

EMERGENCY DECREE ON AMENDING THE CIVIL AND COMMERCIAL CODE  
B.E. 2564 (2021)

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HIS MAJESTY KING MAHA VAJIRALONGKORN PHRA VAJIRAKLAOCHAOUYUHUA;

Given on the 9<sup>th</sup> Day of April B.E. 2564;

Being the 6<sup>th</sup> Year of the Present Reign.

His Majesty King Maha Vajiralongkorn Phra Vajiraklaochaoyuhua is graciously pleased to proclaim that:

Whereas it is expedient to revise the Civil and Commercial Code;

This Emergency Decree contains certain provisions in relation to the restriction of rights and liberties of a person, in respect of which section 26 in conjunction with section 37 of the Constitution of the Kingdom of Thailand so permits by virtue of the provisions of law;

Rationales and necessities for restriction of and liberties of a person by this Emergency Decree are preventing creditors from claiming interest from debtors by rate or means that would impose undue burden to debtors. Enactment of this Emergency Decree is consistent with conditions prescribed in section 26 of the Constitution of the Kingdom of Thailand.

Be it, therefore, by virtue of the provisions in section 172 of the Constitution of the Kingdom of Thailand, enacted by the King, as follows.

**Section 1.** This Emergency Decree is called the “Emergency Decree Amending the Civil and Commercial Code B.E. 2564 (2021)”.

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\* Translated by Nusara Sukvibul and Raktai Dhebpunya, Legal Opinions and Translation Section, Foreign Law Division, Office of the Council of State, based on prior draft prepared by Phuwadol Piputwat Law Reform Division, Office of the Council of State. – Initial Version – pending review and approval by the Office of the Council of State.

**Section 2.** This Emergency Decree shall come into force as from the date of its publication in the Government Gazette.<sup>1</sup>

**Section 3.** The provision of section 7 of the Civil and Commercial Code shall be repealed and replaced with the following provision:

“Section 7. Whenever interest is to be paid, and the rate is not fixed by a juristic act or by an express provision of law, it shall be three per cent per annum.”

The rate in paragraph 1 may be decreased or increased to be corresponding to the country’s economic conditions by means of enacting a Royal Decree. Generally, Ministry of Finance shall review such rate every three years to be approximately to the average rate between deposit interest rates and lending interest rates of commercial banks.

**Section 4.** The provision of section 224 of the Civil and Commercial Code shall be repealed and replaced with the following provision:

“Section 224. For pecuniary debt, interest rate during default period shall be the interest rate in section 7 added by the increase rate of two per cent per annum. If creditors can claim higher interest on any other legitimate grounds, such higher interest shall continue to be paid.

During default period, interest shall not be paid upon interest.

Proof of other damages is admissible.”

**Section 5.** The following provision shall be added as section 224/1 of the Civil and Commercial Code:

“Section 224/1. In case debtors have duties to pay debt by installments and if debtors default on any installment, creditors can claim interest during default period only from the principle of such installment.

In case any agreement is contrary to paragraph 1, such agreement shall be void.”

**Section 6.** Provision of section 7 of the Civil and Commercial Code amended by this Emergency Decree shall apply to the calculation of interest which is due since the date when this Emergency Decree comes into force, but it shall not affect the calculation of interest before this Emergency Decree came into force.

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<sup>1</sup>Published in the Government Gazette, Vol. 138, part 26a, page 1, dated 10<sup>th</sup> April B.E. 2564 (2021).

**Section 7.** Provision of section 224 of the Civil and Commercial Code amended by this Emergency Decree shall apply to the calculation of default interest which is due since the date when this Emergency Decree comes into force, but it shall not affect the calculation of default interest before this Emergency Decree came into force.

**Section 8.** Provision of section 224/1 of the Civil and Commercial Code added by this Emergency Decree shall apply to the calculation of default interest for an installment which is due since the date when this Emergency Decree comes into force.

**Section 9.** The Minister of Finance shall have charge and control of the execution of this Act.

Countersigned by:

General Prayut Chan-o-cha  
Prime Minister

**Remark:** The grounds for the promulgation of this Emergency Decree are as follows. Whereas the interest rate which is not fixed by a juristic act or by an express provision of law, and the default interest rate specified at seven and a half per cent per annum set in the Civil and Commercial Code, have been applied for long period of time without having been revised to be consistent with current situation and economic contexts. Such provisions cause undue interest burden to debtors, it is therefore appropriate to amend the interest rates and specify the methodology to adjust such interest rates to be consistent with social and economic situations, as well as set forth the proper calculation method of default interest. Furthermore, the spread of Coronavirus disease 2019 has had an adverse effect on country's economy and caused a large number of people to incur more debts. Such interest rates in the Civil and Commercial Code which are not consistent with current economic contexts impose considerable burden to small and medium enterprises (SMEs) and the general public, it also causes high risk of default payment for debtors. Consequently, it is appropriate for the state to expeditiously amend the law to assist the people in such situation. Thus, it is the case of an emergency of necessity and urgency which is unavoidable to maintain national economic security. It is therefore necessary to enact this Emergency Decree.

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