

Excessive Interest Rate Prohibition Act, B.E.2560 (2017)

His Majesty King Maha Vajiralongkorn Bodindradebayavarangkun

Given on the 14th Day of January B.E.2560

Being the 2nd Year of the Present Reign

His Majesty King Maha Vajiralongkorn Bodindradebayavarangkun is graciously pleased to proclaim that,

Whereas it is expedient to revise the law on prohibition of excessive interest rate.

Be it, therefore, enacted by the King, by and with the advice and consent of the National Legislative Assembly as follows.

Section 1. This Act is called the “Excessive Interest Rate Prohibition Act, B.E.2560 (2017)”.

Section 2. This Act shall come into force as from the day following the date of its publication in the Government Gazette.

Section 3. The Excessive Interest Rate Prohibition Act, B.E.2475 (1932) shall be repealed.

Section 4. Any person who loans money to other persons or does any action in the manner to conceal the lending of money with any of the following nature shall be punished with imprisonment for a term not exceeding two years or a fine not exceeding two hundred thousand baht or both:

(1) demand interest at a rate higher than the rate specified by law;

(2) specify false information in relation to the amount of loan or other matters in the evidence of loans or negotiable instruments to conceal the demand of interest at a rate higher than the rate specified by law or;

(3) specify to receive or obtain any benefit other than interest, either money or things, or by any means apparent that the benefit obtained exceeds the appropriate proportion under the term of loan.

Section 5. Any person obtains the rights of claim from other persons by knowing that the rights obtained arise from the commission of an offence under Section 4 and exercises the aforesaid rights or attempts to take the benefit of the aforesaid rights shall be punished as provided in Section 4.

Section 6. If the court renders its judgment that the accused is guilty but suspension of the determination of punishment or the reprieve whether having a petition or not, the court may employ the measures of safety under Section 39 (3) and (5) of the Criminal Code to apply *mutatis mutandis*.

Section 7. The Minister of Justice shall take charge and control of the execution of this Act.

Countersigned by

General Prayuth Chan-ocha
Prime Minister

Note: The rationale behind the promulgation of this Act is that whereas the Excessive Interest Rate Prohibition Act, B.E.2475 (1932), which has long been in force, contains provisions that are inappropriate and unfit for the current situations. This, coupled with the lending of money by overcharging interest or taking benefit other than interest still massively exists, made it is appropriate to revise the law on prohibition of excessive interest rate more time-befitting. Thus it is essential to enact the Excessive Interest Rate Prohibition Act, B.E.2560 (2017).