

Electronic Corporate Meetings in a Nutshell Briefing note April 2017

In response to the National Council for Peace and Order's announcement to recognize electronic meetings in June 2014, the Department of Business Development of the Ministry of Commerce later issuing its own guidelines with a view to clarifying certain issues on electronic corporate meetings in September 2016.

In organizing an electronic corporate meeting, whether a board of directors' meeting or a shareholders' meeting, a company must ensure that the following criteria are fully complied with:

- the chairman of the meeting shall elect to conduct an electronic meeting;
- one-third of the quorum must be physically present at the same meeting venue;
- all attendees, including shareholders, directors, secretary of the meeting and advisors, must be in Thailand during their participation in the meeting;
- the meeting's control system must be in compliance with the standards prescribed by the Notification of the Ministry of Digital Economy and Social (formerly known as the Ministry of Communication and Information Technology) re: Security Policy and Standards of the Meeting via Electronic Media B.E. 2557 (2014), where it shall at least include the following basic particulars: (i) the audio or audiovisual communication among the meeting participants must be conducted via information and communication technology or telecommunication, either wired or wireless; (ii) the system must link at least two meeting venues; (iii) the system must allow two-way communication so that the participants can interact with each other; (iv) there must be a device transmitting information from one to another venue, e.g. a telephone or a video camera; and (v) there must be a device linking or adapting the audio or video signal which is compatible with the information and communication technology or telecommunication used to facilitate the reception of the audio or audiovisual contents by the participants;
- the chairman presiding over the meeting and/or the system controller must, in a case of emergency, be able to disconnect the audio or visual signal, or both, immediately or to cease the transmission of information to any or all communication devices of the participants;
- the minutes of the meeting must be made in writing; and
- the entire meeting must be voice and/or video recorded, where such recording shall form part of the minutes of the meeting.

In addition of the foregoing, it should be noted that there are other requirements on both IT security standards and preparations for electronic meetings that corporations must comply with.

The notice sending method for an electronic meeting is also relaxed, allowing notices to be dispatched via email. However, the notice period as stipulated in the articles of association must be strictly complied with and the notice of a shareholders' meeting must be published in a local newspaper.

Both private and public companies can hold an electronic meeting, but a public company must first verify if its articles of association allow electronic meetings or it will be required to amend its articles of association to accommodate electronic meetings before putting it into practice.

The change in policy to recognize and facilitate electronic meetings by corporations will allow the board of directors and shareholders to discuss their company's business more frequently and cost-effectively, especially when the directors and/or shareholders are travelling or are based in different locations. However, it still does not accommodate the situations where the board members and/or shareholders are not in Thailand during the meeting.

Should you have any questions on the issue concerning the subject matter hereof, please feel free to contact your regular contacts or the contact provided below.

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Paradorn Leosakul

Partner

Email: paradorn@thecapitallaw.com

Voraluck Worachuttha

Senior Associate

Email: voraluck@thecapitallaw.com

THE
CAPITAL
Law Office
THE CAPITAL LAW OFFICE LIMITED
44 Smooth Life Tower 15th Floor
North Sathorn Road, Silom
Bangrak, Bangkok 10500
Tel. +66 (0) 2633 9088