

Independent Study Paper Title : Factoring Law and Practices in Thailand in
Comparison of International Conventions
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ABSTRACT

According to the development in the financial system among countries, more financial tools are needed for the short-term and long-term revolving fund. Factoring is regarded as one of those efficient tools that helps finance continued businesses in a short period. Regarding its specifications, Factoring is one of those efficient alternative tools which help the Suppliers who have insufficient securities to guarantee their creditworthiness in obtaining working capital and balancing their short-term revolving funds in order to continue their business and enhance their business growth and creditworthiness efficiently.

Hence, This paper has been made with the purpose to study international practices and the business characteristics in Factoring and applications of the drafted of Thai Factoring Bills in order to be able to analyze and learn the practical problems together with legal problems on either domestic or international factoring.

From this study, it is found that Thai legal system lacks of such business recognition and the specific law supporting factoring has not been legislated. In considering the provisions under the international conventions and Thai general legal provisions under the Thai Civil and Commercial Code, there are still some limitations and problems governing factoring business.

However, there is the Thai Factoring Bills drafted but still it lacks the specific provision and information. Thus, it requires more specific provisions and scopes. At the same time, it must be compatible with the provisions under the UNIDROIT Convention and other laws related to such transaction.

To make such legislation relevant and effective, it need the cooperation between public and private sector. If factoring is well supported not only by the

Government but also the cooperation from all sectors, this type of business will play an important role as one of main financial sources which will promote and boost Thai economic growth.

