## Lorenz & Partners

Legal, Tax and Business Consultants

Office Information No.: 17 (EN)

## Bankruptcy and Business Reorganisation in Thailand

Law, Procedure and Forms

September 2021

Dear Sir or Madam,

The following brochure is meant to be a short summary of the Thai bankruptcy law and business reorganisation procedures.

We are aware of the fact that it can only be a first step to describe the complex forms of a very crucial part of the law. However, we hope that this information can be useful for your further decisions.

Generally speaking, Thai bankruptcy law and its procedures are often quite similar to the procedures you are familiar with, but important details can be different. Thus, we advise you to proceed carefully, with far-sightedness and professional consultation.

Lorenz & Partners Co., Ltd. is a German-Thai firm of business lawyers, existing with an office in Bangkok since 1995 and specializing in legal and business consultation of foreign companies with respect to their investment in Southeast Asia.

Please allow us to inform you that despite all our efforts, we cannot accept liability for this brochure and its contents and we reserve all rights derived from it. However, copies of this brochure with reference to its author are welcome.

## Lorenz & Partners

Although Lorenz & Partners always pays great attention on updating information provided in newsletters and brochures, we cannot take responsibility for the completeness, correctness or quality of the information provided. None of the information contained in this brochure is meant to replace a personal consultation with a qualified lawyer. Liability claims regarding damage caused by the use or disuse of any information provided, including any kind of information which is incomplete or incorrect, will therefore be rejected, if not generated deliberately or grossly negligent.

September 2021 © Lorenz & Partners Page 2 of 37

## **Contents**

1. Introduction	
2. The basic ground for bankruptcy	4
3. How to file a bankruptcy case	6
3.1 The ordinary creditor	6
3.2 The secured creditor	7
4. The proceeding in case of the death of an insolvent debtor	7
5. The proceeding in case the debtor is a juristic person	
6. Procedure of the bankruptcy case	
6.1 The method of suing and withdrawal of the case	
6.2 The default of appearance	
6.3 Consideration stage of the bankruptcy case	
6.4 Power of the court on interim relief before absolute control or judgment	
6.5 The judgment 13	
6.6 The temporary control over the debtor's property	13
6.7 The difference between the temporary control and the absolute control over the debto	
property 14	_
6.8 The proceeding before the court has pronounced the debtor bankrupt	14
6.9 The proceeding after the court has ordered absolute control over the property of the	
debtor	15
6.10 The power of the official receiver	
6.11 The debtor's duties	
6.12 Meetings of creditors	
6.13 Committee of creditors	
6.14 Examination of the debtor in open court	
6.15 Composition with creditors prior to bankruptcy	
6.16 Decision on bankruptcy	
6.17 Composition with creditors after bankruptcy	
7. Procedure relating to the management of the debtor's property	
7.1 How to submit the application for repayment of a debt	
7.2 The application for repayment of a debt of the foreign creditor	
7.3 Assets with which debts may be paid	24
7.4 Collection of assets	27 25
7.5 The effect of bankruptcy with regard to business already completed	
7.6 Distribution of property	23
7.7 The end of the bankruptcy case	
8. Reorganization Law	
8.1 The businesses which can enter into the reorganization proceedings	28
8.2 Possible petitioners for the business reorganization	
8.3 The automatic stay of the repayment	
8.4 The consideration of the reorganization case	
8.5 The court order	
8.6 The Plan-Maker	
8.7 The application for claim in a reorganization case	
8.8 The reorganization plan	
8.9 The end of the reorganization proceedings	
8.9.1 The reorganization plan that has been successful	
8.9.2 The reorganization plan that has been unsuccessful	
8.10 SME Reorganization	
8.10.1 Petitioners for the SME business reorganization	
8.10.2 SME reorganization procedure	
8.10.3 Proceeding after the business reorganization approval	
8.10.4 Cancellation of reorganization	
0.10.7 Gancenauon of 1001ganizauon	)/

Dear Reader,

Keeping brochures up to date involves a lot of effort and considerable cost.

The complete version of this brochure is therefore complimentary for our clients, associations and public organisations only. To all other users we charge a cost contribution of 50 EUR. Thank you for your understanding.

If this brochure is interesting to you, please contact us by sending an e-mail to: <u>info@lorenz-partners.com</u> naming the brochure(s) you would like to obtain.

Thank you.

Best regards, Lorenz & Partners