

The Government Savings Bank Act
B.E. 2489 (1946) (Update)

IN THE NAME OF HIS MAJESTY KING BHUMIPOL ADULYADEJ

The Council of Regency

Rangsit Krom Khun Chainad Narendara

Phraya Manavaraj Sevi

Given on the 18th day of December B.E. 2489;

Being the 1st Year of the Present Reign.

Whereas it is expedient to establish the Government Savings Bank for the purpose of promotion of social welfare in respect of property;

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

Section 1. This Act shall be called “the Government Savings Bank Act B.E. 2489”

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

Section 3. The Government Savings Bank Act B.E. 2456, the Government Savings Bank Amendment Act B.E. 2472, the Government Savings Bank Act (No.3) B.E. 2479, and all other laws, bye-laws and regulations in so far as they are provided herein, or are inconsistent with the provisions hereof shall be repealed.

Section 4. In this Act:

“Minister” means the Minister taking charge and control of the execution of this Act;

“Director-General” means the Director-General of the Government Savings Bank;

“Deputy Director-General” means the Deputy Director-General of the Government Savings Bank;

“Board of Directors” means the Board of Directors of the Government Saving Bank

Section 5. The Government Saving Bank shall be exempted from income tax, tax on business premises, tax on banking and savings businesses and stamp duties under the Revenue Code.

Section 6. The Minister of the Ministry of Finance shall have charge and control of the execution of this Act, and shall have the power to issue Ministerial Regulations and Rules for the execution of this Act.

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

¹ Published in the Government Gazette Vol. 63, No. 83 dated December 31 B.E. 2489 (1946)

CHAPTER 1
ESTABLISHMENT AND OPERATION

Section 7. There shall be established the Government Savings Bank for the purpose of conducting businesses as follows:

1. To receive money as savings deposit;
2. To issue savings bonds and premium savings bonds;
3. To receive money on deposit in aid of life and family;
4. To accept a receive, payment and transfer of money;
5. To purchase or sell the Thai Government bonds;
6. To make and investment for procuring profits, as permitted by the Minister;
7. To engage in other savings business as may be determined by Royal Decree;
8. To engage in any businesses which are considered to be banking businesses are to be conducted according to the stipulations and conditions prescribed in the Ministerial Regulations.

Section 8. The Government Savings Bank Shall be a juristic person.

Section 9. The Government Savings Bank shall establish its head office in Bangkok, and may establish its branch offices and agencies at any other place in the Kingdom.

Section 10. All of the properties, assets, liabilities and businesses of the Savings Bank of the Post and Telegraph Department shall be transferred to the Government Savings Bank for further proceedings.

The Minister shall publish the date of such transfer in the Government Gazette.

Section 10/1.² Capital Increase of the Government Savings Bank shall be made by allocating capital from the financial institutions development special fund under the law on financial institutions development special fund, annual budget appropriation, or other sources of the State approved by the Council of Ministers.

CHAPTER 2
SUPERVISION, CONTROL AND MANAGEMENT

Section 11. The minister shall have the power and duty to exercise general supervision of the businesses of the Government Savings Bank.

² Section 10/1 as amended by The Government Saving Bank Act (No.4) B.E. 2560 (2017)

Section 12.³ There shall be a board of directors called the “Board of Directors of the Government Savings Bank”, comprising a chairperson and other directors of not less than six in number but not exceeding thirteen in number as appointed by the Council of Ministers and the Director-General shall be a director and secretary.

Section 12/1.⁴ The chairperson or the directors as appointed by the Council of Ministers shall have a 3-year term of office.

In the case where the chairperson or the directors as appointed by the Council of Ministers vacate the office prior to the expiration of their terms of office, or in the event that the Council of Ministers appoints additional directors while the previous appointed directors are still in office, the office term of the directors appointed to replace the vacant post or the additional directors shall be equal to the remaining term of the previously appointed directors.

Upon the expiration of the term of office under paragraph one, if a new chairperson or new directors have not yet been appointed, the chairperson or the directors vacating office on the expiration of their term of office shall resume office until the newly appointed chairperson or directors shall take over the positions.

