

Thesis Title : Legal Measures for Supervising Loan Origination of Financial Institutions under Financial Institutions Law

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ABSTRACT

This thesis aims to study problems in financial institutions supervision, especially on their loan origination because the financial institutions supervision to ensure the stability and security plays an important role in driving the overall economic system of the country. An applicable law on financial institutions supervision, which is the Financial Institutions Business Act, B.E. 2551 (2008), is improper for loan supervision. It may affect lending business of financial institutions and result in a decreased number of loans originated. Problems cover an unclear supervision on loan approval based on judgment, and a conflict of interest of directors or authorized persons incompletely stipulated by law.

This documentary research included studying, researching, collecting and analyzing data. The collected data was studied and compared with foreign laws and other related documents. It was found that the definition of “related persons” of such law was inflexible and limited persons eligible for loans. Additionally, the supervision, not including loan approval based on judgment of financial institutions, was unclear and the conflict of interest issue was incomplete.

From the aforementioned problems, the Financial Institutions Business Act, B.E. 2551 (2008), in the part of loans to directors and authorized persons, should be amended more properly and clearly. The conflict of interest regarding directors and authorized persons should be added completely in order to ensure the efficient supervision.