



The Current State of Enforcing Contracts in Thailand

at the International Conference on
Ease of Doing Business

January 27, 2016
Seoul, Republic of Korea

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AGENDA

1. Roles of the LED

2. Thailand and the EODB Enforcing Contracts

3. Quick Actions

4. Accomplishments – YEAR 2015 - 2016

5. Way Forward



Roles of the LED

- Provide services in
 - Civil case enforcement
 - Bankruptcy case administration
 - Reorganization
 - Liquidation
 - Deposit of property
- Provide legal information concerning legal execution and deposit of property to the public
- Provide mediation service at enforcement phase (post-judicial mediation)

Civil Procedure Code

Bankruptcy Act



Roles of the LED

- Standardize and improve the practices nationwide – 115 offices
- Modernize laws and regulations related to our functions to cope with the social and economic development
- Develop effective process and administration to increase efficiency by using more IT
- Equip the officers with knowledge and ability at professional level – capacity building



Thailand is one of
the best investment
countries having
laws with int'l
standards

EASIER
ANYWHERE
BETTER

(Start August 2014)

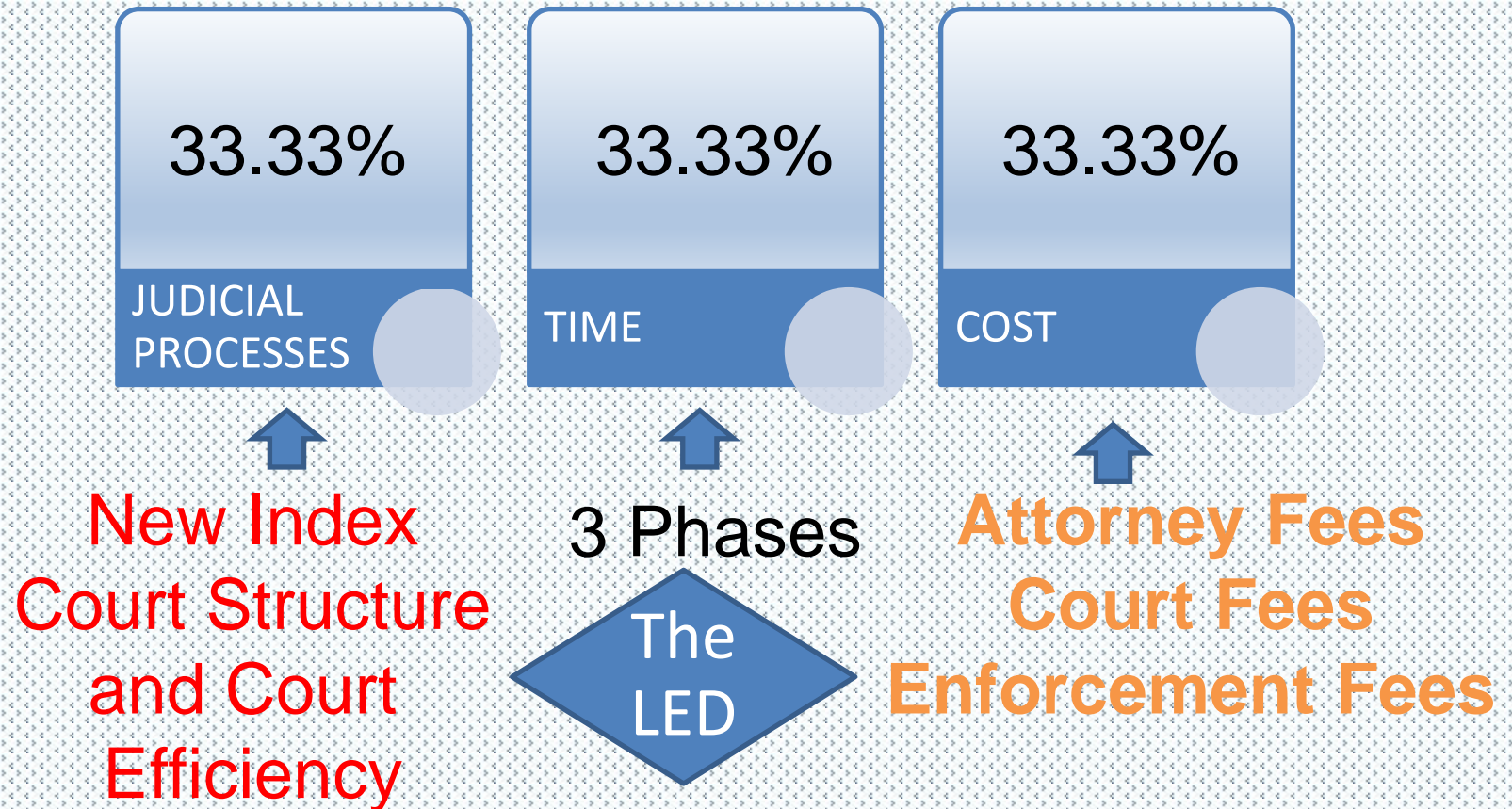


Thailand & EoDB Enforcing Contracts

Indicator	2015	2016	Republic of Korea (2015)
	UNCHANGED		
Ranking	57	57	2
Distance to Frontier (DTF)	62.69%	62.69%	84.84%
Time (days)	440	440	230
▪ Filing and Service	60	60	20
▪ Trial and Judgment	260	260	90
▪ Enforcement of Judgment	120	120	120
Cost (% of claim)	19.5	19.5	10.3
• Attorney Cost (% of claim)	10	10	9
• Court Cost (% of claim)	6.5	6.5	0.6
• Enforcement Cost (% of claim)	3	3	0.7
Quality of judicial processes index (0-18)	6.5	6.5	13.5



DTF 2016





Enforcing Contracts Questionnaire

Assumption-based

Small Claim

Located in the Capital

Movable Assets

Public Sale

Observation – not many movable assets for the public sale at the LED currently



Remarks

- **TIME** - For the public sale of movable asset, normally times taken is shorter than 120 day, i.e., **75 days**, due to its less complicated nature. However, the public has not been widely aware of the process and evidence-based has not been established.



Remarks

- **COST** - Enforcement Fees is only **0.45%**, not 3% as indicated in the assessment.
 - (1) 1,500 Baht or 41 USD for movable assets
 - (2) 2,500 Baht or 69 USD for immovable assets

