

# NEWSLETTER

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### 1. Q&A on Collecting Unpaid Bills

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## 1. Q&A on Collecting Unpaid Bills

In this guideline, we cover those mostly asked questions about bill collection in Thailand. If you are facing any unpaid bill, this guideline can provide you with the initial, yet essential information when making a sound and timely decision.

### 1. My customer doesn't pay the bill, do I need to engage an attorney now?

At the beginning, the bill collector does not necessarily engage an attorney. You may follow up the bill first by phone, letter or email. At some point after you figure out that the customer will not pay the bill unless forced to do so, then you will need to engage an attorney.

### 2. What is a lawyer's demand notice?

Upon taking on the matter, the lawyer will serve the demand letter to the customer requiring the customer to settle the unpaid bill, otherwise the lawyer will have to take the legal action.

### 3. Is the lawyer's demand notice really effective?

Sometimes the lawyer's demand letter alone manages to get the customer to settle the outstanding bill. But that does not happen very often. In most cases, it takes a civil lawsuit or even a criminal charge to get the expected result.

### 4. If my attorney files a civil complaint to the court, realistically how quickly I can get the money back?

That depends on the circumstance. If the customer fights all the way to the Supreme Court, it will take at least three years (if not longer) to get the final judgment, and additional one to two year to enforce the judgment through the Legal Execution Department. Let's talk about the likely scenario in the case where a claim for an unpaid bill is not subject to any credible challenge. The customer may agree to settle the case by paying installments over the period of one to three years. So if you think you have a solid claim, it probably takes one to three years to get paid in full.

### 5. How much does the court fee cost in the civil case?

Normally, the court fee in the civil case is 2% of the claim amount provided that the maximum court fee shall not exceed Baht 200,000. If the claim amount exceeds Baht 50 Mil, the portion that exceeds Baht 50 Mil is subject to the additional fee of 0.1%.

**6. If I win the case entirely, will the court award the court fee?**

Awarding the court fee is a discretion of the court. But normally if you win entirely and the defense is nonmeritous, the court tends to award the winning side the court fee.

**7. If I win the case entirely, will the court award the attorney fee?**

Likewise, awarding the attorney fee is a discretion of the court. Even if you win the case entirely, the court tends to award the attorney fee in the amount equal to a small fraction of the actual attorney fee. So in other words, you will need to absorb the attorney fee by yourself.

**8. Is there any deadline to file a civil complaint to the court?**

Typically, in commercial case it's either two years or five years. You cannot wait forever to file a civil complaint.

**9. My customer happens to issue a check that bounced back, what are my options?**

In this case you have two options.

**Option 1 – Civil Complaint**

The first option is to file a civil complaint to the court to force the customer to pay an outstanding bill. If the customer does not really pay, eventually you will need to seize customer's asset to put up for a public action to get a sale proceeds to settle the outstanding bill. With this option, the customer will not have any pressure.

**Option 2 – Criminal Charges**

You may file a criminal charge on the count of issuing a returned check. In this second option, you may engage an attorney to file a criminal charge directly to the court (quickest route) or you may file a criminal complaint to the police and the police will forward the case to a public prosecutor who will file a criminal charge to the court for you. With the threat of criminal charge, typically the customer tends to find money to pay you to avoid the criminal prosecution.

If you go with option 2, you will have to file a complaint to the police or a criminal charge to the court within three months from the date that the check is returned. After three months, the statutory limitation on time for the criminal case will run out and you will only have a civil claim.

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