



Legal Execution Department,

Press Release

Pr 9/2559

Operation Plan of the Fiscal Year 2017
and Achievement of Legal Execution Department of the Fiscal Year 2016

10th October 2016

Bankruptcy Case Administration Center,
The Government Complex, Rajaburi Direkridhhi Building

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On 10th October 2016, at 10.00 am, Miss Ruenvadee Suwanmongkol, Director-General, Legal Execution Department (LED) with the Deputy Directors-General conduct the press conference to announce the LED's operation plan of the fiscal year 2017 and performance of the fiscal year 2016 as follows:

Operation Plan of Fiscal Year 2017

LED's Strategies for 2016 – 2019

Strategy 1: Leveraging legal execution system to be internationalized and promoting justice evenly and equally.

Strategy 2: Promoting and developing participation with all sectors in the country, and integrating international cooperation.

Strategy 3: Developing professionalism in the LED personnel.

Strategy 4: Improving structure and management system of the LED to be the employer of choice.

8+ Implementation Goals

1. Expediting the turnover of properties.
2. Improving case management system.
3. Strengthening and developing post-judicial mediation.
4. Reforming laws.
5. Developing IT.
6. Integrating data with other agencies.
7. Developing international affairs relating to enforcement of judgment and administration of bankruptcy and business reorganization cases
8. Enhancing personnel capacity and management system.



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The developments in the implementation goals focuses on 8 operation plans; HR Excellence, Case Management Excellence, IT Excellence, Information Excellence for the preventive and protective operation emphasizing on empowerment to vulnerable groups such as farmers, household debtors, and SMEs entrepreneur.

LED 8+ Digital Economy is also added to support the LED to the Digital Economy and Thailand 4.0.

Operational methods

Method 1: Expediting the turnover of properties

Applying 4A policy: accelerating turnover of properties, accelerating monitoring court order and judgment, accelerating organizing Property Valuation Committee meeting, and accelerating notification of public auction, as well as applying electronics system to the process, conducting public auctions on weekends and public holidays, conducting public auction fairs, and accelerating effective production of accounting.

Method 2: Post-judicial Mediation

Using “proactive, in-depth, and comprehensive” strategy, coordinating new target groups of creditors, working proactively on-site and adjusting behavior of debtors.

Method 3: Developing international affairs relating to enforcement of judgment and administration of bankruptcy and business reorganization cases

Being the ASEAN+3 academic center for enforcement of judgment for ASEAN community, and developing the working system to the international standards, and to be easier, faster, cheaper, with smarter laws and regulations according to Ease of Doing Business Report of the World Bank, including improving best practices and strengthening cooperation.

Method 4: Developing IT

Applying IT to every working process such as E-Offering Auction, E-Filing Full Scale, business reorganization, and mobile application presenting the seized properties in 3D format.

Method 5: Enhancing personnel capacity and management system

Leveraging professional standards and building trust by proposing the draft Enforcement Officer Act B.E. and continuously developing professionalism to the LED personnel by improving courses in enhancing capacity, knowledge, and experiences.



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Method 6: Communication and database

Being the information center of enforcement index/R&D, linking data with other agencies for the effective enforcement of judgment, creating debtor data center, and building system for access to information.

Method 7: Preventive and protective operation

Empowering vulnerable groups such as farmers, household debtors, and SMEs entrepreneurs, and promoting legal knowledge and financial discipline.

Method 8: Restructuring for Digital Economy Thailand 4.0

Establishing 5 new divisions to deal with post-judicial mediation, economic competitiveness of the country, and anti-corruption.

Achievement of Legal Execution Department of the Fiscal Year 2016

Proactive working in expediting the turnover of properties, post-judicial mediation, improving the working process, law reforms, IT system, and mobile application to search seized properties, all of which result in the performance of the fiscal year 2016 being better than the performances of the past 6 years (see Enclosure).

