KPMG

Business rehabilitation process in Thailand: Reset, restructure and recover

April 2026

KPMG in Thailand | Deal Advisory

Rehabilitation cases saw a brief increase during and after the COVID-19 period, as businesses affected by macroeconomic pressures or acute challenges used the process to support recovery. More recently, global economic uncertainty, geopolitical instability — including the Middle East conflict — cost pressures, and tighter credit conditions are again weighing on corporate balance sheets. As financing becomes more selective, vulnerabilities that were previously managed or deferred are re-emerging across multiple sectors, increasing the risk of financial distress and prompting companies to consider restructuring options, including court-led rehabilitation across sectors.

While formal court-led rehabilitation is not the only option for companies facing financial stress, restructuring activity is likely to increase as businesses seek to address liquidity constraints, rebalance their capital structures, and respond to pressure from creditors. Creditors may enforce security interests or initiate legal actions, including lawsuits against the debtor or petitions for the debtor's bankruptcy. We therefore set out below a high-level introduction to the court rehabilitation process in Thailand, together with key considerations for companies and stakeholders navigating periods of financial stress.

What is business rehabilitation?

Business rehabilitation is a court-supervised restructuring process designed for companies that can no longer meet their financial obligations as they fall due, but where there remains a viable underlying business. Under the Thai Bankruptcy Act B.E. 2542, the debtor can continue operating under court protection and restructure its financial obligations through an approved plan which can deliver a potentially higher recovery to creditors than an asset liquidation or wind-down.

Who can file a rehabilitation petition?



Debtor



Creditor



Relevant government authority

Conditions for filing an application:

1) The debtor must be insolvent or unable to repay its debts when due.
2) The debtor must owe an aggregate amount of not less than THB10,000,000 to one or more creditors, regardless of the maturity date of the debt.
3) There must be reasonable grounds and prospects to rehabilitate the business.

Business rehabilitation process and timeline

Phase I: Rehabilitation plan

2 - 3 months

- The debtor/creditor files a petition for business reorganization with the court.
- The court accepts the petition and proceeds with a hearing. Upon acceptance, the debtor is protected under BA section 90/12 (or the court may reject the petition).

Phase II: Preparation of the rehabilitation plan

5 - 7 months

- The court issues an order commencing the business reorganization and appointing the plan preparer.
- All creditors submit their claims for debt within one month after announcement in the Royal Gazette.
- The plan preparer files the plan to the official receiver within three months (can be extended by one month up to two times).
- The official receiver calls all creditors for approval of the rehabilitation plan.
- The court will hold a hearing to approve or reject the rehabilitation plan. A rejection may result in conversion to bankruptcy, enforcement by secured creditors, or asset liquidation.

Phase III: Implementation of the rehabilitation plan

2 - 7 years

- The plan administrator continues to administer the business in accordance with the plan.
- The court orders to cancel the business reorganization when the plan succeeds.

© 2026 KPMG Phoomchai Business Advisory Ltd., a Thai limited liability company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

Key considerations for debtors and creditors

The decision to pursue business rehabilitation should be taken following a comprehensive assessment of the associated risks and benefits and, where appropriate, consultation with key creditors whose support is essential. Independent advice from experienced legal and financial advisors is critical in determining the most appropriate course of action.

Businesses may seek rehabilitation for a range of reasons. A notable example is Thai Airways International, which undertook a complex restructuring involving numerous domestic and international creditors, together with significant operational and financial reforms. The rehabilitation process provided a structured framework and sufficient time to implement its restructuring plan, engage effectively with creditors and stabilize operations. Thai Airways has since successfully exited court supervision and resumed normal operations.

Whilst this is an extreme example, the presence of multiple creditors that need to be renegotiated with for the business to survive is the most common factor for a business to apply for rehabilitation.

Debtors	▪ Major creditors will need to support the application, and subsequent plan, if it is to be approved. ▪ Credit lines and access to additional debt may be suspended, so a company needs to ensure sufficient liquidity to continue to operate. ▪ Potentially adverse reaction from stakeholders including customers, suppliers, creditors and employees.
Creditors	▪ The level of debt owed relative to the total, and creditor classification, will determine your level of influence. ▪ Debtor will be protected from enforcement of security or commencement of any other litigation proceedings. ▪ Creditors can nominate another person to act as Plan Preparer instead of debtor. ▪ Process aims to treat each class of creditors fairly.

How we can help

Options assessment	✓ Develop a robust cash flow forecast to understand debt repayment capacity. ✓ Develop options for restructuring, including out-of-court or court-led rehabilitation.
Submitting the application	✓ Assistance with the preparation and submission of the petition and application. ✓ Work as advisor to the debtor or appointed planner. ✓ Review and assess the debt obligations from creditors.
Preparation of the rehabilitation plan	✓ Prepare the plan for business reorganization and develop strategy for negotiation with creditors. ✓ Examine and confirm validity of debt claims by creditors. ✓ Assist in creditor negotiations and coordination with legal advisers and the Official Receiver.
Implementation of the rehabilitation plan	✓ Supervise and monitor the business following guidelines from the plan administrator. ✓ Support the debtor to comply with the conditions of repayment to creditors. ✓ Report the results of plan implementation to creditors and the court.

Contact us



Ian Thornhill
Partner
Head of Deal Advisory
T: +66 2677 2297
E: ithornhill@kpmg.co.th



Surayos Chuephanich
Partner
Deal Advisory
T: +66 2677 2752
E: surayos@kpmg.co.th



Chortip Varutbangkul
Partner
Deal Advisory
T: +66 2677 2749
E: chortip@kpmg.co.th



Songpon Kiatlertpongsa
Partner
Deal Advisory
T: +66 2677 2772
E: songpon@kpmg.co.th



Matt Crane
Partner
Deal Strategy & Value Creation
T: +66 2677 2154
E: mcrane1@kpmg.co.th



Jakkra Rattananukit
Associate Director
Turnaround & Restructuring
T: +66 2677 2730
E: jakkra@kpmg.co.th



Toungrat Pichitdej
Associate Director
Turnaround & Value Creation
T: +66 2677 2293
E: toungrat@kpmg.co.th



Vilawan Chumkaew
Associate Director
Turnaround & Restructuring
T: +66 2677 2785
E: vilawan@kpmg.co.th

KPMG in Thailand
48th floor, Empire Tower
1 South Sathorn Road,
Yannawa, Bangkok 10120
T: +662 677 2000

kpmg.com/th

© 2026 KPMG Phoomchai Business Advisory Ltd., a Thai limited liability company and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.