The chairperson or the directors vacating office on expiration of term of office may be re-appointed for not exceeding two consecutive terms of office.

Section 12/2⁵ The person with the following qualifications is prohibited from being the chairperson or the directors so appointed by the Council of Ministers:

- (1) The person who is an officer or employee of the Government Savings Bank;
- (2) The person who is a director or holds any office in other banks;
- (3) The person who is bankrupt or used to be bankrupt;
- (4) The person who has ever been sentenced by a final judgment to imprisonment, except for commission of negligence or petty offences;
- (5) The person who is incompetent or quasi-incompetent;
- (6) The person who used to be a director, manager, deputy manager, or assistant manager of any commercial bank whose license is revoked unless exempted by the Council of Ministers;
- (7) The person who is blemished or tarnished of corruption in any financial institution or mismanaged any financial institution in a gross mistake manner.

Section 12/3⁶ Apart from vacating office upon the expiration of the term under Section 12/1 the chairperson or the directors as appointed by the Council of Ministers shall vacate office upon:

³ Section 12 as amended by The Government Saving Bank Act (No.3) B.E. 2546 (2003)

⁴ Section 12/1 as amended by The Government Saving Bank Act (No.3) B.E. 2546 (2003)

⁵ Section 12/2 as amended by The Government Saving Bank Act (No.3) B.E. 2546 (2003)

- (1) Death;
- (2) Resignation;
- (3) Removal by the Council of Ministers as a result of defect in duty or impaired misconduct or inefficiency;
- (4) Possession of the disqualifications under Section 12/2;
- (5) Absence from the meeting in excess of 3 consecutive times without any reasonable ground.

Section 13.⁷ In a meeting of the Board of Directors, there shall be directors present in a number of not less than one half of the total number of directors to constitute a quorum. If the chairperson is not present at the meeting or is unable to perform his duty, the meeting shall elect one director to act as the meeting chairperson.

Decision of the meeting shall be made by a majority of votes. One director shall have one vote. If votes are tied, the meeting chairperson shall give the casting vote.

Section 14.⁸ The Board of Directors shall have the authorities to lay down policies and take general supervisory action in favor of the Government Savings Bank. The aforesaid authorities include:

- (1) Appointment or removal of and determination of salary of, the Director-General by consent of the Council of Ministers;
- (2) Establishment or dissolution of the branches and agents;
- (3) Determination of general scopes and conditions of a variety of businesses under Section 7(1) - (7);
- (4) Laying down the rules and regulations of the Government Savings Bank in respect of management and operation;
- (4/1)⁹ Approving budget of the Government Savings Bank;
- (5)¹⁰ Presentation of balance sheet, and annual report under Section 25 and Section 26;
- (6) Determination of rules and conditions with respect to post filling, appointment, promotion or salary raising, disciplinary punishment, or removal from office of the officers;
- (7) Demand for security from officers, and determination of salary, gratuity, or other monies of the officers.

Section 15.¹¹ The chairperson and the directors shall be entitled to the remuneration as set forth by the Council of Ministers.

⁶ Section 12/3 as amended by The Government Saving Bank Act (No.3) B.E. 2546 (2003)

⁷ Section 13 as amended by The Government Saving Bank Act (No.3) B.E. 2546 (2003)

⁸ Section 14 as amended by The Government Saving Bank Act (No.3) B.E. 2546 (2003)

⁹ (4/1) of section 14 as amended by The Government Saving Bank Act (No.4) B.E. 2560 (2017)

¹⁰ (5) of section 14 as amended by The Government Saving Bank Act (No.4) B.E. 2560 (2017)

The chairperson, the Director-General, directors, officers, and employees may be entitled to the bonus under rules issued by the Council of Ministers.

Section 16.¹² The Director-General shall be the manager of the Government Savings Bank and shall have the authorities to manage the businesses and affairs of the Government Savings Bank in accordance with laws, regulations, rules, orders, and requirements of the Government Savings Bank and as assigned by the Board of Directors and shall have the authorities, as follows:

(1) Post filling, appointment, promotion or salary raising, disciplinary punishment, or removal from office of the officers in accordance with the rules and conditions as designated by the Board of Directors;

(2) Determination of practices on operation of the Bank and performance of officers which shall not be contrary to or inconsistent with the rules or requirements of the Board of Directors.