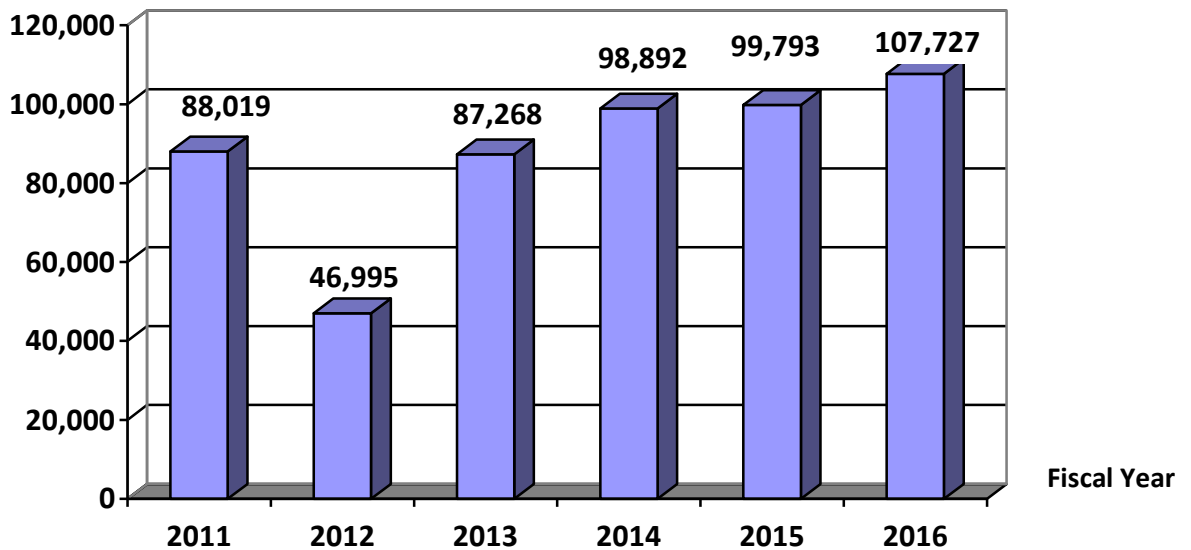
Enclosure

1. Expedite the Turnover of Seized Properties to Increase the Liquidity and the Growth of Thai Economy

In the fiscal year 2016, the LED has proactively carried out public auctions more effectively by adopting technologies and organizing the public auctions on Saturdays and Public Auction Fairs. From this performance, the LED achieved 107,727,691,734 Baht, higher than the goal set at 100,000 million Baht. Compared with the results of turnover expedition in the latest 6 years (fiscal year 2011 - 2016), the result of fiscal year 2016 is the highest, 27.94% higher than the average result in 6 years.

