

**ABSTRACT**

Thesis Title : Legal Problems for Venture Capital in Thailand : Case Study  
on Investment for Small and Medium size Enterprises

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Degree Sought : Master of Laws

Academic Year : 2001

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The expectation of Thai government in using Small and Medium size Enterprises (SMEs) as an important mechanism to restore country economic crisis was evaporated because there are many problems that retard the development of the SMEs in Thailand. One of the important obstacle is the difficulty in acquiring low cost capital and the insufficiency of investment fund. Though the government has many measures to help boot the SMEs both by supporting low rate loans and by providing business loan guarantee since 1999. Still, the stimulating measures are far beyond accomplishment. One reason is that there are many SMEs over debt especially the debt of NPLs.

However, to relieve the burden of high cost of capital faced by the SMEs, the government issues the new alternative of raising fund that is by the investment of Venture Capital through governmental financial institution or through private Venture Capital fund. Nevertheless, this alternative is new for Thai business. In addition, there are many hurdles emerging from the

enforcing laws. Therefore, the role of Venture Capital to help support Thai's SMEs is still limited

The purposes of the research in Thesis are to study the problems facing by Venture Capital in Thailand in terms of legal aspects from many enactments such as The Revenue Code, The Securities Exchange of Thailand Act of 1992, The Civil and Commercial Code, The Provident Fund Act of 1987, The Life Assurance Act of 1992, The Insurance Act of 1992, The Act of Gratuities and Pensions for Officials of 1996 and The Alien Business Operations Act of 1999.

From studying, in order to solve these problems, the government shall enact the new Bill of Thai Venture Capital and shall amend those obstacle laws, including rules regulations and other statutes enacted according to such law. By doing so, it will be the right way to increase investment of Thai Venture Capital and to solve the lack of capital problem in this sector for restoring the country economic crisis in the future.