

Legal 500

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Thailand

Doing Business In

Contributor

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Limited



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This country-specific Q&A provides an overview of doing business in laws and regulations applicable in Thailand.

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Thailand: Doing Business In

1. Is the system of law in your jurisdiction based on civil law, common law or something else?

Thailand's legal system is based on civil law. The principal sources of law are codified statutes enacted in written form, including codes, acts, and royal decrees promulgated by the National Assembly.

While judicial decisions do not constitute binding precedent in the same manner as under common law systems, judgments of the Supreme Court carry substantial persuasive authority and are highly influential in guiding the interpretation and practical application of Thai legislation.

2. What are the different types of vehicle / legal forms through which people carry on business in your jurisdiction?

Under Thai law, the principal forms of business organization are governed by the Civil and Commercial Code, as amended (the "CCC"), and the Public Limited Company Act B.E. 2535 (1992), as amended (the "PLCA"). These statutes recognize several types of legal entities through which business operations may be conducted in Thailand, namely, an ordinary (non-registered) partnership, a registered partnership, and a limited company.

Ordinary (Non-Registered) Partnership

An ordinary (non-registered) partnership is established when two or more individuals agree to carry on a business jointly. All partners are jointly and unlimitedly liable for the obligations and liabilities of the partnership.

Registered Partnership

A registered partnership is a separate juristic person from its partners upon registration. It may take the form of either:

- Ordinary Partnership (Registered): All partners are jointly and unlimitedly liable for the partnership's obligations; or
- Limited Partnership: This structure comprises both ordinary partners and limited partners. Ordinary partners bear joint and unlimited liability, whereas limited partners' liability is

limited to the amount of their capital contribution.

Limited Company

A limited company is a separate legal entity from its shareholders. There are two types of limited companies under Thai law:

- Private Limited Company, governed by the CCC; and
- Public Limited Company, governed by the PLCA.

In both cases, liabilities of shareholders are limited to an unpaid value of the share capital that they hold.

3. Can non-domestic entities carry on business directly in your jurisdiction, i.e., without having to incorporate or register an entity?

Yes. A foreign (non-domestic) entity may, in principle, carry on business in Thailand without incorporating a separate Thai subsidiary, for example by operating the business directly or through a branch office.

A branch office is not a separate juristic person from its head office. It is regarded as an extension of the foreign corporation, and the head office remains fully liable for all obligations and liabilities arising from the branch's operations in Thailand. In practice, a branch must be registered with the Department of Business Development (the "DBD") and is required to comply with applicable local laws and be subject to Thai corporate income tax on income derived from, or in connection with, its activities in Thailand.

Notwithstanding the ability to operate business directly or through a branch office, foreign entities remain subject to the Foreign Business Act B.E. 2542 (1999), as amended (the "FBA"). The FBA restricts certain categories of business activities for foreigners. Some businesses are strictly prohibited, while others may only be undertaken upon obtaining a Foreign Business Licence or, in certain circumstances, a Foreign Business Certificate pursuant to applicable laws or international treaties.

4. Are there any capital requirements to consider when establishing different entity types?

In general, Thai law does not prescribe a minimum registered capital requirement for most types of legal entity. However, certain requirements apply. For example, a private limited company must have at least two shareholders, and the minimum par value per share is THB 5. A public limited company must have at least fifteen shareholders although there is no statutory minimum par value per share.

Notwithstanding the absence of a general minimum capital requirement, additional capital requirements may arise under specific regulatory regimes. For example, if a company is considered a foreign company under the FBA, a minimum capital requirement (depending on type of business activity) will be required, unless an exemption applies (for example, where investment promotion privileges have been granted). In practice, capital requirements may also arise in connection with the employment of foreign nationals, as authorities generally require at least THB 2 million in registered capital per foreign employee when considering work permit applications.

Furthermore, entities operating within highly regulated sectors, including but not limited to financial services, insurance, and securities, are subject to mandatory capital requirements as stipulated by sector-specific legislation.

