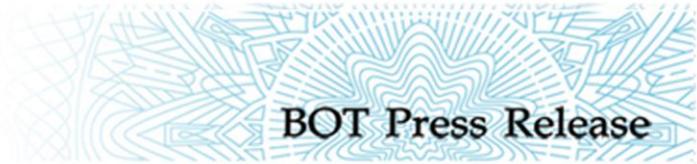




BANK OF THAILAND



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No. 9/2021

Credit Card and Personal Loan's Debt Mediation Fair
supported by the Bank of Thailand and the Legal Execution Department

Mrs. Thanyanit Niyomkarn, Assistant Governor for Supervision Group 2, Bank of Thailand, reported that the Covid-19 pandemic had widely affected people's debt serviceability. The Bank of Thailand had continuously implemented debt relief measures to help debtors, including the "Debt Exit Fastlane" as an additional channel for debtors in trouble, both individuals and businesses. In this regard, the Bank of Thailand would help receive the inquiries, coordinate, and, if necessary, negotiate with financial services providers. Moreover, the "Debt Clinic" channel was also established to help solve debt problems particularly the overdue and non-performing credit card and personal loans. The debt eligible for this channel could be either single- or multi-creditors cases, and includes cases with on-going court proceedings as well as those with court's judgments, all of which has SAM as the operator.

Nonetheless, an efficient and standardized form of debt mediation would be essential in helping creditors and debtors to collectively solve the problems in a quick and fair manner. The Bank of Thailand thus collaborated with agencies which are pillars of the judicial system in order to establish mediation culture in the Thai financial system, which would benefit borrowers, debtors, creditors, and other stakeholders. The debtors would receive more options to repay the debt, with a more lenient and realistic conditions. The creditors, on the other hand, would benefit from the repayment as the debtors could continue to service the debt without further escalating to the court. As a result, both parties could be able to maintain good customer relationships. Ultimately, this mechanism would help reduce the number of cases at the court and reduce the operational costs of overall financial system.

The "Credit Card and Personal Loan's Debt Mediation Fair" would be the first substantial execution as a result of the collaboration between the Court of Justice, the Legal Execution Department [under the Ministry of Justice], credit card and personal loans services providers, and the Bank of Thailand. **The Debt Mediation Fair would run between February 14, 2020 to April 14, 2020. Eligible loans under the Debt Mediation Fair covered individuals with credit card loans and/or personal loans, whether the loans are in normal status with temporary liquidity shortage, or being non-performed. Any types of loans could be mediated with creditors via this channel regardless of the legal status, whether this be prior to, during the court proceedings, or after judgements have been given.** Nonetheless, the Debt Mediation Fair is conducted as an online mediation platform due to the necessity of COVID-19 containment measures.

The main purpose of this Debt Mediation Fair is the mediation of credit card and personal loans cases which had obtained the judgments and have proceeded to the legal execution process. Normally, cases at this stage would not be eligible for the Debt Clinic and generally would be precluded from negotiation with the creditors. However, the 23 financial services providers as stated below deemed it important and necessary to relax the repayment conditions to be more actionable in order to help all parties involved to move forward together. Thus, the debtors at the legal execution stage would once again be allowed to join the debt restructuring program. The debt repayment scheme offered in this Fair would be lenient in similar way to the Debt Clinic's scheme. For example, debtors would be allowed to repay only the principal whereas the any overdue interests would be exempted should the debtors be able to service the debt as per the agreed plan. More importantly, the terms of the new conditions would be up to 5 years, allowing each installment to be not excessive and manageable. For example, if the debt has 50,000 baht principal, the 1st - 3rd year would require 1,111 baht repayment per month, the 4th - 5th year would require 416 baht repayment per month.

As for the debtors with non-performing status, whether the case was sued or not, could use the Debt Mediation Fair platform as an application to the Debt Clinic program in tandem with the debt mediation process by the Court. Since the memorandum of understanding between the Court of Justice and the Bank of Thailand was signed, the Court accepted solutions from the Debt Clinic as one option during the online mediation process by the Court. In addition, the Debt Clinic had expanded the coverage of debtors to include debtors affected during the COVID-19 pandemic by allowing loans being non-performed prior to February 2021 to be eligible, compared to previous criteria of being non-performing loans prior to July 1st, 2020.

Furthermore, performing credit card debtors with some liquidity shortages could also join the Debt Mediation Fair as well. For example, these individuals could make a request to restructure credit card debts into longer-term loans with lower interest rates. This would help alleviate the debt burden and be better off than the minimum repayment. Moreover, the debtors would be able to request the creditors to maintain some credit lines. Such debt restructuring approach was one of the minimum measures offered by the Bank of Thailand to help borrowers, and this would not affect their credit bureau status and history.

Individuals with credit cards and personal loans without collaterals could join the online debt mediation Fair from February 14, 2021 onwards via the websites of the Court of Justice, the Legal Execution Department, the Bank of Thailand, the Financial Consumer Protection Center, as well as the financial services providers listed below. To ensure the fastest assistance, please kindly read and study the guidelines thoroughly and carefully. For further assistance or guidance, please contact the 1213, Monday-Friday, 8.30 – 16.30 hours. During non-working hours, please leave the name and phone number via our 24 hours service portal or kindly email fcc@bot.or.th and the officers will get back to you in the first instance.

The Bank of Thailand

10 February, 2021

For more information

The Office of the Judiciary: www.coj.go.th

the Legal Execution Department : www.led.go.th

The Bank of Thailand : www.bot.or.th

the Financial Consumer Protection Center: www.1213.or.th

List of 23 Financial Institutions
For the Credit Card and Personal Loan's Debt Mediation Fair
supported by the Bank of Thailand and the Legal Execution Department

11 Commercial Banks

1. BANGKOK BANK PUBLIC COMPANY LTD.
2. KRUNG THAI BANK PUBLIC COMPANY LTD.
3. BANK OF AYUDHYA PUBLIC COMPANY LTD.
4. KASIKORNBANK PUBLIC COMPANY LIMITED
5. CITIBANK, N.A.
6. CIMB THAI BANK Public Company Limited
7. TMB BANK PUBLIC COMPANY LIMITED
8. SIAM COMMERCIAL BANK PUBLIC COMPANY LTD.
9. THANACHART BANK PUBLIC COMPANY LTD.
10. UNITED OVERSEAS BANK (THAI) PUBLIC COMPANY LIMITED
11. Government Savings Bank

12 Non-bank financial institutions

1. GENERAL CARD SERVICES LIMITED
2. CITICORP LEASING (THAILAND) COMPANY LIMITED
3. Tesco Lotus Money Services Ltd.
4. KRUNG SRIAYUDHYA CARD CO., LTD.
5. PROMISE (THAILAND) COMPANY LIMITED
6. MUANGTHAI CAPITAL PUBLIC COMPANY LIMITED
7. SAKSIAM LEASING PUBLIC COMPANY LIMITED.
8. AYUDHYA CAPITAL SERVICES COMPANY LIMITED
9. AEON THANA SINSAP (THAILAND) PUBLIC COMPANY LIMITED
10. EASY BUY PUBLIC COMPANY LIMITED.
11. ITTP CO.,LTD.
12. AIRA & AIFUL Public Company Limited