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# Cabinet Greenlights draft credit guarantee bill

On August 19, 2025, the Thai Cabinet approved the draft National Credit Guarantee Agency (NaCGA) Bill, aimed at improving access to finance for small and medium-sized enterprises (SMEs) and lowering borrowing costs.

The new agency will operate as a state body, separate from government departments and state enterprises. Its mission is to provide credit guarantees that make it easier for businesses and individuals to obtain loans from commercial banks, specialised financial institutions, and non-bank lenders.

By sharing part of the lending risk, NaCGA will help reduce financing barriers and build confidence among financial institutions when lending to SMEs. The agency will rely on government support as well as contributions from banks and financial institutions to ensure sustainability.

To launch the organisation, the government will provide initial capital of 10 billion baht. Funding will come from the central fund of the Thai Credit Guarantee Corporation and the Specialized Financial Institutions Development Fund, alongside guarantee fees and institutional contributions.

Mr. Paopoom stressed that NaCGA will not only strengthen existing credit guarantee mechanisms but also create a healthier financial ecosystem for Thailand's private sector. "The establishment of NaCGA will expand access to funding, support business growth, and enhance competitiveness, particularly for SMEs," he said.