5. How are the different types of vehicle established in your jurisdiction? And which is the most common entity / branch for investors to utilise?

An ordinary (non-registered) partnership, a registered partnership and a private limited company are governed by the CCC, while a public limited company is governed by the PLCA.

An ordinary (non-registered) partnership is formed through agreement between partners and does not require formal registration.

A registered partnership, a private limited company and a public limited company are established upon the registration at the DBD. Once registered, they will be a separate legal entity from its partners or shareholders.

The most common type of legal entities that is used for operating businesses in Thailand is a private limited company. This is because the liabilities of shareholders

are limited to an unpaid value of the share capital. In addition, the incorporation process of a private limited company is straightforward and simple. A public limited company is normally used when there is a legal requirement for certain businesses to be operated by a public limited company (e.g., financial institution, insurance), or if a business operator has a plan to raise capital from public through the initial public offering (IPO).

6. How is the entity operated and managed, i.e., directors, officers or others? And how do they make decisions?

The board of directors is responsible for managing the company's business and affairs in accordance with the law, the company's objectives, the Articles of Association, and resolutions of the general meeting of shareholders. The board of directors may delegate certain powers to the management to oversee the company's day-to-day operations. However, matters of fundamental corporate significance are reserved for shareholders' approval at a general meeting. These typically include, among others, amendments to the Memorandum of Association or Articles of Association, increase or reduction of capital, approval of annual dividends, amalgamation, and dissolution of the company. Such resolutions must be passed in accordance with the statutory quorum and voting requirements prescribed by applicable law.

7. Are there general requirements or restrictions relating to the appointment of (a) authorised representatives / directors or (b) shareholders, such as a requirement for a certain number, or local residency or nationality?

Authorized representatives / directors

For a private limited company, while the CCC does not prescribe a specific minimum number of directors, at least one director must be appointed in practice. There are no general nationality or residency requirements for directors of a private limited company. For a public limited company, the board must consist of not fewer than five directors, and at least half of the directors must reside in Thailand. There is no general nationality requirement for directors.

In any case, director must be natural person only. In addition, directors are required to attend board meetings in person, as Thai law does not recognize proxy attendance as the participation in board meetings is

regarded as a personal duty of each director which cannot be delegated to other person. Furthermore, Thai law does not generally recognize circular resolutions in lieu of board meetings, and board resolutions must be passed at a duly convened meeting in accordance with applicable law and the company's Articles of Association.

It should also be noted that in certain highly regulated sectors, e.g. insurance, aviation, financial institutions, and broadcasting, specific legislation may impose additional qualifications on directors, including requirements regarding nationality of directors.

Shareholders

A private limited company must have at least two shareholders at all times, while a public limited company must maintain not fewer than 15 shareholders. There are no general residency or nationality requirements for shareholders. However, a company with foreign shareholders exceeding relevant threshold may be subject to restrictions on operating certain businesses under the FBA or specific laws or owning land under the Land Code B.E. 2497 (1954), as amended (the "Land Code").

8. Apart from the creation of an entity or establishment, what other possibilities are there for expanding business operations in your jurisdiction? Can one work with trade /commercial agents, resellers and are there any specific rules to be observed?

Apart from incorporating a local subsidiary, foreign businesses may expand into Thailand through several alternative structures, depending on the nature and extent of their intended activities.

One option is to establish a branch office, which is not a separate juristic person from its foreign head office. The head office remains fully liable for the branch's obligations. A branch is subject to Thai corporate income tax on income derived from its operations in Thailand. If the business activities fall within restricted categories under the FBA, a Foreign Business License or Foreign Business Certificate will be required.

Foreign companies may also engage local commercial agents, distributors, or resellers to market and sell products or services in Thailand. Thai law generally recognizes freedom of contract in such arrangements. As such, the rights and obligations of the parties are primarily determined by the contractual terms, subject to general principles under the CCC (e.g., agency, sale of

goods, and service contracts).

