

Act on Protecting People in Making Sale Contract
with Right of Redemption on Land for Agriculture or Habitation
B.E. 2562 (2019)

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His Majesty King Maha Vajiralongkorn Bodindradebayavarangkun

Giving on 15th April B.E. 2562 (2019)

Being the 4th Year of the Present Reign

His Majesty King Maha Vajiralongkorn Bodindradebayavarangkun has been graciously pleased to proclaim that:

Whereas it is expedient to have a law on protecting people in making sale contract with right of redemption on land for agriculture or habitation;

Some provisions in this Act has limited right and liberty of person which Section 26 constituted Section 37 of Constitution of the Kingdom of Thailand has prescribed that it can be made by virtue of the law.

Reason and necessity in limiting right and liberty of person under this Act for protecting seller with right of redemption for agriculture or habitation is for upholding justice in conducting aforementioned transaction. The promulgation of this Act has been already conformed to condition which prescribed in Section 26 of Constitution of the Kingdom of Thailand.

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

Section 1 This Act shall be called “Act on Protecting People in Making Sale Contract with Right of Redemption on Land for Agriculture or Habitation B.E. 2562”.

Section 2 This Act shall come into force after the date of its publication in the Government Gazette, except the provision in Section 18, which determined to deposit price of redemption to provincial land office or land office which registered sale with

right of redemption, shall come into force after expiration of one hundred and eighty days following the date of its publication in the Government Gazette.

Section 3 Section 19 of Act Amendment the Land Code (Volume 4) B.E. 2528 (1985) shall be repealed and power and duty of chief of district, chief district officer or assistant chief district officer who is chief of sub-district which has already existed according to the Land Code prior to the date of enforcement of Act Amendment the Land Code (Volume 4) B.E. 2528 (1985) shall be transferred for being duty and power of subordinated officer to Department of Lands who performs duty at district office as determined by Director General of Department of Lands.

Section 4 In this Act

“Sale with right of redemption” means sale with right of redemption on land for agriculture or habitation.

“Seller with right of redemption” means natural person who is seller under sale with right of redemption contract for agriculture or habitation land or person who received right of transferring in redemption of property.

“Buyer with right of redemption” means buyer under sale with right of redemption contract for agriculture or habitation land or heir of previous buyer with right of redemption or person who received transferring of property which sale with right of redemption, as the case may be.

“Agriculture” means agriculture under the law on hiring land for agriculture.

“Habitation” means building or structure and or land which utilized for habitation or related to habitation or for benefit of habitation, no matter it is also utilized as workplace or not.

Section 5 The Minister of Interior shall take charge and control of the execution of this Act.

Chapter I

General Provisions

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Section 6 Sale with right of redemption on land for agriculture or habitation which seller with right of redemption is natural person shall be enforced under this Act, except any action which was not particular or otherwise enacted, shall apply the provision of the Civil and Commercial Code, *mutatis mutandis*.

No matter in sale contract shall be specified whatsoever or having any agreement whatsoever and no matter competent officer specifies in table of content of registration that this is sale with right of redemption for agriculture or sale with right of redemption for habitation or not, if under matter of fact by the time of selling with right of redemption appear that land or structure which sale with right of redemption is the land for agriculture or selling objective is for habitation under this Act, all this shall be enforced under this Act.

Any agreement which contradicted or opposed with this Act, no matter it is specified in sale with right of redemption contract or it is made separately agreement such agreement is void.

Section 7 Sale with right of redemption is void unless conducting letter and registering with competent officer.

Regarding registration of competent officer, competent officer shall obviously specify in table of content of registration that this is sale with right of redemption for agriculture or sale with right and redemption for habitation.

Section 8 Sale with right of redemption contract shall at least be contained the following lists;

- (1) Name and address of party to a contract,
- (2) List and character of sale with right of redemption property
- (3) Price of sale with right of redemption
- (4) Amount of price of redemption
- (5) Date of sale with right of redemption and due date of redemption

Competent officer has duties in verifying document of sale with right of redemption contract that contained complete lists under paragraph one, no matter the case may be, any person cannot make excuse that contract is void because of the reason that it has not completed the list under paragraph one.

Amount of price of redemption shall be determined higher than the price of sale with right of redemption, but when calculated for being interest, it shall not exceed fifteen percents per year from the date of sale with right of redemption until the due date of redemption.