An immediate contact with The World Bank for a clarification is required.



Key issues need to be addressed

Some relevant laws and regulations are outdated, bureaucratic, burdensome and not in accordance with international standards

IT is not much widely applied to operation processes

There are some problems in providing answers to The World Bank's questionnaire; i.e.,

- level of clear and thorough understanding in the questionnaire and
- coordination with private sectors and lawyers and The World Bank.

Information is not widely disseminated and publicized

Quick actions

Since Nov. 2014

Innovative, proactive, and participatory approach

Establish “Working Groups” for law revision and EoDB questionnaire

Propose 6 legal reforms

- two Amendments to CPC
- Bankruptcy Act No. 8
- Business Reorganization for SMEs
- Ministerial Decree on Public Auction
- Ministerial Decree on Plan Preparer and Administrator

Coordinate with The World Bank, private sectors, and lawyers

Apply IT to working processes more e.g. “LED Property” mobile app and E-services



**Year
2015**

Accomplishments

become effective after 1 June 2015

4 Amendments to CPC

- Class action
- Writ of certiorari
- E-Filing
- Free of maintenance fee in LED public auctions (Condos & Subdivided Lands)

Specialized Appellate Courts Act

3 Amendments to CCC
(Guarantee and mortgages)

Business Securities Act
Movable property can be security w/o surrender to lender

Excellent Innovative Service Award to "LED Property"

Year
2015

Accomplishment



Post-Judicial Mediation

	Mediation Event in cooperation with 7 Banks/Organizations		Outcome throughout the country	
	Number of Cases	Amount (Baht/USD)	Number of Cases	Amount (Baht/USD)
Number of Cases	1,481	325,570,295.88/ 9,043,619	3,048	1,311,776,826.70/ 36,438,245
Successful Cases	1,296	273,207,561.34/ 7,589,099	2,534	760,034,458.58/ 21,112,068
Successful Rate (%)	87.50		83.14	

as of October – December 2015

**Year
2015**

Accomplishments



E-Payment



**Payment for their
portion and cost of
living of
bankrupted person**

**22 Dec
2015**

**interested parties can pay
electronically the additional
expenses for the civil case at
the contact bank.**

31 Dec 2015

Year
2016

Accomplishments



E-Filing

- Draft on President of Supreme Court's order on Rules and Measures of E-Filing and E-Service of Documents
- **Ministerial Decree on Public Auction**
- **Director-General's Announcement on E-Offering Auction**