■ Results of Turnover Expedition in FY 2011 - 2016

Million Baht

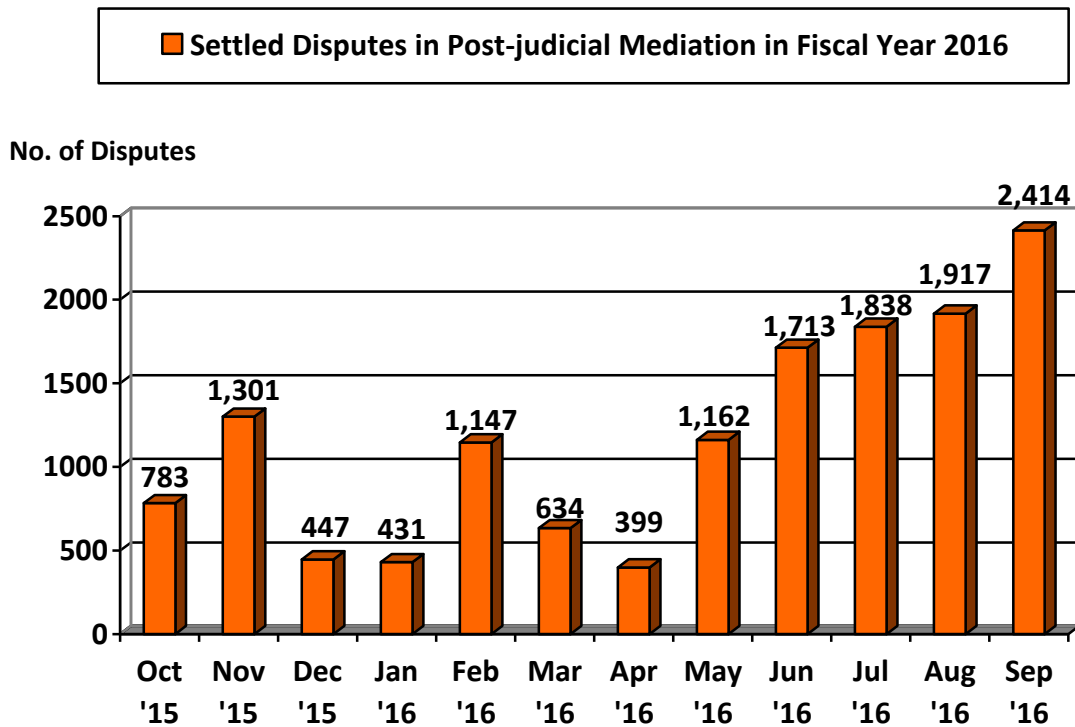


2. Post-Judicial Mediation with the Largest Number of Entering Disputes in the Last 6 Years

The LED has proceeded mediation proactively, focusing on household, retail, SMEs, student loan, and farmers' debts.

Post-judicial mediation in Thailand in fiscal year 2016 (October 2015 – September 2016): disputes entered 16,700 cases totaling value of 6,732,101,732.17 Baht, successfully settled 14,188 cases totaling value of 4,932,590,335.46 Baht. The successful rate is 83.75%. The amount of the settled cases in fiscal year 2016 is 296.53% more than the average amount of those in 6 years (fiscal year 2011 - 2016).

Post-judicial mediation fairs in Thailand in fiscal year 2016 (October 2015 – September 2016): disputes entered 10,371 cases totaling value of 3,049,611,893 Baht, successfully settled 9,161 cases totaling value of 2,295,964,146 Baht.



3. Case Management

13,849 cases that are pending over ten years have been organized. 2,646 cases (19.11% of pending cases) were finished. Moreover, LED has coordinated with the Thai Banker's Association to help cooperate with the creditor banks, which are already notified by the enforcement officer to further proceed the pending enforcement procedures.

4. Laws and Regulations Improvement

LED has been focusing on modernizing the related laws and regulations to meet the international standards, with an aim to promote justice and reduce inequality, strengthen competitiveness of the country, and promote both foreign and domestic investors' confidence. LED has proposed the new laws and regulations as follows;

Effective Laws

- Civil Procedure Code Amendment Act (No. 29) B.E. 2558 (2015) (Free of maintenance fee in LED public auctions; condos & subdivided lands) which was promulgated in the Government Gazette on 19th November 2015 and has been in effect since 20th November 2015.

- Bankruptcy Act (No.9) B.E. 2559 (2016) (the Business Reorganization of the SMEs) which was promulgated in the Government Gazette on 24th May 2016 and has been in effect since 25th May 2016.

- Ministerial Decree on Setting Rules, Measures and Conditions of the Public Auction B.E. 2559 (2016) which was promulgated in the Government Gazette on 13th January 2016.

- Ministerial Regulation Prescribing Qualifications of Official Receivers Eligible to Issue Orders relating to Proof of Claim B.E. 2558 (2015)

Draft Laws in the National Legislative Assembly

The draft amendment act on Civil Procedure Code Chapter 4 Part 2 (Enforcement of Court Orders or Judgments) which was agreed in principle in the first reading of the National Legislative Assembly on 7th October 2016.

Draft Laws in the Legal Execution Department

- The draft amendment Bankruptcy Act (No. ..) B.E.

Current proceedings: The LED Working Group on the Study of Key Issues in Insolvency Law has gathered comments on the draft act from the public hearing to adjust the draft act.

On 3rd August 2016 the LED proposed the draft act to the Ministry of Justice and on 29th September 2016 the draft act was proposed to the Law Reform Committee of the Ministry of Justice. This draft act aims to modify the business reorganization process to comply with the business reorganization process of SMEs, collaborate with and support Secured Transaction Act B.E. 2558, comprise the rule of UNICTRAL Model law on Cross-Border Insolvency, and to improve the efficiency on law enforcement. The whole objectives are to speed up process and meet the international standards according to the Ease of Doing Business Report of the World Bank, strengthening the competitiveness of the country.

- **Proposing a draft amendment act on Civil Procedure Code** to support the E-Auction and public auction on mobile application for more convenience to the public.

