

ROTATING SAVINGS AND CREDIT ACT
B.E. 2534 (1991)
(SHARE ACT)

BHUMIBOL ADULYADEJ, REX.
Given on the 13rd Day of July B.E. 2534 (1991)
Being the 46th Year of the Present Reign

His Majesty King Bhumibol Adulyadej is graciously pleased to proclaim that:

Whereas it is expedient to have the law on rotating savings and credit.

Be it, therefore, enacted by the King, by and with the advice and consent of the National Legislative Assembly, as follows:

Section 1. The Act is called the “Rotating Savings and Credit, B.E. 2534 (1991)”.

Section 2. This Act shall come into force as from the day following the date of its publication in the Government Gazette.¹

Section 3. All other laws, rules, regulations and notifications insofar as they are already provided herein, or are contrary to or inconsistent with the provisions of this Act, shall be replaced by this Act.

Section 4. In this Act:

“Rotating savings and credit” means instance where three or more persons agree to become a member of the rotating savings and credit association, each member has the duty to put money or other assets into the central fund periodically in order to allow other members to bid through an auction or other methods. This shall include other characteristics of funding as prescribed in Ministerial Regulation.

“Juristic person” includes unregistered ordinary partnership.

“Competent official” means a person appointed by the Minister to execute this Act.

¹ Published in the Government Gazette No. 108, Part 129, Page 1, 24th July B.E. 2534 (1991).

“Minister” means the Minister having charge and control of the execution of this Act.

Section 5. No juristic person shall be an organizer or hold any rotating savings and credit.

Section 6. No natural person shall be an organizer or hold any rotating savings and credit with any of the following characteristics:

(1) Being an organizer or holding more than three rotating savings credit associations in total.

(2) A total member of all rotating savings and credit associations is more than thirty.

(3) A total central fund of all rotating savings and credit associations in each specified period exceeds the allowed amount prescribed in the Ministerial Regulation.

(4) An organizer or a person holding a rotating savings and credit receives any benefit other than the right to receive the central fund in one of specified periods without any duty to pay interest when joining rotating savings and credit.

For the purposes of compliance with this section, a person who promises to put money or other assets on behalf of an organizer or a person holding rotating savings and credit shall be considered an organizer or a person holding rotating savings and credit.

Section 7. The Provisions of Section 6 shall not affect any rights of members to file a lawsuit in court or to claim against an organizer or a person holding rotating savings and credit.

Section 8. No juristic person shall promise to provide any money or other assets on behalf of an organizer, a person holding a rotating savings and credit or members of rotating savings and credit association.

Section 9. No invitation to join rotating savings and credit association shall be made to public.

Section 10. No person shall use a name or word denoting name in business as “share” (rotating savings and credit) or any other word that has the same meaning prescribed by the Minister in the notification published in the Government Gazette.

Where the notification is published under the first paragraph, a person who uses a name or word denoting name in business prior to the date of such notification comes into force shall continue to use such name or word denoting name for a period not exceeding one hundred and eighty days from the date such notification comes into force, except for a person who may continue to operate its business under this Act.

Section 11. Where Ministerial Regulation is published under Section 4 defining other characteristics of funding as rotating savings and credit under this Act and such rotating savings and credit has been prohibited under Section 5 or Section 6, a person who has been an organizer or has held such rotating savings and credit prior to the date such Ministerial Regulation comes into force shall continue to hold only unfinished rotating savings and credit association until it is done, but for a period not exceeding two years from the date the Ministerial Regulation comes into force.

Where a person operating business under the first paragraph is a juristic person who only has an objective to be an organizer of unfinished rotating savings and credit association or to hold an unfinished rotating savings and credit association shall submit a report relating to rotating savings and credit business in accordance with the form prescribed by the Minister to a competent official within ninety days from the date such Ministerial Regulation comes into force.

Any juristic person who has an objectives to be an organizer or provide any funding in other characteristics prescribed in the Ministerial Regulation as rotating savings and credit under this Act prior to the date this Ministerial Regulation comes into force shall cancel such objectives by filing an application to the Registrar under the law relating to such juristic person within one hundred and eighty days from the date such Ministerial Regulation comes into force, but a juristic person who is a juristic person that may continue to operate its business under the first paragraph shall cancel such objectives by filling an application to the Registrar under the law relating to such juristic person no later than two years from the date this Ministerial Regulation comes into force.

Where any juristic person fails to comply with the third paragraph, the Registrar under the law relating to such juristic person shall have the power to eliminate such objectives from the register, but the use of the power by the Registrar shall not release such juristic person from any punishment under this Act.

Section 12. In the performance of duties, competent official shall have the power as follows:

(1) enter any premises for inspection in case there is a reason to suspect that violation of this Act is being carried out, during the time between sunrise and sunset or during the business hours of such premises.

(2) seize or attach accounts, documents, evidence or other things which is connected to or there is a reason to suspect that it is connected to the commission of an offense under this Act for inspection or prosecution purposes.

(3) issue a letter of inquiry or summon any person to give statement or submit an account document or other thing to be used as a part of consideration where necessary. In this regard, it shall provide such person with appropriate period to comply.

Section 13. In the performance of duties of competent official under Section 12, all persons concerned shall facilitate them as may be appropriate.