No matter is specified whatsoever content in contract, if buyer with right of redemption received money, property or other benefit which may calculated for being income from seller with right of redemption as a result of buying with right of redemption including remuneration which buyer with right of redemption received from other person who utilized property which sale with right of redemption under Section 13 paragraph two shall consider such money, property, benefit or remuneration is part of redemption price which it has been already paid.

For the benefit of facilitating convenient for people and protecting seller with right of redemption, Department of Lands shall provide form of sale with right of redemption contract.

Section 9 Sale contract of land for agriculture or habitation which has condition that might return sale, agreement that might sale or return sale contract or other same condition shall be deemed that it is sale contract under this Act and under enforcement of this Act.

Section 10 Regarding the due date in sale with right of redemption contract, it is unable to stipulated due date less than one year or exceed ten years, in case of stipulated due date is less than one year or more than ten years, shall be deemed that due date of redemption is one year or ten years, as the case may be, but seller with right of redemption has the right to redeem property prior to redemption due date.

In case seller with right of redemption redeems property prior to redemption due date and amount of redemption price is higher than the selling with right of redemption, shall reduce the amount of redemption price which is higher according to the ratio of decreased timing of redemption due date, but buyer with right of redemption has right to claim for losing opportunity cost which shall not exceed two percents per year of redemption price which calculated according to the remained timing prior to the due date of redemption, but in the case of deposit property, a person who deposit property shall deposit property according to amount of redemption price which stipulated in the contract but shall not deprive the right of party in reclaiming reduction or cost of losing opportunity latter.

In case of extending the due date of redemption, extended timing when add up to previous timing shall not more than ten years.

Section 11 Dispute case as the result of sale with right of redemption shall be consumer case under the law on consumer procedure and deemed that seller with right of redemption is the consumer.

Chapter II

Rights and Duties of Buyer and Seller with Right of Redemption

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Section 12 Under enforcement of Section 13, seller with right of redemption has possession right, utilizing and taking hold the benefit of sale with right of redemption property for the benefit in conducting agriculture or habitation until the due date of terminated redemption right so as to without paying remuneration to buyer. In this connection, profit which gained from selling property during sale with right of redemption property become property of seller.

Seller shall protect and preserve selling property as a normal reasonable person should protect and preserve his own property.

Section 13 In case on the date of selling, seller allows any person utilized the selling property for conducting agriculture or habitation, selling with right of redemption

is not effected to right of person who utilized such property and received remuneration shall belong to seller with right of redemption.

During selling with right of redemption, partner of contract might make written agreement stated that seller has rights to sale property with right of redemption to any person for utilizing in agriculture or habitation by stipulated that remuneration shall become to seller or buyer whatsoever, if without such agreement, seller with right of redemption has rights to allow any person for utilizing property in conducting agriculture or habitation and received remuneration shall belong to buyer with right of redemption, but in whatsoever case may be, right of such other person shall be terminated when the due date is expired and without the redemption of property so as to content of Section 12 paragraph two shall also be enforced seller with right of redemption and person who utilized such property, *mutatis mutandis*.

Section 14 Right in redemption of property may be transferred by juristic act or inheritance. Transferee shall receive all rights and duties.

Section 15 Right in redemption of property is applicable to former buyer, heir of former buyer or transferee of redemption property, as the case may be.

Section 16 Prior to redemption due date, buyer with right of redemption shall not create a charge on property which might effected to seller with right of redemption according to this Act.

Section 17 Prior to redemption due date not less than three months but not more than six months, buyer with right of redemption shall notify by acknowledged and registered mail to seller for informing redemption due date and amount of redemption price including attached together copy of sale with right of redemption contract. In case notified person is not previous buyer, shall also notify that seller has to redeem with whoever and location to pay price of redemption.

In case buyer with right of redemption has not notified by letter to seller with right of redemption within specified timing under paragraph one or did not send sale contract copy together, seller has rights to redeem property within six months as from redemption

due date which specified in sale contract, seller has duties in paying redemption according to specified amount in sale contract.

Section 18 Seller with right of redemption has rights to redeemed property within the due date which specified in sale contract or within stipulated timing in this Act, he may pay redemption to buyer with right of redemption or deposit property which it is price of redemption to deposit property office or provincial land office or land office which registered sale with right of redemption of such property by waiving the redeemed right of deposited property.

