

## Resolving Insolvency Questionnaire – Thailand

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Dear Ratanavadee Somboon,

We would like to thank you for your participation in the *Doing Business* project. Your expertise in the area of insolvency in Thailand is essential to the success of the *Doing Business* report, one of the flagship publications of the World Bank Group that benchmarks business regulations in 190 economies worldwide. The resolving insolvency indicators, which measure the time, cost and outcome of insolvency proceedings involving domestic entities and the quality of the insolvency laws and regulations, are one of the 11 indicator sets published by the *Doing Business* report.

The report attracts much attention around the world. The latest edition, *Doing Business 2019: Training for Reform*, was the 16th in a series of annual reports measuring the regulations that enhance business activity and those that constrain it. It received over 12,000 media citations within just a week of its publication on October 31, 2018. Within that same period the *Doing Business 2019* report was mentioned in online articles or social media posts over 120,000 times. One hundred and twenty-eight economies implemented a total of 314 reforms easing the process of doing business. Europe and Central Asia and Sub-Saharan Africa continue to be the regions with the highest share of economies reforming – i.e. 83%, followed by the Middle East and North Africa.

Governments worldwide read the report with interest every year, and your contribution makes it possible for the *Doing Business* project to disseminate the regulatory best practices that continue to inspire their regulatory reform efforts. In 2017/18, 14 economies introduced reforms captured by the Resolving Insolvency indicator.

We are honored to be able to count on your expertise for *Doing Business 2020*. Please do the following in completing the questionnaire:

- Be sure to update your name and address if necessary, so that we can mail you a complimentary copy of the report.
- Describe in detail any reform that has affected the process for resolving insolvency since May 2, 2018.
- Review the assumptions of the case study before updating last year's information in the questionnaire.
- Kindly return the questionnaire to [dbinsolvency@worldbank.org](mailto:dbinsolvency@worldbank.org).

We thank you again for your invaluable contribution to the work of the World Bank Group.

Sincerely,



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**Primary Contributor Information:** Please check the box next to information you **do not** want us to **publish**.

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Please e-mail me an electronic copy of the report and my certificate of appreciation.

**Referrals:** Please help us expand our list of contributors by referring us to other experts in the private or public sector (lawyers, notaries, public officials or any expert on this field) who can respond to the questionnaire.

First name	Last name	Position	Firm	Address	Phone	E-mail
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## 1. DEFINITIONS OF TERMS USED IN THIS QUESTIONNAIRE

In completing sections 4 and 5 of the questionnaire, please keep in mind the following definitions:

**“Foreclosure”** is a process through which a secured creditor brings a claim in court demanding to recover the balance of a secured loan when the debtor fails to make payment. The claim is satisfied through sale of the assets used as collateral. For the purpose of this study, *foreclosure* refers to a substantive review by a court of the merits of the creditor’s claim and the debtor’s possible defense in formal court proceedings, as well as the subsequent enforcement of the judgment through sale of the assets. *Foreclosure* includes enforcement of security interests other than real estate mortgages.

**“Insolvency”** means that a debtor is generally unable to pay its debts as they mature and/or that its liabilities exceed the value of its assets.

**“Insolvency representative”** is a person or body (including one appointed on an interim basis) authorized in insolvency proceedings to administer, supervise, oversee or monitor the reorganization or the liquidation of the insolvency estate.

**“Liquidation”** is a process of assembling and selling the assets of an insolvent debtor in order to dissolve it and distribute the proceeds to its creditors. *Liquidation* may include the piecemeal sale of the debtor’s assets or the sale of all or most of the debtor’s assets as a going concern. For the purpose of this study, the term *Liquidation* refers only to formal in-court proceedings and does not include voluntary winding up of a company.

**“Post-commencement credit”** refers to new funding provided to an insolvent company after the start of insolvency proceedings by existing or new creditors to finance the on-going operations of the insolvent company during the insolvency process. For the purpose of this study, the term *post-commencement credit* does not include new loans offered as part of a reorganization plan.

**“Receivership”** is the process of appointment by a court, a contract or a government official of a receiver to take custody of the property, business, rents and profits of a debtor that has breached the terms of its borrowing from a creditor with an enterprise charge. A receiver may be authorized to continue the debtor’s business before selling the business as a going concern or before selling the assets separately to satisfy the debt. For the purpose of this study, the term *receivership* refers only to formal in-court proceedings.