Current proceedings: The issues are under the study of the LED Working Group on E-Auction.

- **Proposing a draft Enforcement Officer Act**

Current proceedings: The LED Working Group finished drafting the act and conducted the public hearing on 27th September 2016 at the Public Auction Auditorium, Aseetipat Building. The draft act modifies the recruitment and appointment of the enforcement officer to ensure the high-competency of the qualified candidates and independence of the enforcement officer, as to elevate the enforcement of civil judgment to the high level of professional and ethical standard. The draft act was proposed to the Ministry of Justice on 30th September 2016.

- **Proposing a draft amendment act on Civil and Commercial Code (No. ..) B.E. (Deposit of Property)**

Current proceedings: The LED finished drafting the act and conducted the public hearing on 27th September 2016 at the Public Auction Auditorium, Aseetipat Building. The draft act modifies places to deposit the property due to the differences in the places specified in the CCC and in the Ministerial Decree on the Organization of the Legal Execution Department B.E. 2556 (2013). It was proposed to the Ministry of Justice on 30th September 2016.

- **Draft Ministerial Regulation on Property Valuation (No ..)**

Current proceedings: The issues are under review by the LED Working Group LED Working Group on the Study of Key Issues in Enforcement of Civil Judgment according to the remarks of Adviser to the Minister of Justice.

5. Increasing Competitiveness of the Country and International Affairs

The LED has set up working groups to study and answer questionnaires, and improve laws, regulations, and working processes to make the enforcement of judgment easier, cheaper, faster, and with smarter regulations according to 9th Sub-indicator Enforcing Contracts and 10th Sub-indicator Resolving Insolvency of the Ease of Doing Business Report of the World Bank. The LED also held the meetings with the contributors for better understanding in the methodology and updated reforms.

5.1 World Bank's Ease of Doing Business (EoDB) The LED has reported the outcome of legal reform, especially (2016) (the Business Reorganization of the SMEs) which is effective on 25th May 2016 to the World Bank.

5.2 International Conference on Cross-border Insolvency The Ministry of Justice, the Legal Execution Department, and the United Nations Commission on International Trade Law (UNCITRAL) jointly organized the International Conference on Cross-Border Insolvency on 22nd – 25th June 2016 at The Berkeley Hotel Pratunam, Bangkok, Thailand, having His Excellency General Paiboon Koomchaya, Minister of Justice, presided over and delivered an opening address in an opening ceremony of the Conference. The Conference is in accordance with the mandate of 16th ASEAN Senior Law Officials Meeting (ASLOM) and the 9th ASEAN Law Ministers Meeting (ALAWMM) to exchange knowledge and experiences on the recent trend in cross-border insolvency, the relationship between the insolvency and secured transaction regimes, and the cooperation on administration of insolvency cases under the changing economy and technology landscapes. The participants included the executives from justice and economic sectors, scholars, representatives from private sectors, legal consultants, presses, and delegates and specialists of counterpart agencies from the ASEAN Member Countries, the People's Republic of China, Japan, the Republic of Korea, and related international organizations such as United Nations Commission on International Trade Law (UNCITRAL), World Bank, Union Internationale des Huissiers de Justice (UIHJ), and the Asian Development Bank (ADB). There were a special keynote address on "Cross-border Insolvency in the ASEAN Economic Community" by Professor Charles D. Booth, Director of the Institute of Asian-Pacific Business Law, William S. Richardson School of Law, University of Hawai'i at Manoa, along with two panel discussions under the topics "Recent Trend in Cross-border Insolvency" and "Relationship between Insolvency and Secured Transactions Regimes."

Moreover, on Friday 24th June 2016 there was a Meeting of Senior Executives of Insolvency Agencies of the ASEAN Member Countries, the People's Republic of China, Japan, the Republic of Korea, and Related International Organizations to discuss the coordination scheme and to report the recent developments in insolvency law of each country.

In this Conference, the participants composed of the senior executives and foreign experts, including the executives from the Ministry of Justice and departments in the justice system, representatives from the legal offices from both the government sectors and law firms in the total number of 400 participants.