From a tax perspective, foreign companies should also consider the concept of a permanent establishment (PE) under the Thai Revenue Code and applicable double taxation agreements. If the activities conducted in Thailand, whether through a branch, representative, or dependent agent, constitute a permanent establishment, the foreign company may become subject to Thai corporate income tax on profits attributable to that permanent establishment.

In addition, foreign businesses may access the Thai market through online operations, including e-commerce platforms or digital services. It is noteworthy that such activities may trigger regulatory obligations, including compliance with the FBA (if the activities are considered business operations in Thailand), value added tax (VAT) on all imported goods purchased via e-commerce platforms, consumer protection laws, data protection requirements under the Personal Data Protection Act B.E. 2562 (2019), and sector-specific regulations where applicable.

9. Are there any corporate governance codes or equivalent for privately owned companies or groups of companies? If so, please provide a summary of the main provisions and how they apply.

Thailand does not have a separate corporate governance code specifically applicable to privately owned companies or groups of companies. Corporate governance requirements are primarily derived from the fundamental corporate statutes, CCC (which governs private limited companies), PLCA (which governs public limited companies), and the Securities and Exchange Act B.E. 2535 (as amended) (the "SEC Act") (applicable to listed companies). These laws establish core governance framework, including requirements relating to board structure, directors' duties and liabilities, shareholders' rights, and procedures for shareholders' and board's meetings.

In addition, public limited companies intending to undertake an initial public offering (IPO) or whose shares are listed on the Stock Exchange of Thailand (the "SET") are expected to follow the Corporate Governance Code B.E. 2560 (2017) issued by the Office of the Securities and Exchange Commission (the "CG Code") on an "apply or explain" basis. The CG Code sets out principles relating to shareholders' rights, equitable treatment of shareholders, stakeholder roles, disclosure and

transparency, and board responsibilities. Although the CG Code is not legally binding, compliance with its principles is closely monitored in practice. Listed companies are typically assessed annually under the Corporate Governance Report of Thai Listed Companies conducted by the Thai Institute of Directors (IOD), and the resulting governance rating are widely referenced by institutional investors and the market when evaluating listed companies.

10. What are the options available when looking to provide the entity with working capital? i.e., capital injection, loans etc.

In general, the source of funds for a company's working capital can be in the form of (i) equity injection through capital increase or (ii) debt financing through credit facilities from financial institutions, shareholders' loan or the issuance of debt instruments.

Although pursuant to the CCC, a private limited company can raise equity only from its shareholders, there have been recent regulations that allow private limited company to raise funds via shares and debentures from specific persons through a private placement or a crowdfunding portal, subject to the conditions and requirements pursuant to the relevant regulations. On the other hand, a public limited company can raise funds through various types of securities and have them listed on relevant exchanges.

11. What are the processes for returning proceeds from entities? i.e., dividends, returns of capital, loans etc.

In general, equity proceeds of a company may be returned to shareholders as (i) dividends; (ii) capital reduction; (iii) returns of capital upon a company's dissolution; and (iv) share buyback.

Dividends

A private limited company shall appropriate at least 5% of the profit for a reserved fund until such appropriation reaches 10% of its registered capital of such company at each time of dividend distribution, while a public limited company shall appropriate at least 5% of the profits (after deducted accumulative losses (if any)) for a reserved fund until such appropriation reaches 10% of its registered capital.

In addition, a public limited company can distribute stock dividends in addition to cash.

Capital Reduction

A capital reduction in a company can be accomplished through two methods, by reducing a par value of the shares or reducing the number of shares. The capital reduction process shall require shareholder's approval (with 75% affirmative vote), absence of creditor's opposition and registration at the DBD.

Dissolution

In the event of a company's dissolution, a liquidator will be appointed to liquidate assets of the company. Shareholders will be entitled to receive returns of capital in proportion to their shareholding only the portion that is not to be used for, or allocated for payment of debts or obligations of the company.

Share Buyback

A private limited company is prohibited from buying back the shares from its shareholders.