**“Reorganization”** is a process through which the financial well-being and viability of a debtor’s business may be restored based on a reorganization plan, so that the business can continue to operate through means that may include debt forgiveness, debt rescheduling, debt equity conversions and sale of the business (or parts of it) as a going concern. For the purpose of this study, the term *reorganization* refers only to formal in-court proceedings available to all commercial debtors and does not include schemes of arrangement, out-of-court agreements with creditors or reorganization before administrative bodies.

**“Reorganization plan”** is a plan by which the financial well-being and viability of the debtor’s business can be restored.

## 2. REFORMS AND STATISTICS

**2.1. Have there been any reforms in the area of corporate insolvency between May 1, 2018, and now, including any developments in the laws or practices relating to foreclosure, liquidation or reorganization? Please describe.**

Response	Description
-Click to Select-	

**2.2. Are any reforms in the area of corporate insolvency expected to come into effect prior to May 1, 2019, or in the longer term? Please describe.**

Response	Description
-Click to Select-	

**2.3. How many insolvency cases involving commercial entities did you or your firm handle in 2018? Please count all foreclosure, liquidation and reorganization proceedings completed between January 1 and December 31, 2018, or pending as of December 31, 2018.**

Response	Precise number or approximate estimate
-Click to Select-	

**2.4. How many insolvency cases against commercial entities were filed in your economy in 2018? Please provide the estimates for foreclosure, liquidation and reorganization proceedings separately. Please note that we do not consider cases that involve unincorporated sole proprietorships.**

Response	Precise number or approximate estimate
-Click to Select-	

**2.5. In your opinion, what proportion of distressed businesses filing for insolvency continued to operate as a going concern upon completion of insolvency proceedings in 2018, including sale as a going concern through liquidation as well as through reorganization? Please provide details in the comments section, if any, or reference to available statistics.**

Response	Comment
-Click to Select-	



### 3. CASE STUDY ASSUMPTIONS

Please answer the questions in section 4 of this questionnaire on the basis of the case study assumptions below.

(a) Mirage is a local limited liability company that runs a hotel in Bangkok; its only asset and source of income is the hotel property. The value of the hotel is THB 21,391,683.96. On January 1, 2013, Mirage signed a 10-year loan agreement with BizBank, a local bank. The loan was secured by the hotel property and/or by a universal business charge (an enterprise charge) in those economies where this type of collateral is allowed. BizBank's outstanding credit is THB 21,391,683.96, which represents 74% of Mirage's total outstanding debt. The outstanding amount owed to BizBank is exactly equal to the market value of the hotel business.

(b) Unsecured creditors (e.g. suppliers, tax authorities and employees) hold the remaining 26% of Mirage's debt, which is equivalent to THB 7,515,997.07. Among unsecured creditors, the largest group is Mirage's suppliers (50 in total), all of which are owed payment for their last deliveries.

(c) Mirage's founder owns 51% of the company and is the chairman of its board of directors (or equivalent supervisory body). No other shareholder holds more than 5% of the voting power. The company has a professional general manager and 201 employees. All parties in this scenario are local entities or citizens. The founder and Mirage's management both want to keep the firm operating.

(d) Today is January 1, 2019. Since the execution of the loan agreement with BizBank, Mirage has met all conditions of its loan and made all payments on time. However, at the end of 2018, Mirage experienced an unexpected operating loss due to worsened market conditions. As a result, Mirage will default on its next loan payment to BizBank, which is due tomorrow, January 2, 2019. Mirage can neither obtain a new loan from another financial institution nor renegotiate its current loan with BizBank.

(e) The company expects to have negative net worth and operating losses in both 2019 and 2020. The company's expected 2019 cash flow will cover all operating expenses, including supplier payments, salaries, maintenance costs and taxes. It will not cover principal or interest payments to BizBank.

(f) If Mirage is sold as a going concern (i.e. as a business that has the resources needed in order to continue to operate in the foreseeable future), it would fetch 100% of its current market value. But if Mirage's assets are sold piecemeal, they would fetch only 70% of Mirage's current market value.

## 4. CHOICE OF PROCEDURE, APPLICABLE LAWS AND GENERAL ESTIMATES

Please update the data in this section on the basis of the case study assumptions in section 3. For your convenience, we have included, where available, a summary of the responses provided by our contributors last year to the same questions. Because they represent the responses from all *Doing Business* contributors in your economy, they may not match the specific answers that you or colleagues in your firm provided last year.

