

<b>THEMATIC TITLE</b>	LEGAL PROBLEMS REGARDING DEFAULT INTEREST RATES
<b>KEYWORDS</b>	MONEY DEBT/DEFAULT INTEREST RATES/FINE
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### **ABSTRACT**

The purpose of this independent study is to study legal problems related to default interest rates fixing due to the Emergency Decree Amending the Civil and Commercial Code, B.E. 2564 (2021), which amended default interest rates in order to make them more in line with the present situation and economic condition. However, in the event that the law does not specify the maximum default interest rate ceiling and the court interprets the agreement in which the creditor's right to change the interest rate is higher when the debtor defaults as a fine, including the criteria for reviewing the fixing of the default interest, it was found that there were still problems, obstacles, and provisions inconsistent with the intent of the law, resulting in a solution to the problem of fixing the default interest rate that was too high, inefficient, and truly fair.

The study found that: (1) Because of the problem that the law did not fix the maximum default interest rate ceiling, on this issue, the law required the contracting parties to agree to collect interest without fixing the maximum interest rate ceiling frame, which was considered an opportunity for the parties to agree to claim any maximum default interest, which may put the debtor, who tends to have less bargaining power to be at and disadvantage. (2) The problem with asking the court to interpret a contract provision that gives the creditor the right to increase the interest rate if the debtor defaults is a fine. On this issue, when the interest rate is too high, the court has the authority to reduce it. However, there is a suspicion as to whether the court's application of the law is correct in accordance with the law on interest under the there is a suspicion as to whether the court's application of the law is correct in accordance with the law on interest

under the contract arising from the intent of the parties or not. In addition, discretion in reducing interest rates that is not the same in each case or in each court will cause uncertainty in the economic system and cannot adhere to the same standard. (3) Problems with the criteria for reviewing and fixing the default interest rates. On this issue, the principle for the Ministry of Finance to review interest rates every 3 years may not be flexible and not keep up with the rapidly changing economic and social conditions in Thailand at present.

Therefore, from the study, it is deemed appropriate to propose an amendment to the Civil and Commercial Code, consisting of (1) prescribing a framework for the ceiling of the maximum default interest rate to be clear and allowing the parties to make an agreement to make an exception; otherwise, (2) legislation granting the court the power to reduce the interest in default under the contract, by having the relevant agencies hold a meeting to discuss ways to fix the default interest rate that is appropriate and fair to all parties as a guideline for the court to make decisions in the same direction, and if the plaintiff files a case for default interest by allowing the default period to be unreasonably long, the court shall have the power to adjudge that the plaintiff shall receive default interest within the period specified by the court; in order to be flexible, not too volatile, and able to keep pace with today's rapidly changing economic and social conditions.