Section 14. In the performance of duties, competent official shall produce to the persons concerned an identification card.

The competent official identification card shall be in the form prescribed in the Ministerial Regulation.

Section 15. In performing an act under this Act, the competent officials shall be the officials under the Penal code.

Section 16. Any juristic person who violates Section 5 shall be subject to a fine in an amount of one to three times of the central fund in each specified period of every rotating savings and credit association, but shall not be less than two hundred thousand baht and the court shall order such juristic person to cease being an organizer or holding a rotating savings and credit.

Section 17. Any person who violates Section 6 shall be subject to imprisonment for a term of not exceeding six months or a fine of not exceeding one hundred thousand baht or both.

Section 18. Any juristic person who violates Section 8 shall be subject to a fine of not exceeding two hundred thousand baht.

Section 19. Any person who violates Section 9 shall be subject to a fine of not exceeding fifty thousand baht.

Section 20. Any person who violates Section 10 shall be subject to a fine of not exceeding twenty thousand baht and a further fine of not more than five hundred baht per day throughout the continuation of such violation.

Section 21. Any juristic person who fails to submit a report in accordance with Section 11 paragraph 2 or makes a false statement shall be subject to a fine of not exceeding one hundred thousand baht and a further fine of not more than one thousand baht per day until rectification have been made.

Section 22. Any juristic person who violates Section 11 paragraph 3 shall be subject to a fine of not exceeding twenty thousand baht and a further fine of not more than five hundred baht per day until rectification have been made.

Section 23. Any person who obstructs competent officials in the performance of their duties under Section 12 shall be subject to imprisonment for a term not exceeding three months or a fine of not exceeding six thousand baht or both.

Section 24. Any person who fails to comply with order or letter of inquiry issued by competent official under Section 12 or denies to answer question without reasonable cause shall be subject to imprisonment for a term not exceeding one month or a fine of not more than two thousand baht or both.

Section 25. Any person who violates Section 13 shall be subject to a fine of not exceeding two thousand baht.

Section 26. Where a juristic person violates Section 5 or Section 8, if such violation is caused by an order or an action of director, manager or any person responsible for its operations, or where such person has the duty to issue an order or to take action but

fails to do so thereby causing such juristic person to commit such violation, such person shall be subject to imprisonment for a term not exceeding one year or to a fine of not exceeding three hundred thousand baht or both.²

Section 27. A juristic person who has been an organizer or has held a rotating savings and credit prior to the date this Act comes into force or a natural person who has been an organizer or has held a rotating savings and credit with prohibited characteristics under Section 6 prior to the date this Act comes into force shall operate such business only in the unfinished part of rotating savings and credit association until it is done but shall not exceed two years from the date this Act comes into force.

Where a person under the first paragraph is a juristic person and only has objectives to be an organizer of an unfinished rotating savings and credit association or to hold an unfinished rotating savings and credit shall submit a report relating to rotating savings and credit business in accordance with the form prescribed by the Minister to competent official within ninety days from the date this Act comes into force.

Any juristic person who has had an objective to be an organizer or has held a rotating savings and credit prior to the date this Act comes into force shall cancel such objective by filing an application to the Registrar under the law relating to such juristic person within one hundred and eighty days from the date this Act comes into force, but a juristic person who is a juristic person that may continue to operate business under the first paragraph shall cancel such objective by filling an application to the Registrar under the law relating to such juristic person no later than two years from the date this Act comes into force.

Where a juristic person omits to comply with the third paragraph, the Registrar under the law relating to such juristic person shall eliminate such objectives from the register, but the use of power by the Registrar shall not release such juristic person from any punishment under this Act.

Any juristic person who fails to submit a report under the second paragraph, submit a false report or fails to comply with the third paragraph shall be liable to punishment prescribed in Section 21 or Section 22, as the case may be.

² As amended by Act Amending the Law on Criminal Liability of Representatives of Juristic Person B.E. 2560

Section 28. The provisions of Section 8 shall not affect any contract which juristic person has concluded prior to the date this Act comes into force.

Section 29. Any person who has used a name or word denoting name in business as “rotating savings and credit” prior to the date this Act comes into force may continue to use such name or word denoting name for a period not exceeding one hundred and eighty days from the date this Act comes into force except any person who may continue to operate business under Section 27.

Section 30. The Minister of Finance and the Minister of Interior shall have charge and control of the execution of this Act, and shall have the power to appoint the competent official for the execution of this Act.

The Minister of Finance shall have the power to issue Ministerial Regulations and notifications for the execution of this Act.

Such Ministerial Regulations shall come into force upon their publication in the Government Gazette.

Countersigned by

Anand Panyarachun

The Prime Minister

Remarks: The reasons for promulgation of the Act are as follows: at present, many businesspeople operate their businesses as organizers of rotating savings and credit association or widely hold rotating savings and credit. The operation of such business is not only harmful to the public but also affects the mobilization of saving funds of financial institutions which are under the support and responsibility of the government and could consequently affect the economic system as a whole. Moreover, it is a fact that many business people of such business had been trying to operate their businesses in a very similar way to the operation of the finance business, which has been governed by specific laws. Accordingly, such operation of business shall be prohibited but rotating saving and credit by the public that is not business shall be continued. It is therefore necessary to enact this Act.