**4.1. According to common practice in Bangkok, which in-court procedure is most likely to apply in Mirage's case? Please explain why, in your opinion, this would be the most likely procedure. Please refer to definitions of possible procedures in section 1.**

Last Year		This Year	
Procedure	Comment	Procedure	Comment
Reorganization	Mirage management will initiate reorganization as it serves to preserve the value of the hotel and keep the business; in addition, there is an opportunity under the reorganization process to compromise debts with creditors. As specified in Section 90/12 (6) of the Bankruptcy Act B.E. 2483, no secured creditors shall enforce payment of debt against the asset which is security.	-Click to Select-	

**4.2. Which court will be involved in Mirage's case? For example, Mirage's management applies to a city court for reorganization or BizBank commences judicial foreclosure proceedings in a commercial court.**

Last Year	This Year
Central Bankruptcy Court	

**4.3. Based on the procedure you selected in question 4.1, will the hotel be able to continue operating upon completion of the entire insolvency process? Please explain why, in your opinion, this would be the most likely outcome. Please note that the hotel may survive as a going concern either through continuation of its operations or through a sale as an operating whole. **Going concern** means that a business has the resources and viability needed in order to continue to operate in the foreseeable future.**

Last Year		This Year	
Response	Comment	Response	Comment
Yes, the hotel will continue operating as a going concern	The reorganization plan will be approved and the hotel keeps operating as a going concern.	-Click to Select-	

**4.4. Based on the procedure you selected in question 4.1, how long will the entire insolvency process take? Please provide the most likely estimate based on your experience. Please, indicate in detail the main procedural steps required to complete the entire process and how much time each procedural step will take in practice. The time begins at the moment of Mirage's default and ends when BizBank is repaid all or some of the money owed to it. If the procedure is reorganization,**

*the timeframe ends when the reorganization plan is approved. If the initial procedure is converted from one to another, please take into account the time of the second procedure as well.*

Last Year		This Year	
Response	Comment	Response	Comment
18 months	<p>The reorganization procedure will approximately take 1.5 years in total. After Mirage's petition to initiate reorganization, it takes around 4 months for the court to review the case, proceed with inquiries to relevant parties to examine the grounds for business reorganization, order the beginning of the reorganization proceeding and appoint an official receiver overseeing the entire process. Pursuant to Section 90/17, the Court would appoint the person who is nominated by Mirage as the plan preparer if suitable, which could take approximate 3 months. Creditors may file an application for repayment of debts for business reorganization within one month after the order of appointment of the plan preparer is published under Section 90/26. As specified in Section 90/43, within 3 months after the appointment, the plan preparer is required to submit the reorganization plan to the official receiver and creditors. In practice it will take around 1 years to prepare the creditor list, draft and vote the plan taking consideration of all possible objections and corresponding amendments to the plan. After the reorganization plan is approved by creditors and verified by the court, the implementation of the plan may take additional 6 months or more until BizBank is repaid some or all of the money owed to it.</p>	months	

**4.5. Based on the procedure you selected in question 4.1, how much will the entire process cost? Please provide the most likely estimate based on your experience. The estimate below should be expressed as percentage of the value of Mirage's estate, which is THB 21,391,683.96. Please indicate the applicability of and the estimates for the following cost components: court fees, fees of lawyers, insolvency representatives, auctioneers and other professionals involved in the proceedings, and all other applicable fees and costs. Not all of the fee categories listed below may be applicable in your country. If the initial procedure is converted from one to another, please take into account the cost of the second procedure as well.**

	Last Year		This Year	
	Response	Comment	Response	Comment
Total Cost	18%	The costs associated with the case would amount to approximately 18%. Cost incurred during the entire insolvency process mainly include lawyer fees (7%), the fees of the insolvency representative (plan preparer) (5%), other professionals involved, such as accountants and financial advisors (5%) and court fees (1%).	%	
Court fees			%	
Attorney's fees			%	
Fees of insolvency representative or receiver			%	
Auctioneer's fees			%	
Fees of accountants and other professionals			%	
Other (please specify)			%	

