



New requirements for SMEs rehabilitation

The Thai cabinet approved the principle on the proposed amendment to Bankruptcy Act of Thailand (“Proposed Amendment”) regarding the rehabilitation of the debtor’s business. The main changes under the Proposed Amendment are set forth below.

1. The threshold of the SMEs debts are expected to be increased from not less than 10 million Thai Baht to not less than 50 million Thai Baht. The cap of the threshold is revised to be suitable with the current economic situation;
2. Under the new definition of SMEs under this upcoming amendment, SMEs will be no longer required to be registered with the Office of Small and Medium Enterprise Promotion to qualify for the reorganization process.
3. SMEs will be no longer required to prepare a business rehabilitation plan to eligible itself to file a petition for rehabilitation or to apply for automatic stay.
4. According to the Proposed Amendment, there are various new rules to expedite the proceedings for SMEs, for example, with the prepackaged plans approved by the creditors, SMEs will be eligible to request for an accelerated rehabilitation programme.