



BANK OF THAILAND NEWS

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Permission for commercial banks and finance companies to purchase loan

1. Since 1998 the Bank of Thailand has expanded the scope of commercial banks' businesses by allowing the purchase of loans from financial institutions according to Commercial Banking Act B.E. 2505 and Asset Management Corporation (state-owned asset management company) to enhance the liquidity of private sector and to facilitate the bidding of 56 suspended finance companies' assets

2. With the objective of commercial banks to manage assets effectively, improve liquidity, and facilitate debt restructuring of viable borrowers by increasing the number of the players in the market, the Bank of Thailand has expanded the scope of the loan seller from which the commercial banks can purchase the loans. According to the circulation No.BOT.FPG.(11) C. 2221/2545 dated 27th September B.E.2545 Re: Permission for Commercial Banks to Purchase Loan, these sellers may now include Thai Asset Management Corporation, Asset Management Company (privately-owned asset management company), and receiverships of 56 suspended finance companies.

3. According to Notification of the Ministry of Finance dated 2nd September B.E. 2545 Re: General Permission for Finance Companies to Purchase Loan, the Minister of Finance has expanded the scope of finance companies' businesses by allowing the purchase of loans from Asset Management Company and Thai Asset Management Company. Regarding the expansion of the scope of the loan seller to include receiverships of 56 suspended finance companies, the Bank of Thailand will submit the proposal for the Minister of Finance's consideration and will make announcement upon the approval of the Minister.

Bank of Thailand

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