#### 4.6. What laws and supporting regulations/rules will apply in Mirage's case?

Last Year	This Year
Bankruptcy Act B.E. 2483 (พ.ร. 2483) of 1940, as amended by amendments Nos. 1 - 9. - LED's Order No. 393/2549 concerning reorganization administration practice. - Act on Establishment of Bankruptcy Court and Procedure for Bankruptcy Cases. (B.E. 2542) - Ministerial Regulation on Reorganization Practice B.E. 2541 - Ministerial Decree on Registration and Qualifications of Planner and Plan Administrator B.E.2545 - Ministerial Decree on Registration and Qualifications of Planner and Plan Administrator (No. 2) B.E. 2558 (2015)	

## 5. LEGAL FRAMEWORK

This section focuses on the legal framework applicable to judicial REORGANIZATION and LIQUIDATION of commercial entities (consumer or personal insolvency excluded) in your economy. When answering the questions in this section, please keep in mind the applicable legal framework and specify the relevant article of the law for each answer. If the legal framework has no provisions explicitly addressing the questions below, please indicate so in your answers. For your convenience, we have included a summary of the responses provided by our contributors last year to the same questions. Because they represent the responses from all *Doing Business* contributors in your economy, they may not match the specific answers that you or colleagues in your firm provided last year. Please refer to section 1 for definitions of legal terms used below.

### 5.1. COMMENCEMENT OF PROCEEDINGS

#### 5.1.1. What insolvency procedures are available to a DEBTOR when commencing insolvency proceedings?

Last Year		This year	
Response	Comment/Legal Basis	Response	Comment / Current Legal Basis
(c) Debtor may file for reorganization only	Under Section 9 of the Bankruptcy Act, only a creditor can file a bankruptcy case. If a debtor wants to file for liquidation, it must first start voluntary liquidation proceedings after which point the liquidator can recommend bankruptcy liquidation. However, both a creditor and a debtor can file for business reorganization pursuant to Section 90/2 of the Bankruptcy Act (No. 4) B.E. 2541 1998 and 90/93 of the Bankruptcy Act (No. 9) B.E. 2559 (A.D. 2016) .	-Click to Select-	

#### 5.1.2. Does the insolvency framework allow a CREDITOR to file for insolvency of the debtor?

Last Year		This year	
Response	Comment/Legal Basis	Response	Comment / Current Legal Basis
(a) Yes, a creditor may file for both liquidation and reorganization	A creditor may file for the insolvency of the debtor under Section 9 of the Bankruptcy Act, B.E.2483 [BA]. A creditor may file a petition for both liquidation and reorganization of the debtor according to Section 90/2 Bankruptcy Act (No. 4) B.E. 2541 1998 and 90/93 of the Bankruptcy Act (No. 9) B.E. 2559 (A.D. 2016).	-Click to Select-	

**5.1.3. What basis for commencement of insolvency proceedings is allowed under the insolvency framework?** *If different tests are available in your economy for different proceedings, please explain the distinctions in the comment section.*

Last Year		This year	
Response	Comment/Legal Basis	Response	Comment / Current Legal Basis
(c) Both (a) and (b) options are available, but only one of them needs to be complied with	<p>In liquidation, the liquidity test is available; whereas in reorganization, both the liquidity test and the balance sheet test are available. For liquidation: Under Section 9 of the Bankruptcy Act the creditor may set up a bankruptcy charge against the debtor only when: (1) The debtor is insolvent. (2) The debtor who is a juristic person, is indebted to one or several plaintiff creditors amounting to not less than Baht 2 million; and; (3) Said debts may be determined in a definite amount, irrespective of whether they become due for payment immediately or at a future date. Section 8 of the Bankruptcy Act establishes that a debtor will be presumed insolvent: (...) 8. If the debtor declares to the court in any action that he cannot pay his debts. 9. If the debtor receives demand letters from his creditor not less than twice, at intervals of not less than 30 days, and yet fails to pay the overdue amount. For reorganization Section 90/3 states that when the debtor is insolvent (Section 8 of the Bankruptcy Act) and indebted to one creditor or more all together for a definite amount of not less than Baht ten million, weather such debt is due promptly or thereafter, if there is a reasonable ground and prospect to reorganize the business of the debtor, the person may file a petition for business reorganization with the court. Section 90/93 of Bankruptcy Act (No. 9) B.E. 2559 (A.D. 2016) introduced the liquidity test as a standard for commencement of business rehabilitation (reorganization) for small and medium-sized companies. In addition, section 90/92, par. 2(1) stipulates that it</p>	-Click to Select-	



	shall be presumed that the debtor is unable to pay the debt if the debtor does not have sufficient assets to cover liabilities.		
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## 5.2. MANAGEMENT OF DEBTOR'S ASSETS

