

# **Update on Getting Credit: Strength of legal rights index in insolvency**

**for the Visit of The World Bank Delegates  
on Ease of Doing Business Project**

**On 9 May 2017**

**Bangkok, Thailand**

**Legal Execution Department , Ministry of Justice**



## Getting Credit:

### Strength of legal rights index

Strength of insolvency framework index	Year 2017	Year 2018
<p>Protection of Secured creditors' rights through bankruptcy laws</p> <p>Are secured creditors subject to an automatic stay on enforcement when a debtor enters a court-supervised reorganization procedure? Does the law protect secured creditors' rights by providing clear grounds for relief from the stay and/or sets a time limit for it?</p>	<p>No</p> <p>0.0</p>	<p>Yes</p> <p>1.0</p>



# Getting Credit:

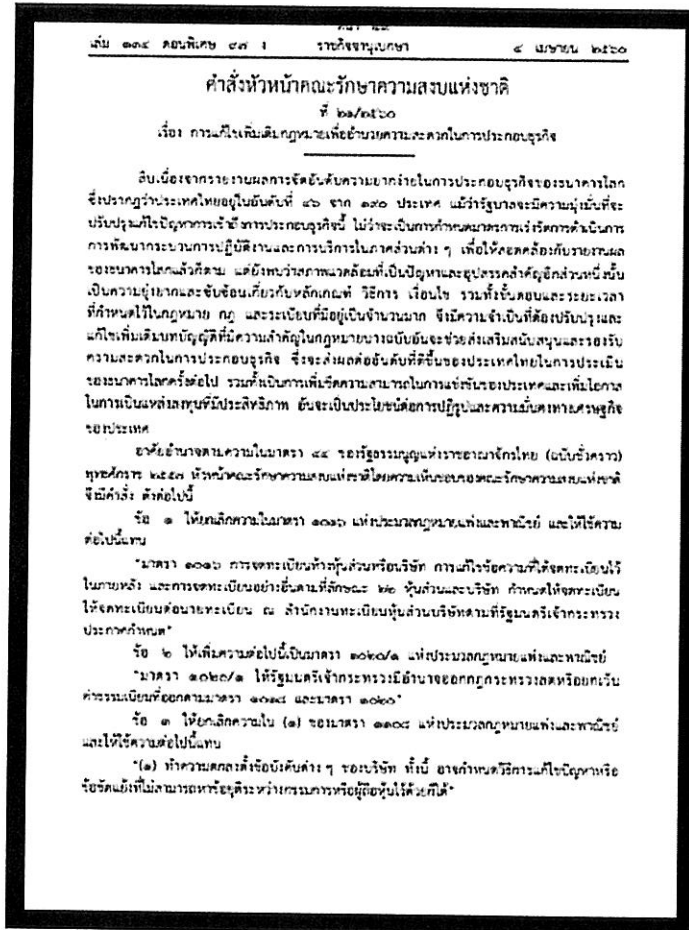
## Strength of legal rights index

- Automatic stay for secured creditor – Section 90/12 (6) of Bankruptcy Act
- Grounds for relief – Section 90/13 and 90/14 of Bankruptcy Act
- New! –Order of the National Council for Peace and Order (NCPO) No. 21/2560, effective on 4<sup>th</sup> April 2017.
- Time limit - Clause 12 amends Section 90/12 (6), setting time limit of the stay for secured creditor.
- Another ground for relief – Clause 13 adds Section 90/14 *bis*, protecting secured creditor when the collateral is perishable.



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## Strength of legal rights index)



Effective on 4<sup>th</sup> April 2017

Before	After
<p>Sec. 90/12 (6)</p> <p>No time limit ✗</p> <p>Secured creditor was under the stay until the plan was deemed completed (around 3-5 years).</p>	<p>New Sec. 90/12 (6)</p> <p>Time limit ✓</p> <p>Secured creditor can lift the stay when a year has lapsed.</p>
<p>No Sec. 90/14 bis ✗</p> <p>No clear ground when the collateral was perishable or in danger.</p>	<p>New Sec. 90/14 bis ✓</p> <p>Secured creditor can refer to this section for lift of the stay.</p>



THANK YOU