car Leasing Regulations expand oversight to include car hire purchase for commercial use and car leasing businesses that were formerly beyond the scope of Contract Notification's purview. In addition to expanding the scope of business types covered, while the Contract Notification only focuses on the contractual provisions of hire purchase agreement, the Car Leasing Regulations govern operational conduct and business practices for Car Leasing Business.

3. The Required Actions for Business Operators

The Royal Decree sets out the general principles that Business Operators are required to comply with. The scope of compliance is determined by the type of business, the type of customer, and the purpose of use as specified in Attachment 1 of the Notification.

Under the Car Leasing Regulations, the Business Operators that are not a financial institution are subject to the various statutory duties, for instance,

- Register the identity to BOT for verification;
- Prepare accounting record showing operational performance and financial position;
- Retain records, accounts, documents, seals, or other evidence related to the business, assets, and liabilities;
- Report the change of Chief Executive Officer's within 30 days;
- Submit the report form to BOT; and
- Implement fair and responsible services in accordance with attachment 4 of the Notification, which controls advertisement, product development, sale of service, after sale services and customer support, legal enforcement, customer data management and complaint management.

4. Key Compliance Standard

The Notification requires Business Operators to comply with the minimum criteria in relation to the transaction with the customer and the business operation. Such criteria cover matters such as the method of calculating service fees, the maximum interest, deposits, securities, contract requirements, pre-payment (account closure), disclosure of business operator information, criteria for outsourcing services to third parties, and any other relevant operations related to Car Leasing Businesses.

The examples of criteria are that the Business Operators shall:

- Determine detail of interest, service fees, and penalties at appropriate and fair rates which do not involve duplicate charges and reflects the actual costs incurred in providing the product or service, including financing costs, risk management costs, operating expenses, and any other demonstrable and necessary costs relevant to determining such rates;
- Announce details of interest, service fee and penalties to customers in accurate, complete, unambiguous, and up to date manner and retain the originals of all disclosed data, for the purpose of making such information available to customers, courts, or government authorities upon request;
- Provide a debt schedule and collect service fees based on actual and reasonable expenses incurred before terminating the contract without including them as part of the interest or penalty calculation.
- Charge a maximum effective interest rate as follows:
 - New cars: not exceeding 10% per year;
 - Used cars: not exceeding 15% per year and
 - Motorcycles: not exceeding 23% per year.
- Not charge default interest rate exceeding 5 % per year;
- Provide terms for account closure or early termination in the contract; and
- Provide a lease interest discount for individual customers who lease for personal use upon account closure.

3. Penalty

Under the Royal Decree, if there is a violation or failure to comply with the Royal Decree or sub-regulations issued thereunder, BOT may issue a warning letter to cease the violation; and/or issue an order prohibiting the violation. Moreover, if there is a violation or failure to comply with this Royal Decree or sub-regulations issued thereunder or engagement in unfair or exploitative conduct towards customers that may cause serious damage, the BOT may order to rectify operations; and/or temporarily suspend all or part of business operations.

In addition to orders issued by BOT, the violation or failure to comply with this Royal Decree or any sub-regulations issued thereunder may also be subject to a fine of up to THB 300,000–1,000,000, and a further daily fine of up to THB 3,000–10,000 for each day the violation continues, or until full compliance is achieved. The amount of the fine depends on the nature of the offence.

4. Recommendations for Business Operators

Companies engaging in the Car Leasing Business, whose operations fall within the scope of the Car Leasing Regulations, must register its business operations with the BOT, shall implement an internal compliance system in alignment with the requirement under the Car Leasing Regulations, for instance, submit the required report, prepare the financial documents for the compliance and review the business operation to ensure that services will be provided in a fair and responsible manner as required by the law.

Apart from the business operation, the Business Operators shall review the template of hire purchase agreement and leasing agreement to ensure that such templates set out the terms and conditions in compliance with the criteria required under the Car Leasing Regulations.

For assistance with implementing the Car Leasing Regulations or with the review of car leasing or car hire-purchase agreements, please feel free to contact One Asia Lawyers Thailand Office.

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Sawitree joined One Asia Lawyers in 2025. As a legal consultant holding a lawyer's license skilled in multiple business practices, she provides strategic legal counseling tailored to businesses across diverse industries, focusing on corporate law, mergers and acquisitions law, tax law, compliance, and capital market.

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Nithiwit has extensive experience in drafting and reviewing over 1,000 commercial contracts, conducting over 30 legal due diligence and advising on acquisition and business transfer, including negotiating and implementing the process of acquisition, outlining terms and structure for acquisition, preparing share purchase agreement, business transfer agreement, shareholder agreement, director service agreement. His practice encompasses a wide range of business-related legal areas, with particular strength in financial law, capital markets law, cryptocurrency law, and data protection law.

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