Section 17.¹³ In the businesses concerning the third party, the Director-General shall act on behalf of the Government Savings Bank and shall be the representative of the Government Savings Bank. For these businesses, the Director-General may authorize his office or any officer or any person to act on his behalf as stipulated by the Board of Directors.

CHAPTER 3

SECURITY AND GUARANTY

Section 18. Investment under Section 7(5) shall have prior been approved by the Board of Directors.

Section 19.¹⁴ The Incomes annually earned shall be paid by the Government Savings Bank as the operating expenses, as follows:

(a) Paying for interest on deposit;

(b)¹⁵ Paying for any expenses incurred from conducting businesses of the Government Savings Bank within the amount approved by the Board of Directors;

(c) Any other payment shall be bound to pay under its obligation.

¹¹ Section 15 as amended by The Government Saving Bank Act (No.3) B.E. 2546 (2003)

¹² Section 16 as amended by The Government Saving Bank Act (No.3) B.E. 2546 (2003)

¹³ Section 17 as amended by The Government Saving Bank Act (No.3) B.E. 2546 (2003)

¹⁴ Section 19 as amended by The Government Saving Bank Act (No.2) B.E. 2542 (1999)

¹⁵ (b) of Section 19 as amended by The Government Saving Bank Act (No.4) B.E. 2560 (2017)

Section 20.¹⁶ The incomes after expense deduction under Section 19 which remain after the allocation as a reserve for business expansion shall be delivered to the state as the incomes of the State at the rate as determined by the Minister, the remainder of which shall be further accumulated for the Government Savings Banking.

If the benefit earned in any year is insufficient for annual payment in that year, the deficit shall be paid from the money accumulated for the business of the Government Savings Bank. If it is still insufficient, the Ministry of finance shall pay it in full from the Treasury Reserve.

Section 21. All of the repayment of principals and the payment of interest on deposit according to the stipulations and conditions as prescribed in the Ministerial Regulations as well as the payment of any other monies under the obligation shall be guaranteed by the Government.

CHAPTER 4

WITHDRAWAL OF MONEY

Section 22. The withdrawal of money shall be in accordance with the stipulations as prescribed in the Ministerial Regulations.

Section 23. When a minor who is over seven years old has withdrawn the depositor interest from the Government Savings Bank, such minor or any other person has no right to demand the money which has already been withdrawn.

¹⁷For this matter, the receipt voucher given by the minor to the Government savings Bank for the money received shall cause the Government Savings Bank to be discharged from all liabilities in respect of the amount so paid.

Section 24.¹⁸ If in Depositor is deceased, the Government Savings Bank shall do as follows:

(1) In the case of appointment of the administrator, after having made the payment in accordance with the notice given by the administrator of an estate, the Government Savings Bank is discharged from the money paid;

(2) In the event of appointment of the executor, the Government Savings Bank shall verify genuineness and existence of the will in conformity to the rules as set forth by the Board of Directors and then shall make the payment in accordance with the notice of such executor of a will;

¹⁶ Section 20 as amended by The Government Saving Bank Act (No.2) B.E. 2542 (1999)

¹⁷ Section 23 Paragraph two and three as amended by The Government Saving Bank Act (No.3) B.E. 2546 (2003)

¹⁸ Section 24 as amended by The Government Saving Bank Act (No.3) B.E. 2546 (2003)

(3) In the case where there are no administrator and executor, the Government Savings Bank shall return the amount deposited by the deceased to the person quoting and verifying that he is the legal heir in order as prescribed by laws, provided that the Government Savings Bank may require a surety;

(4) In the event that there is any dispute with regard to the money deposited by the deceased, the Government Savings Bank shall return the said money merely under final judgment;

(5) In the event that the deceased has deposited money for the benefit of another person who is minor, the Government Savings Bank shall enter the name of such person in lieu of the deceased but such person shall be entitled to the withdrawal when such person becomes sui juris or when such person is in writing permitted by the person exercising the parental power specifying that the above-mentioned withdrawal is for the benefit of the minor.