**5.2.1. Does the insolvency framework explicitly provide for the continuation of existing contracts supplying essential goods and services to the debtor (goods and services necessary for the survival of the business)?**

Last Year		This year	
Response	Comment/Legal Basis	Response	Comment / Current Legal Basis
No	There are no specific provisions on this regard. However, in reorganization, from the date when the court accepted the petition for opening reorganization proceedings, business operators of public utilities such as electricity, water supply, and telephone, shall not suspend their services supplied to the debtor unless otherwise approved by the court (Section 90/12 (11) of the Bankruptcy Act); and the debtor shall not dispose of distribute, transfer, let, pay debt, create debt or do any act which creates encumbrances over his asset except where such act is essential so that the debtor may carry on his business as normal, unless otherwise ordered by the court whom the petition is filed (Section 90/12 (9)).	-Click to Select-	

**5.2.2. Does the insolvency framework explicitly provide for the rejection by the debtor (or by insolvency representative or by court on debtor's behalf) of overly burdensome contracts (the cost of performance is greater than the benefit to be received), where both parties have not fully performed their obligations?**

Last Year		This year	
Response	Comment/Legal Basis	Response	Comment / Current Legal Basis
Yes	In case of bankruptcy, under Section 122 within three months from the date on which the receiver learns that assets of the debtor or rights under a contract are subject to terms more onerous than the benefits receivable thereunder, the receiver is empowered to refuse such assets or rights under such contract.	-Click to Select-	

**5.2.3. Does the insolvency framework explicitly provide for the avoidance (invalidation) of the following transactions concluded before the filing for insolvency/commencement of insolvency proceedings?**

	Last Year	This year
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	Response	Comment/Legal Basis	Response	Comment/Legal Basis
(a) Preferential transactions, which resulted in a creditor obtaining more than its pro rata share of the debtor's assets and which occurred when the debtor was insolvent or resulted in the debtor becoming insolvent	Yes	<p>Liquidation : Upon the filing of a motion by the official receiver, the court is empowered to cancel any transfer of asset or any act done or permitted to be done by the debtor during the three months prior to an application to adjudicate him as bankrupt and thereafter, and with the intention to give undue preference to a creditor. [Section 115, Bankruptcy Act]</p> <p>Reorganization : When it appears that there has been a transfer of assets or any other act which the debtor had committed or had allowed to be committed within the period of three months before the filing of the petition and thereafter, with the intent to place any creditors, the plan preparer or plan administrator or official receiver may file an application to the court in the form of motion. In this regard, the court has power to order the cancellation of the transfer or such act. [Section 90/41 Bankruptcy Act]</p>	-Click to Select-	
(b) Undervalued transactions, which were made as a gift or in exchange for less than equivalent value and which occurred when the debtor was insolvent or resulted in the debtor becoming insolvent	Yes	<p>Liquidation : The official receiver can file a motion to the court for an order to cancel fraudulent acts under the Civil and Commercial Code if such acts arose within the time period of one year before the application for adjudication of bankruptcy and thereafter, or if it is a gratuitous act or the case where the debtor received compensation of a less than reasonable amount, it shall be presumed that the debtor and the person enriched thereby knew that such act would be on the prejudice of the creditors. [Section 113, 114 Bankruptcy Act]</p> <p>Reorganization : The plan</p>	-Click to Select-	

		<p>preparer, plan administrator, or official receiver may ask the court to cancel a fraudulent act pursuant to the Civil and Commercial Code by filing a motion. If the juristic act which is subject to a motion for cancellation due to fraud arose within the period of one year before the date of filing of the petition and thereafter, or is a gratuitous act, or is an act where the debtor has received compensation in an amount less than appropriate, it shall be presumed that it is an act which the debtor and the person who was enriched thereby had the knowledge that it would prejudice creditors [Section 90/40 Bankruptcy Act].</p>		
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**5.2.4. Does the insolvency framework explicitly provide for the possibility of the debtor obtaining credit after commencement of insolvency proceedings (post-commencement credit) to finance its on-going needs during the proceedings?** *The term post-commencement credit does not include new loans offered as part of a reorganization plan, but includes loans issued after commencement of insolvency proceedings and before approval of a reorganization plan.*