6. IT Development

6.1 E-Offering Auction Pilot Project System, after the LED offices in the pilot project conducted the first public auction with the E-Offering option on 27th March 2016 and finished all the auction rounds for 20 cases with 31 properties. 13 properties with the total valuated price of 1,443,264,211 Baht were sold at 127,830,000 Baht.

To implement the E-Offering continuously, the LED conducted the public auction every Sunday. From Sunday 3rd July – 18th September 2016, 46 properties with the total valuated price of 130,889,009 Baht were sold at 166,330,000 Baht.

6.2 “LED Property Plus” Mobile Application

Since the release date on 15th February 2016, the application has been downloaded 1,475 times with the satisfactory rate at 3.57 and was included in the Government Application Center (GAC) on 7th March 2016.

The LED has continuously adopted IT to operation processes under the concept that “The LED is committed to improve and adhere to the ease of the public in more access to the public services, and to show transparency in working procedures of the LED” by publicizing the law and working steps in public auctions, and providing easier and more convenient access to public services in order to build transparency and trust in the LED's services. The commitment resulted in the awards the LED received in the fiscal year 2016 as follows;

- 2016 Thailand Public Service Awards: Good Improvement in Public Services from the “LED Property Plus” mobile application to search the seized properties along the rails (BTS, MRT, and Airport Rail Link) (awarded by Deputy Prime Minister Visanu Krue-ngam on 16th September 2016).

- Certificate of Honor in Transparency Standards Production and Assessment for more than 5 consecutive years (awarded by M.L. Panadda Diskul, Minister Attached to the Prime Minister's Office on 26th September 2016).

6.3 EDC Payment

Starting from 15th March 2016, there have been 416 bidders who pay the deposit in public auction by debit or credit card via Electronic Data Capture (EDC) in the total amount of 89,694,000 Baht. The EDC payment method will become nationwide by December 2016.

6.4 E-Payment

Bankruptcy Cases – From 25th January – 28th October 2016, 1,387 creditors received the proceeds in bankruptcy cases in the total amount of 1,809,519.66 Baht, and 6,009 debtors received the living allowances in the total amount of 102,976,760.85 Baht.

Civil Cases – Starting from 31st December 2015, creditors can pay the additional enforcement costs at Krung Thai Bank. The system helps reduce travel time and cost, and provides more convenience and faster way of contact.

7. Potential of SMEs Enhancement

The LED organized the lectures on Bankruptcy Act for SMEs entrepreneurs for 26 rounds across the country, and published handbooks on civil and commercial law, and other related laws for SMEs entrepreneurs.

From the post-judicial mediation fair jointly organized by the LED and SME Bank, there have been 953 disputes totaling value of 307,985,232.51 Baht, 876 cases are successfully settled with the total value of 280,388,655.53 Baht (91.92% of the entering disputes).

Moreover, the LED has set up 115 SME Rescue Centers across Thailand to receive complaints and help the SMEs entrepreneurs, following government policy of which the central agency is the Ministry of Industry. From 30th June – 30th September 2016 the SME Rescue Centers have served 112 clients (99 individuals and 13 juristic persons) in the following categories; 12 issues in complaint, 32 issues in legal consult, 19 issues in financing, and 49 issues in business reorganization.

8. Resolving Farmers' Debts

The LED and the Bank for Agricultural and Agricultural Co-operatives (BAAC) have cooperated in examining agricultural debt in enforcement stage. This is an urgent issue to be resolved by having all of the LED offices nationwide conduct mediations for such debt, providing farmers legal knowledge, financial knowledge, and supporting refinance. Until now, there are 2,292 agricultural-debt cases in the enforcement stage.

Status	Number of cases	Amount (million Baht)	Value of Properties (million Baht)
The Bank is considering loan	94	23	26
Mediation (Verification/ appointment)	176	42	8
Success (Resolution reached/loan approved)	125	18	8
Unsuccessful settlement/ loan denied	476	1,801	38
No request for execution yet	388	59	0.81
During other processes (stay of execution)	54	13	22
Finish cases (Properties sold, seizure revoked, execution period lapsed, etc.)	979	224	137
Total	2,292	2,184	244

Besides, the LED offices have coordinated with the Farmers Council in every province to mentor the farmers in enforcement stage. Below is the current progress;

Work Shop Held	On progress	Pending
62 Provinces	3 Provinces	19 Provinces