A public limited company is allowed to buy back its own shares under the following circumstances i.e. (i) from a shareholder who votes against the resolution of the meeting of shareholders to amend the Articles of Association relating to the voting right/dividend right which is unfair in view of such shareholder; and (ii) for the purpose of financial management, when it has accumulated profits and surplus liquidity and such buyback shall not cause a financial problem to the company.

The buyback shares, the so-called "treasury stocks", shall not be counted as the quorum of a meeting of shareholders, shall have no voting right/dividend right and shall be disposed within the period prescribed by laws.

12. Are specific voting requirements / percentages required for specific decisions?

There are two types of shareholders' resolutions, which are (i) ordinary resolution – requiring a majority vote to pass a resolution such as declaration of dividends, appointment of a director or approval of annual financial statements; and (ii) special resolution – requiring not less than 75% of vote to pass a resolution such as amendment of the Memorandum of Association or Articles of Association, increase or decrease of capital, amalgamation or dissolution of the company.

In addition, a public limited company whose shares are listed on the SET is subject to the regulations of the

Securities and Exchange Commission (the "SEC") and the SET which set out specific requirements / percentages of voting for specific decision. For example, a listed company entering into the material transaction (i.e. acquisition or disposal of assets), related party transaction or delisting of shares from the stock exchange in Thailand, requires a special resolution from shareholders.

13. Are shareholders authorised to issue binding instructions to the management? Are these rules the same for all entities? What are the consequences and limitations?

Under Thai law, the relationship between shareholders and management is one of supervisory control rather than direct operational interference. The management of a company is vested in the board of directors, which is responsible for conducting the company's business in accordance with the law, the company's objectives, Articles of Association, and shareholders' resolutions. Shareholders do not have authority to directly manage the company's day-to-day affairs. However, shareholders may issue binding instructions through duly passed resolutions at a general meeting.

14. What are the core employment law protection rules in your country (e.g., discrimination, minimum wage, dismissal etc.)?

The Labor Protection Act B.E. 2541 (1998), as amended (the "LPA") is the core employment law protection framework in Thailand. The key areas of protection include:

Rights/Protections	Details
Minimum Wage	The minimum wage rate is prescribed in the notification issued by the National Wage Committee. The applicable minimum wage varies by province, as the Wage Committee determines rates based on factors such as local cost of living, economic conditions, inflation, productivity levels, and labour market conditions in each area. As of 1 July 2024, the minimum wage ranges from THB 337 to THB 400 per day pursuant to the Notification of the Wage Committee Re: Minimum Wage (No. 14), dated 17 June 2024.
Working Hours and Overtime	- Standard working hours must not exceed 8 hours per day and 48 hours per week (or 7 hours per day, 42 hours per week for hazardous work). - Overtime compensation is required for work exceeding these limits. Annual Leave: Employees who have worked for at least one year are entitled to a minimum of 6 days' annual leave per year. Sick Leave: Employees are entitled to sick leave, with up to 30 days paid per year (a medical certificate may be required if absent for more than 3 consecutive days). Maternity Leave: Female employees are entitled to 98 days of maternity leave, with up to 45 days paid by the employer. Other Leave: Employees are entitled to personal leave and military service leave.
Leave Entitlements	
Public Holidays	Employees are entitled to at least 13 public holidays per year, as determined by the employer in accordance with government regulations. - Employers shall register their employees with the Social Security Office (SSO). - Employers and employees shall make equal contributions to the social security fund. Employees who have contributed for at least 180 months are entitled to old-age benefits, including a monthly pension or a lump sum gratuity after reaching the age of 55.
Social Security and Pension Rights	
Discrimination	The LPA does not comprehensively address all forms of discrimination, but explicitly prohibits gender-based discrimination, including dismissals based on pregnancy.
Statutory Notice Period	Employment may be terminated by either party with advance written notice given at or before the wage payment date, to take effect on the next wage payment date, without the need for advance notice of more than three months. An employee who is terminated by an employer without cause is entitled to severance pay depending on the length of services, e.g., the maximum severance is the latest wage of 400 days for the employee who has length of services of 20 years or more, unless the termination is for grounds of misconduct under the LPA.
Statutory Severance Pay	

The employer also cannot alter employment conditions in a manner that is detrimental to the employee, e.g., wage reduction or demotion of position, without the employee's consent, as such change may constitute a breach of employment conditions and give rise to legal claims.