Last Year		This year	
Response	Comment/Legal Basis	Response	Comment / Current Legal Basis
Yes	Section 144 Bankruptcy Act (1940) establishes that if the receiver considers it is necessary to borrow money for the benefit of management of the debtor's asset, the receiver, on acquiring the court's permission, may obtain loans. A debt that creditors allowed to be created in order to operate debtor's business shall be filed a claim for repayment.	-Click to Select-	

**5.2.5. Does the insolvency framework assign priority to post-commencement credit?**

Last Year		This year	
Response	Comment/Legal Basis	Response	Comment / Current Legal Basis
(b) Yes, over ordinary unsecured creditors but not over secured creditors	Section 130 of Bankruptcy Act, the expenses of the receiver in managing the debtor's assets ranked as the second order of distribution of debtor's asset. Hence, if the post-commencement credit is beneficial for managing of debtor's asset, the creditor shall	-Click to Select-	

	obtain the repayment before other creditors.		
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## 5.3. REORGANIZATION PROCEEDINGS

### 5.3.1. Which creditors vote on the proposed reorganization plan?

Last Year		This year	
Response	Comment/Legal Basis	Response	Comment / Current Legal Basis
(b) Only creditors whose rights are affected by the proposed plan	Section 90/46 of the Bankruptcy Act states that the resolution approving the plan must be: (1) a special resolution of each and every group of creditors not being the group of creditors under section 90/46 bis; or (2) a resolution of a meeting of at least one group of creditors not being the group of creditors under section 90/46 bis. In the computation of the amount of debts, it shall be deemed that the creditors under section 90/46 bis have also attended the meeting and voted on the resolution approving the plan. Section 90/46 bis states that creditors who have received a proposal by the plan administrator to receive repayment of defaulted debt in full are deemed to have approved the plan. Section 90/101 of the Bankruptcy Act (No. 9) B.E. 2559 (A.D. 2016) establishes for companies with a definite amount of debt of not less THB 3.000.000 but not up to THB 10.000.000 a special procedure and precise requirements for the rehabilitation plan. For these cases, the plan is approved by creditors of at least two thirds of the total amount of debts.	-Click to Select-	

### 5.3.2. Does the insolvency framework require that the following provisions must be followed in order for the reorganization plan to be approved?

	Last Year		This year	
	Response	Comment/Legal Basis	Response	Comment / Current Legal Basis
(a) Creditors entitled to vote on the reorganization plan are divided into classes according to their respective rights	Yes	Section 90/46 of the Bankruptcy Act stipulates that the resolution approving the plan must be a resolution of a meeting of each and every group of creditors not being the group of creditors under section 90/46 bis. In	-Click to Select-	

		<p>addition, Sections 90/58(2) and 90/46 of the Bankruptcy Act prescribe that the secured creditors are to be put into separate groups and are to be distinguished from unsecured creditors. Section 90/42 bis. The classification of creditors to vote the reorganization plan under Section 90/42(3)(b) shall be done as follows: (1) Each secured creditor having a secured debt of not less than fifteen percent (15%) of the total indebtedness for which a claim for repayment may be filed in the business reorganization shall each be classed as a group, (2) secured creditors not classified under (1) shall be classed as a group, (3) unsecured creditors may be classified in several groups, where unsecured creditors whose claims or interests are identical or similar in material aspects are in the same group, (4) creditors under Section 130 bis shall comprise one group. Section 90/96 and Section 90/101 of the Bankruptcy Act (No. 9) B.E. 2559 (A.D. 2016) for companies with a definite amount of debt of not less THB 3.000.000 but not up to THB 10.000.000 provide that creditors entitled to vote on the reorganization plan are divided into classes by taking into account the rights of creditors in the same group.</p>		
(b) Each class of creditors votes separately	Yes	<p>Section 90/46 of the Bankruptcy Act stipulates that the resolution approving the plan must be a resolution of a meeting of each and every group of creditors. The Bankruptcy Act (No. 9) B.E. 2559 (A.D. 2016) does not establishes for companies with a definite amount of debt of not less THB 3.000.000 but not up to THB 10.000.000 that each class of creditors votes separately.</p>	-Click to Select-	
(c) Creditors of the	Yes	<p>Under Section 90/42 ter, the rights of the creditors within</p>	-Click to Select-	