Expected to be effective in Bangkok by January 2016

Effective on 14 March 2016

Effective on 12 January 2016

**Year
2016**

Accomplishments

E-Offering/Auction



1st time – Pilot Project

- **Ministerial Decree on Public Auction**
- **Director-General's Announcement on E-Offering Auction**

Expected to be effective on 27 March 2016

Effective on 14 March 2016

Effective on 12 January 2016



Way Forward

1. **Revise related laws and regulations, in particular the CPC : the Execution of Judgment and Order Section**
2. **Apply IT to all working procedures (**full-fledged**), including E-Offering Auction, E-Payment, and E-Filing**
 - **E-Offering/Auction Pilot Project** - from 27 March 2016 in Bangkok and 4 provinces; Chiang Mai, Khon Khaen, Nakhon Ratchasima, and Songkhla.
 - **E-Filing** - from 31 December 2015, the public can print out the “Pay-in Slip” from the LED website for payment at the contact bank.
 - **E-Payment** - from 31 December 2015, the interested parties can pay electronically the additional expenses for the civil case at the contact bank.



Way Forward

3. Improve **Case Management (Fast-track) for a “small claim”, movable asset, and child and spousal support case**
(not one-sized fit all)

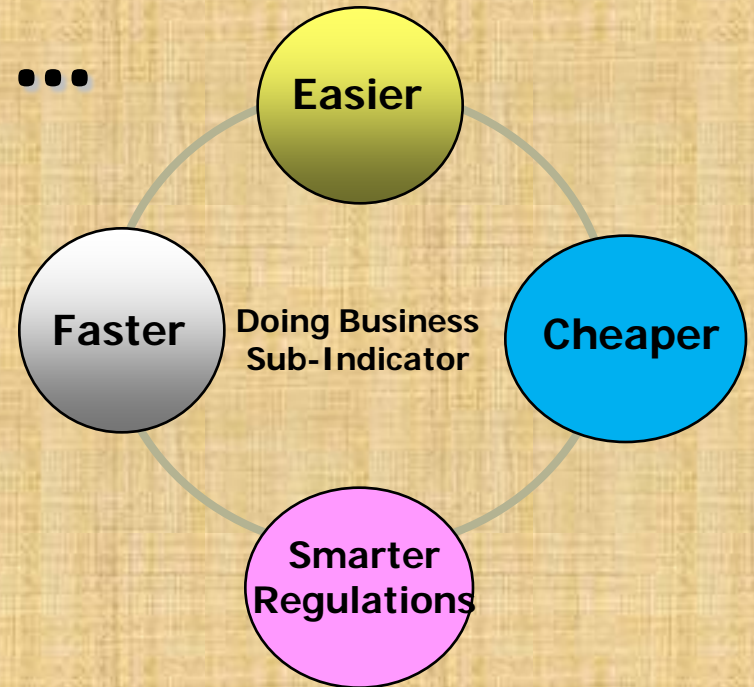
4. Conduct regular meetings with government agencies, private sectors, lawyers, and The World Bank for better understanding and awareness

The LED will have a technical meeting with The World Bank teams in Enforcing Contracts and Resolving Insolvency indicators on 16 – 19 February 2016 at The World Bank office in Washington D.C., USA, to discuss the recent legal reforms in Thai insolvency and enforcing contracts regime.



Aiming Towards ...

- Legal Reform
- Policy
 - Facilitation
 - Enforcement
 - Service
 - Computerization / E-Enforcement
 - Enhancement



**Increase
Competitiveness
& Investor's
Confidence**



The LED is a catalyst to strengthen Thailand position as one of the best investment countries with a greater competitiveness. Laws related to civil enforcement must be timely and meet with international standards. Easier and faster procedures with fully automation is required.



Q & A



THANK YOU