In case seller with right of redemption is unable to exercise redeem right to buyer with right of redemption, no matter any reason which it is not mistake of seller, seller has right of deposit property which it is price of redemption to deposit property office or provincial land office or land office which registered sale with right of redemption of such property within thirty days as from the redemption due date or as from the date that reason of incapable to exercise right of redemption is terminated, as the case may be, and shall deemed that seller has already redeemed property according to redemption due date.

Redeemed property shall become seller with right of redemption ownership as from the timing that seller pays redemption price or deposit property which it is redemption price, as the case may be.

Regarding deposit property under paragraph one or paragraph two, officer of deposit property office or land office, as the case may be, has duty to notify by acknowledged and registered mail to inform buyer the deposit of property at the soonest, seller no need to perform under Section 333 paragraph three of the Civil and Commercial Code.

Section 19 In case seller with right of redemption has not exercised right in redemption of property within stipulated due date in contract or within prescribed timing in this Act, seller shall deliver possession of such property to buyer with right of redemption at the condition in that time.

Property which delivered possession under paragraph one, buyer with right of redemption might receive by free from any right which seller created during sale with right of redemption.

When deliver possession to buyer under paragraph one, agricultural product which it has no character of land component part shall become ownership of seller or person who has right in utilizing such agriculture land, buyer shall consent owner of agricultural product ownership enter into the land for harvesting or moving in appropriate timing which shall not exceed six months as from redemption due date by send notifying letter to inform such owner of ownership, if owner of ownership has not performed within such timing, shall be deemed that he waives the right in such agricultural product.

Temporary Provision

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Section 20 Sale with right of redemption contract which sale with right of redemption property is land for agriculture of habitation which contract has been made prior to enforcement of this Act and it has not yet expired, shall be conditional bind to party of contract accordingly under enforced law in the date of making sale with right of redemption contract, except the following cases;

(1) Right of seller with right of redemption in possessing, utilizing and taking hold benefit of sale with right of redemption property under Section 12 and allowing other person utilized selling property under Section 13 paragraph one and right of seller or other person in receiving ownership in agricultural product including right in entering to the land for harvesting or moving agricultural product under Section 19 paragraph three, if seller with right of redemption possesses sale with right of redemption property for conducting agriculture or utilizing as habitation or allow other person utilizes property for aforementioned actions prior to the enforcement of this Act shall become the right or ownership of such seller with right of redemption or other person.

(2) Provision of Section 16 shall be enforced to sale with right of redemption contract which has been enforced prior to this Act come into force but shall not effected to obligation which seller has already rightfully created prior to the date that this Act come into force.

(3) Content of Section 17 shall be enforced to sale with right of redemption contract, in case redemption due date in contract has duration left less than three months as from this Act come into force, the redemption due date shall be extended to six months as from the date that this Act come into force.

(4) Provision of Section 18 shall be enforced to redeem property which conducted after the enforcement of this Act, although sale contract has been made prior to the enforcement of this Act.

Section 21 Dispute case as the result of sale with right of redemption for agriculture or habitation which still remained for trial in the court, prior to the enforcement of this Act, such court shall has power in trial judgement accordingly under the prescribed provision prior to the enforcement of this Act until the final judgment.

Section 22 Department of Lands shall provide necessity action for readiness of provincial land office or land office which received registration of deposit property which it is price of redemption under Section 18 prior to due date of one hundred and eighty days as from the date of its publication in the Government Gazette.

Countersigned by
General Prayut Chan-o-cha
Prime Minister

Remark: Reason for promulgation of this Act are as follows: whereas the provision on sale with right of redemption under the Civil and Commercial Code is under principle of sacredness and freedom in expressing intention between party which is individual with equal condition, but regarding sale with right of redemption on land for agriculture or habitation which it is mean to a great number of people for accessing source of investment fund, it is appeared that seller with right of redemption has less bargaining power than buyer with right of redemption due to different economic condition. Moreover, seller with right of redemption may get trouble from losing land or habitation. It is deemed that the protecting of sale with right of redemption contract on land for agriculture or habitation shall be determined and the facilitation to people in deposit property which it is price of redemption shall be determined that seller with right of redemption is able to conduct at provincial land office or land office which received the registration of sale with right of redemption and Department of Lands officer who has duties at district office also has duties and powers in receiving the deposit property, for all these for eradicating social inequality and strengthen fairness of society. Therefore, it is essentially to enact this Act.