

**Act Determining the Power of the Ministry of Finance to Guarantee Loans,
B.E. 2510 (1967) ⁽¹⁾**

Translation

BHUMIBOL ADULYADEJ, REX.

Given on the 19th day of December B.E. 2510;

Being the 22nd Year of the Present Reign.

His Majesty King Bhumibol Adulyadej is graciously pleased to proclaim that:

Whereas it is expedient to determine the power of the Ministry of Finance to guarantee loans;

Be it, therefore, enacted by the King, by and with the advice and consent of the Constituent Assembly in the capacity of the National Assembly, as follows:

Section 1

This Act is called the "Act Determining the Power of the Ministry of Finance to Guarantee Loans, B.E. 2510 (1967)".

Section 2

This Act shall come into force as from the day following the date of its publication in the Government Gazette.⁽²⁾

Section 3

In this Act,

"Guarantee" includes aval given for a Bill of Exchange

"Government Agency" means a Ministry, Sub-Ministry, Department, or Public Body of equivalent status and includes a Changwat Administrative Organization, Municipality, Sukhaphiban, and Bangkok Metropolis;⁽³⁾

"Government Organization" means an organization or enterprise which is a juristic person, established by an Act or a Royal Decree, the entire capital stocks of which are owned by the Government;

"Financial Institution" means a financial institution established by a specific Act for the purpose of lending money for the promotion of agriculture, commerce or industry;

Section 4

Subject to Section 5, the Ministry of Finance has the power to guarantee, with the approval of the Council of Ministers, loans raised by a Government Agency, Government Organization, limited company which is a State Enterprise, and by a Financial Institution.

The limited company which is a State Enterprise must be:

- (a) a limited company whose capital stocks of not less than seventy per cent have been subscribed by a government Agency, and/or a Government Organization; or
- (b) a limited company whose capital stocks of not less than seventy per cent have been subscribed by a Government Agency, and/or a Government Organization, and/or a limited company under(a)."⁽⁴⁾

Section 5

The Ministry of Finance shall not create binding obligations by means of guaranteeing loans the aggregate amount of which at the time of creating them shall exceed the following amounts:

- (1) in the case where the debtor is a limited company which is a State Enterprise under Section 4, six times of the Capital Funds of that limited company;
- (2) in the case where the debtor is a Financial Institution, four times of the Capital Funds of that Financial Institution;

- (3) the aggregate binding obligations created under (1) and/or (2) in any fiscal year shall not exceed the per cent of the budgetary appropriations under the law on budgetary appropriations for that fiscal year.

The provision in (3) shall not apply to a guarantee given in respect of the renewal or modification of a guarantee agreement without increasing the amount of the loan guaranteed.”⁽⁵⁾

Section 6

In the calculation of money which the Ministry of Finance has created binding obligations by means of guarantee under Section 5 (3), the amount which the Ministry of Finance has guaranteed by virtue of other laws shall not be included.

Section 7

For the purpose of this Act, the par value shall apply to the conversion of foreign currencies into Thai currency.

Section 8

The Minister of Finance shall have the following power:

- (1) to authorize any person to sign a guarantee agreement which is executed in a foreign country;
- (2) to charge fees for guarantee given for a limited company which is a State Enterprise under Section 4 and for a Financial Institution not exceeding one per cent of the loan guaranteed.

Section 9

This Act shall neither affect the guarantees given by the Ministry of Finance by virtue of other laws nor affect any guarantee given by the Minister of Finance before the day on which this Act comes into force.

Section 10

The Minister of Finance shall have charge and control of the execution of this Act.

Countersigned by Field Marshal Thanom Kittikachorn as Prime Minister

Note

- (1) As last amended by the Announcement of the Revolutionary Council No. 17 dated 8th November B.E. 2520(1977) and published in the Government Gazette Vol.94, Part 109, dated 8th November B.E. 2520 (1977)
- (2) Published in the Government Gazette Vol.84, Part 125, dated 26th December B.E. 2510 (1967)
- (3) As amended by the Act determining the Power of the Ministry of Finance to Guarantee Loans (No.2), B.E. 2519 (1976)
- (4) As last amended by the Act determining the Power of the Ministry of Finance to Guarantee Loans (No. 2), B.E. 2519 (1976)
- (5) As amended by the Announcement of the Revolutionary Council No. 17 dated 8th November B.E. 2520 (1977) and published in the Government Gazette Vol. 94, Part 109, dated 8th November B.E. 2520 (1977)

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