

**Emergency Decree Amending the Act on the Undertaking of
Finance Business, Securities Business and Credit Foncier Business
(No.4), B.E. 2522 B.E. 2540 (1997)**

Translation

Principle

To amend the Act to empower the Bank of Thailand to facilitate and expedite the process of capital reduction and increase in the case of troubled finance companies and credit foncier companies, and to change the management of finance companies and credit foncier companies (amendments to Section 57 bis and Section 57 ter).

Rationale

Whereas it is not possible, as quickly as the situation may require, under the present laws to resolve the problem of finance companies and credit foncier companies experiencing such problems in their financial position or operations that damage may be caused to the public;

Whereas any delay of the process may render widespread damage to the country's overall economy;

Whereas the Bank of Thailand should be empowered to expeditiously resolve any crisis in a finance company or a credit foncier company, and to take urgent actions to restore the stability of the economy;

And whereas this is a situation which must be urgently addressed in order to preserve the economic stability of the country;

Now therefore, the Emergency Decree is enacted.

BHUMIBHOL ADULYADEJ, REX.,

Given on the 22nd day of October B.E. 2540;

Being the 52nd Year of the Present Reign

By Royal Command of His Majesty King Bhumibhol Adulyadej, it is hereby proclaimed that:

Whereas it is deemed necessary to amend the law on the undertaking of finance business, securities business and credit foncier business;

Be it, therefore, enacted by His Majesty the King by virtue of Section 218 of the Constitution of the Kingdom of Thailand, as follows:

Section 1

This Emergency Decree shall be called the "Emergency Decree Amending the Act on the Undertaking of Finance Business, Securities Business and Credit Foncier Business (No. 4), B.E. 2522 B.E. 2540".

Section 2

This Emergency Decree shall come into force on and from the day following the date of its publication in the Government Gazette.

Section 3

The provisions of Section 57 bis of the Act on the Undertaking of Finance Business, Securities Business and Credit Foncier Business, B.E. 2522 as amended by the Emergency

Decree Amending the Act on the Undertaking of Finance Business, Securities Business and Credit Foncier Business, B.E. 2522 (No.2), B.E. 2528 shall be repealed and replaced by the following:

“Section 57 bis

Where there is evidence that the condition or operation of any company is such that damage may be caused to the public interest, or where the directors, managers or persons responsible for the operation of any company fail to comply with the order of the Bank of Thailand under the first paragraph of Section 57 or Section 57 ter, the Bank of Thailand shall have power to order such company to remove its directors, managers or persons who were responsible for the operations of the company and for having caused such damage. Where the Bank of Thailand orders the removal of any person, such company shall, with the approval of the Bank of Thailand, appoint persons to replace the persons so removed within 30 days from the removal date. Where any company fails to remove such persons or fails to appoint other persons in place of persons so removed, the Bank of Thailand, with the approval of the Minister, shall have power to issue the orders:

- (1) removing the company’s directors, managers or persons responsible for its operation where the company fails to do so;
- (2) appointing one or more persons to replace the persons so removed.

Where there is an urgent need to rectify the financial condition or the operation of any company such that any delay may cause damage to the public interest, the Bank of Thailand, with the approval of the Minister, shall have power to immediately remove directors, managers, or persons responsible for the operation of the company and appoint one or more persons to replace the persons so removed as appropriate.

The person or persons appointed by the Bank of Thailand under the first or second paragraph shall hold office for a period of not longer than three years. The provisions of Section 22 (7) and (8) shall not be applied. The appointed persons shall be entitled to remuneration to be paid from the company as prescribed by the Minister. During the period that the appointed persons hold office, shareholders of the company shall not pass a resolution to revoke or change the orders of the Bank of Thailand.

The removed persons shall no longer be involved in, or manage, directly or indirectly, any affair of the company, and shall facilitate and provide information to the persons appointed under (2) of the first paragraph or second paragraph or as requested by competent officers.

For the purpose of this Section, the order of the Bank of Thailand issued by virtue of this Section shall be deemed to be a resolution of shareholders’ meeting pursuant to the Civil and Commercial Code or the law on the public company limited, as the case may be.”

Section 4

The provisions of the third paragraph of Section 57 ter of the Act on Undertaking of Finance Business, Securities Business and Credit Foncier Business B.E. 2522 amended by the Emergency Decree Amending the Act on the Undertaking of Finance Business, Securities Business and Credit Foncier Business B.E.2522 (No.2), B.E. 2528 shall be repealed and replaced by the following:

“The increase or reduction of capital under the first or second paragraph or the offering of the shares issued to increase capital shall be exempted from the provisions of this Act relating to the prescription of the minimum amount of registered capital and paid-up capital of companies, the provisions of Section 1117, Section 1220, Section 1222, Section 1224, Section 1225, and Section 1226 of the Civil and Commercial Code, and the provisions of Section 50 , (2) of the second

paragraph of Section 136 paragraph two (2), Section 137, Section 139, and Section 141 of the Public Company Limited Act B.E. 2535, as the case may be.”

Countersigned by

General Chavalit Yongchaiyudh

Prime Minister

Disclaimer

This translation is intended to help Thais or foreigners to understand Thailand laws and regulations only, not to use as references, because it is only the original Thai version of legislation that carries legal effect. www.ThaiLaws.com, therefore, shall not be held responsible in any way for any damage or otherwise the user may incur as a result of or in connection with any use of this publication for any purposes. It's the responsibility of the user to obtain the correct meaning or interpretation of this publication or any part thereof from Thai version or by making a formal request to the appropriate or related authorities.