



BANK OF THAILAND NEWS

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Extension of BOT project to provide financial assistance to SMEs with NPLs

The Bank of Thailand (BOT) announced that it will be extending its scheme to support Small and Medium-sized Enterprises (SMEs) that have business potential but shoulder non-performing loans (NPLs).

Under this programme, SMEs with NPLs, but who still have potential to carry on business, receive assistance through financial institutions according to regulations governing the purchase of promissory notes, as well as debt classification. Once debtors have undergone the debt-restructuring process according to BOT guidelines, and once the debt-restructuring contract has been signed, loans can once again be classified as 'normal' without having to wait for performance reports under the conditions of the contract. This measure was implemented as of 7 April 2000 and is effective for two years.

The BOT will now extend this scheme for another 2 years, until 7 April 2004 and thus will also extend the classification period accordingly. This measure should allow SMEs with problem loans to perform as efficiently as before.

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