CHAPTER 5

AUDIT

Section 25.¹⁹ The Office of the Auditor General shall be the auditor of all the accounts of the Government Savings Bank.

Within one hundred and eighty days from the date of the end of each financial year, the Board of Directors shall publish a balance sheet as it is at the end of the year, which is duly certified by the auditor, annual report concerning the business conducted by the Government Savings Bank during the year, numbers of depositors, deposited amount, amount of interest paid thereon, benefits accrued from the capital and so on.

Section 26.²⁰ The Board of Directors shall publish briefly the quarterly financial position of the Government Savings Bank.

CHAPTER 6

TRANSITORY PROVISIONS

Section 27. When the transfer of properties, assets, liabilities and businesses as provided in Section 10 has not yet been completed, the Savings Bank of the Post and Telegraph Department shall, for the time being, carry on the Savings Bank Affairs as usual.

Countersigned by:

Rear-Admiral T. Thamrong Navaswati

Prime Minister.

¹⁹ Section 25 as amended by The Government Saving Bank Act (No.4) B.E. 2560 (2017)

²⁰ Section 26 as amended by The Government Saving Bank Act (No.4) B.E. 2560 (2017)

The Government Savings Bank Act (No.2) B.E. 2542 (1999)²¹

Remarks:- The reasons for the promulgation hereof are as follows: whereas the Government has a policy to stipulate that the State Enterprises in the category of agriculture, commerce, industry, finance, and service which are not established in the form of limited company shall deliver their incomes to the State at the rate as defined by the Minister. However, because in the Government Savings Bank Act B.E. 2489 (1946), there has no any provision specifying that the Government Savings Bank shall deliver its incomes to the State, in accordance with the aforementioned policy, it is expedient to amend the Act to enable the Government Savings Bank to allocate its part of incomes less expenses per annum to the state Income; hence, it is necessary to enact this Act.

The Government Saving Bank Act (No.3) B.E. 2546 (2003)²²

Remarks:- The reasons for the promulgation hereof are as follows: whereas it is expedient to amend the Government Savings Bank Act B.E. 2489 (1946) in the part relevant to elements, qualifications, appointment, term of holding office, meeting authorities, and remuneration of the Board of Directors of the Government Savings Bank, inclusive of the authorities of the Director-General of the Government Savings Bank to manage and operate the Government Savings Bank in the efficient and flexible manner more than ever by putting the stipulating of the old criteria as prescribed in the Royal Decrees on the same place, and whereas it is expedient to repeal the criteria on return of deposit or interest to the married woman in accordance with the provisions in Section 1476 of the Civil and Commercial Code which has been amended that the husband or the wife can manage Sin Somros in the manner apart from being specified by laws without any consent given by the other spouse, and whereas it is expedient to amend the criteria on the deposit management in the case where the depositors are deceased to be more appropriate and fair; therefore, it is necessary to enact this Act.

²¹ Published in the Government Gazette Vol. 116, No.83 k, dated April 27 B.E. 2542 (1999)

²² Published in the Government Gazette Vol. 120, No.49 k, dated October 1 B.E. 2546 (2003)

The Government Savings Bank Act (No. 4) B.E. 2560 (2017)²³

Remarks:- The reasons for the promulgation hereof are as follows: whereas The Government Savings Bank Act, B.E. 2489 (1946) does not empower the Government Savings Bank to increase its capital, therefore the operation of business of the Government Savings Bank is unable to keep pace with the contemporary changing economic situation. As well as in order to render the operation of the Government Savings Bank to be conducted continuously and more effectively, it is therefore expedient to stipulate more provisions on capital increase of the Government Savings Bank and amend the power and duties of the Board of Directors to include approval of budget of the Government Savings Bank, and publish financial position and annual report; therefore, it is necessary to enact this Act.

²³ Published in the Government Gazette Vol. 134, No. 88 k, dated August 27, B.E. 2560 (2017).