15. On what basis can an employee be dismissed in your country, what process must be followed and what are the associated costs? Does this differ for collective dismissals and if so, how?

Termination of employment

Under Thai laws, the termination of employment is classified into two categories as follows:

1. Termination with statutory cause

An employer may terminate an employee without severance pay if the termination is based on any of the grounds of misconduct under the LPA. However, the employee remains entitled to wages up to the last working day. The grounds of misconduct include, but not limited to, dishonest performance of duties, intentionally committing criminal offence against the employer and intentionally causing damage to the employer.

2. Termination without statutory cause

If the employee is terminated without cause, the employer is required to pay statutory severance pay depending on the length of service, together with wages up to the last working day and any other outstanding payments e.g. unpaid benefits (if applicable). In terms of dismissal procedures, an employer intending to terminate an employee must give a notice of termination to the employee at or before the due date of wage payment (at least one payment period but shall not exceed three months).

Collective dismissal

In case of collective dismissal due to work unit reorganization, changes in production processes, distribution, or services resulting from the adoption of machinery, changes in machinery, or technological advancements, necessitating a reduction in the workforce, the employer is obligated to give an advance written notice of termination of at least 60 days to the employee. In addition, if a terminated employee has worked continuously for more than six years, the employer is obligated to pay special severance pay (in addition to the applicable severance pay) as specified by law.

Unfair Dismissal Claim

If the court determines that the dismissal is unfair (e.g., without reasonable cause or not in compliance with the LPA), the court may order the employer to reinstate the employee at the wage rate applicable at the time of termination or, alternatively, order the employer to or pay compensation in lieu of reinstatement, taking into account factors such as the employee's age, length of service, hardship, grounds for termination, and statutory severance pay.

16. Does your jurisdiction have a system of employee representation / participation (e.g.,

works councils, co-determined supervisory boards, trade unions etc.)? Are there entities which are exempt from the corresponding regulations?

Welfare committee

If an employer has fifty or more employees, it is legally required to establish a welfare committee which shall comprise at least five employee representatives, selected in accordance with the procedures prescribed by law. The welfare committee serves as a formal mechanism to consult with the employer on matters relating to employee welfare, make recommendations, and ensure proper implementation of welfare benefits, in accordance with the LPA.

In addition to the welfare committee, Thai law also recognizes the right of employees through the setting up of (1) employees' committees and (2) labor unions under the Labor Relations Act B.E. 2518 (1975), as amended (the "LRA").

Employees' committee

In a workplace with fifty or more employees, the employees may establish the employees' committee, with the number of committee members determined in accordance with the thresholds set forth under the LRA. The employees' committee functions as a formal platform for employees to communicate, consult and negotiate with the employer on matters relating to conditions of employment, work rules and workplace relations. Under the LRA, employers are strictly prohibited from engaging in unfair labor practices, including, but not limited to, discrimination against members of the employees' committee or interference with the committee's activities.

Labor Union

A minimum of ten employees working for the same employer or in the same type of business (regardless of whether they work for the same employer) may establish a labor union for the purpose of safeguarding their rights and interests. The labor union shall be registered with competent authority in order to attain juristic person status. Upon registration, the labor union is vested with the authority to, among others, negotiate employment conditions and participate in dispute resolution processes.

17. Is there a system governing anti-bribery or

anti-corruption or similar? Does this system extend to nondomestic constellations, i.e., have extraterritorial reach?

