

SECTION S - ASSESSMENT OF PROCESSES

In this Section we ask you to assess, by reference to various rating scales, the speed, cost and general efficiency of some of the procedures previously discussed in your economy. Please give brief reasons where any such assessment is rated at the lower or negative end of the scale [indicated by an *].

S1. Is the process for taking of security over land to secure corporate borrowing:

	Not expensive	✓
	Expensive	
*	Very expensive	

	Easy	✓
	Difficult	
*	Very difficult	

	Very efficient	
	Efficient	✓
*	Inefficient	

	Quick	
	Slow	✓
*	Very slow	

S2. Is the process for taking of security over property other than land to secure corporate borrowing:

	Not expensive	✓
	Expensive	
*	Very expensive	

	Easy	✓
	Difficult	
*	Very difficult	

	Very efficient	
	Efficient	✓
*	Inefficient	

	Quick	
	Slow	✓
*	Very slow	

S3. Is the process for enforcement of security over land:

	Not expensive	✓
	Expensive	
*	Very expensive	

	Easy	✓
	Difficult	
*	Very difficult	

Very efficient	✓
Efficient	
* Inefficient	

Quick	
Slow	✓
* Very slow	

S4. Is the process for enforcement of security over property other than land:

Not expensive	✓
Expensive	
* Very expensive	

Easy	
Difficult	✓
* Very difficult	

Very efficient	
Efficient	✓
* Inefficient	

Quick	
Slow	✓
* Very slow	

S5. Is the process for debt collection:

Not expensive	✓
Expensive	
* Very expensive	

Easy	✓
Difficult	
* Very difficult	

Very efficient	
Efficient	✓
* Inefficient	

Quick	
Slow	✓
* Very slow	

S6. Is the process for winding up (liquidating) and insolvent corporate borrower:

Not expensive	✓
Expensive	
* Very expensive	

Easy	✓
Difficult	
* Very difficult	

Very efficient	
Efficient	✓

Quick	
Slow	✓

* Inefficient	
---------------	--

* Very slow	
-------------	--

S7. Is the process for the possible re-structuring of an insolvent corporate borrower:

Not expensive	✓
Expensive	
* Very expensive	

Easy	
Difficult	✓
* Very difficult	

Very efficient	
Efficient	✓
* Inefficient	

Quick	✓
Slow	
* Very slow	

S8. What is the average time period between the filing of an application for the winding up (liquidation or bankruptcy) of an insolvent corporate borrower and the formal pronouncement that the corporate borrower will be liquidated:

1 - 2 Months	
2 - 4 Months	
4 - 6 Months	
Other	✓

* Specify time period and give brief

reasons

It depends on whether or not Defendant defends itself in the court of law. If not, it takes approximately 3-4 months. For a defended hearing, the process may take well in excess of 6 months, depending on the nature of the defence.

S9. What is the average time period for the commencement of a formal procedure for the re-organization or re-structure (including a composition) of an insolvent corporate borrower and the commencement of the implementation of an agreed formal plan of re-organization or re-structure:

2 - 4 Months	
4 - 8 Months	
8- 12 Months	
12 - 18 Months	
Other	✓

* Specify time period and give brief

reasons

We cannot estimate an average time for such matter since the new Bankruptcy Act, B.E.2541 concerning the rehabilitation procedure was just introduced in May 1998. There is no precedent on this matter. However, the law states that the petitioner must comply with the plan within 5 years, extendible by another 2 years. If such period has elapsed without success, the court may order the debtor bankrupt.

S10. What is the average time period for the commencement of an informal procedure (a “work out”) for the re-organization or re-structure (including a composition) of an insolvent corporate borrower and the commencement of the implementation of an agreed plan of re-organization or re-structure:

2 - 4 Months	
4 - 8 Months	
8 - 12 Months	
12 - 18 Months	
Other	✓

* Specify time period and give brief

reasons

The same reason as specified in S9.

S11. If there are relevant statistics available for the incidence of formal insolvency procedures for insolvent corporate borrowers do these show that the incidence for (a) liquidation/bankruptcy and (b) re-organization/re-structure is:

(a)

Very high	
High	
Low	✓
* Very low	

(b)

Very high	
High	
Low	
* Very low	✓

This is because the reorganization procedure was just implemented in May 1998.

S12. What is your assessment of the predictability (positive), certain outcome) of the following processes in your economy:

(a) Security enforcement of land

Very high	
High	✓
Medium	
Low	
* Very low	

(b) Security enforcement of property other than land

Very high	
High	
Medium	✓
Low	
* Very low	

(c) Judicial handling of security enforcement

Very high	
High	✓
Medium	
Low	

* Very low	
------------	--

(d) Judicial handling of debt collection

Very high	
High	✓
Medium	
Low	
* Very low	

(e) Judicial handling of insolvency (liquidation) cases

Very high	
High	
Medium	
Low	✓
* Very low	

(f) Judicial handling of cases of re-organization/re-structure

Very high	
High	
Medium	
Low	
* Very low	✓

This is because the reorganization law was just implemented in May, 1998.