<p>same class receive the same treatment under the reorganization plan</p>		<p>the same group must be performed equally among such creditors, except where a disadvantaged creditor in a group has given its written consent. Section 90/101 of the Bankruptcy Act (No. 9) B.E. 2559 (A.D. 2016) establishes for companies with a definite amount of debt of not less THB 3.000.000 but not up to THB 10.000.000, as an essential element for the approval of the reorganization plan, that creditors in the same group shall be treated equally, unless otherwise a disadvantaged creditor consents in writing thereto.</p>		
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**5.3.3. Does the insolvency framework require that a reorganization plan must specify that the anticipated return to dissenting creditors will be at least equal to the return that they would obtain in a liquidation?**

Last Year		This year	
Response	Comment/Legal Basis	Response	Comment / Current Legal Basis
Yes	<p>Under Section 90/58 (3) of the Bankruptcy Act, the court shall issue an order approving the plan after the court's consideration thereof and its determination that when the implementation of the plan has been successful, the results shall be that the creditors receive debt repayments in amounts that are not less than in case where the court has adjudged the debtor a bankrupt.</p>	-Click to Select-	

**5.4. CREDITOR PARTICIPATION**

**5.4.1. Does the insolvency framework explicitly require that creditors (through either a decision of the creditors' meeting or a decision of the creditors' committee) appoint the insolvency representative or approve/ratify/reject the appointment of the insolvency representative?**

Last Year		This year	
Response	Comment/Legal Basis	Response	Comment / Current Legal Basis
Yes	<p>In reorganization, the creditors can nominate and elect the insolvency representative under Section 90/17 and 90/18 of the Bankruptcy Act. In liquidation the Minister is empowered to appoint the representative, but not the creditors under Section 139 of the Bankruptcy Act.</p>	-Click to Select-	



**5.4.2. Does the insolvency framework explicitly require that creditors (through either a decision of the creditors' meeting or a decision of the creditors' committee) approve the sale of substantial assets of the debtor, if such sale is made in the course of the insolvency proceedings?**

Last Year		This year	
Response	Comment/Legal Basis	Response	Comment / Current Legal Basis
No	No provision explicitly states that creditors must approve the sale of substantial assets of the debtor, if such sale is made in the course of the insolvency proceeding. In liquidation, there is only a provision whereby sale of an asset other than by public auction must receive the approval of the creditors committee. In reorganization, sections 90/42(2) and 90/42(3)(e) of the Bankruptcy Act foresee the sale of assets as specified in the reorganization plan. There is no provision for sale of assets before the reorganization plan is approved.	-Click to Select-	

**5.4.3. Does the insolvency framework explicitly provide that an individual creditor has the right to request at any time information from the insolvency representative on the debtor's business and financial affairs?**

Last Year		This year	
Response	Comment/Legal Basis	Response	Comment / Current Legal Basis
No	While the creditors can access the documents filed at the court or at the legal execution department, they are not guaranteed access to information of the debtor's company.	-Click to Select-	

**5.4.4. Does the insolvency framework explicitly provide that an individual creditor has the right to object to the decision accepting or rejecting its own claims AND claims of other creditors?**

Last Year		This year	
Response	Comment/Legal Basis	Response	Comment / Current Legal Basis
Yes	A creditor can object to an application for repayment of debts filed by other creditors under Section 90/29 in business reorganization proceedings. Similarly, a creditor can dispute any claim for repayment of debts filed by other creditors in the bankruptcy proceeding under Section 106 as amended by Bankruptcy Act (No. 8) B.E. 2558 (2015).	-Click to Select-	

## 5.5. Legal Framework in previous years

This year *Doing Business* is reconstructing the Legal Framework for previous years (2004 – 2014). Where applicable, please specify for each year whether there were any major changes in the law affecting any of the questions in section 5. *Please identify which question, the applicable legal provision before the enactment of the current legal basis and how the answer changed.* If there was a complete change in the insolvency legal framework, please indicate the name and date of the previous applicable law.

Legal framework applicable to insolvency law in previous years	
Year	Comment / Applicable Legal Basis
2014	
2013	
2012	
2011	
2010	
2009	
2008	
2007	
2006	
2005	
2004	

**Thank you very much for completing the Resolving Insolvency questionnaire!**

We sincerely appreciate your contribution to the *Doing Business* project.

The results will appear in *Doing Business 2020* report and on our website: [www.doingbusiness.org](http://www.doingbusiness.org).

Your work will be gratefully acknowledged in both.