

New Ministerial Regulation: Additional Qualified Security Recipients under the Secured Transactions Act B.E. 2558 (2015)

5 March 2018

The Ministerial Regulation Prescribing Other Persons as Security Recipients (No. 2) B.E. 2561 (2018) (“Ministerial Regulation”) was published in the Government Gazette on 23 February 2018 and came into force and effect on 24 February 2018.

Under this Ministerial Regulation, qualified security recipients under the Secured Transactions Act B.E. 2558 (2015)¹ (“STA”) now include:

- (a) the Office of the Permanent Secretary of the Ministry of Industry with respect to the SME Development Fund;
- (b) foreign commercial banks where they provide facilities in a syndication with financial institutions²;
- (c) juristic persons having a business objective of hire-purchasing and leasing; and
- (d) juristic persons having a business objective of lending.

As such, foreign commercial banks can now be registered as security recipients under a business security agreement in cases where they participate in a syndicated loan with a Thai commercial bank, licensed subsidiary or branch of a foreign commercial bank, finance company, or credit foncier company.

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1. There have been several English translations of the Thai name of the Act, including Business Collateral Act, Business Security Act, among others. However, the official name of the relevant supervising department at the Ministry of Commerce is the “Secured Transactions Division”.

2. “Financial institutions” as defined in the Financial Institution Business Act B.E. 2551 (2008)

This publication is intended to highlight an overview of key issues for ease of understanding, and not for the provision of legal advice. If you have any questions about this publication, please contact your regular contact persons at Mori Hamada & Matsumoto or Chandler MHM Limited or any of the Key Contacts listed to the right.