Yes. Thailand maintains a comprehensive anti-bribery and anti-corruption regime applicable to both the public and private sectors. The principal legislation is the Organic Act on Anti-Corruption B.E. 2561 (2018), as amended (the "OACC"), which primarily governs corruption involving state officials and is enforced by the National Anti-Corruption Commission. The Criminal Code further criminalizes bribery offences, including giving or offering benefits to state officials. In addition, the Anti-Money Laundering Act B.E. 2542 (1999), as amended (the "Anti-Money Laundering Act"), addresses financial transactions connected with corruption and other unlawful activities.

With respect to extraterritorial application, Thai law may extend to offences committed outside Thailand in certain circumstances. Thailand also cooperates with foreign authorities in cross-border investigations pursuant to applicable international agreements and mutual legal assistance frameworks.

18. What, if any, are the laws relating to economic crime? If such laws exist, is there an obligation to report economic crimes to the relevant authorities?

Thailand has a comprehensive legal framework addressing economic crimes under several key statutes. These include the Criminal Code (covering offences such as fraud, embezzlement and bribery), the OACC (addressing corruption involving state officials), the Anti-Money Laundering Act, the SEC Act (covering insider trading, market manipulation and other capital markets offences), and the Computer Crime Act B.E. 2550 (2007), as amended (addressing cyber-related financial crimes).

A mandatory obligation to report economic crimes is mainly set out in the Anti-Money Laundering Act, which requires a number of public and private bodies, such as Land Office, Customs Department, commercial banks, insurance companies, and securities companies, as well as business operators under specific laws to report suspicious activities that may be linked to economic crimes to the Anti-Money Laundering Office ("AMLO"). The reporting obligation is triggered where there are reasonable grounds to suspect that a transaction may be connected with a predicate offence under the Anti-Money Laundering Act. Predicate offences encompass a wide range of economic crimes, including corruption, fraud,

embezzlement, smuggling, drug trafficking, human trafficking, and terrorism-related offences.

19. How is money laundering and terrorist financing regulated in your jurisdiction?

Money laundering and terrorist financing in Thailand are primarily regulated under two principal statutes, i.e., the Anti-Money Laundering Act and the Counter-Terrorism and Proliferation of Weapons of Mass Destruction Financing Act B.E. 2559 (2016), as amended (the "CTF Act"). Both regimes are administered and enforced by AMLO.

The Anti-Money Laundering Act establishes legal obligations to implement anti-money laundering measures including reporting suspicious transactions and customer due diligence (know-your-customer (KYC) requirements) to prevent illicit financial activities, and identifies the underlying offenses linked to money laundering, including drug trafficking, fraud, corruption, and organized crime.

In addition, the CTF Act criminalizes terrorism financing, including the movement of funds or resources to terrorist groups or individuals, imposes sanctions and asset-freezing measures against persons or entities designated as involved in terrorist activities or proliferation of weapons of mass destruction, and requires financial institutions and designated businesses to monitor and prevent financial transactions related to terrorism.

20. Are there rules regulating compliance in the supply chain (for example comparable to the UK Modern Slavery Act, the Dutch wet kinderarbeid, the French loi de vigilance)?

There are no laws or regulations in Thailand regulating supply chains in particular.

21. Please describe the requirements to prepare, audit, approve and disclose annual accounts / annual financial statements in your jurisdiction.

A company is required to prepare its audited annual financial statements which shall include a summary of the assets and liabilities of the company, as well as a profit and loss account in accordance with the applicable financial standards. The financial statements shall be audited by certified public accountant (applicable for limited company) or by certified public accountant approved by the SEC (applicable for listed company). The

board of directors shall present the audited annual financial statements to the general meeting of shareholders of the company for approval within four months after the end of the fiscal year. Following approval by the shareholders, the company shall file a copy of the audited annual financial statements with the DBD as the registrar, within one month from the date of such approval.

22. Please detail any corporate / company secretarial annual compliance requirements?

A private limited company is required to file a copy of its audited annual financial statements, as approved by the annual general meeting of the shareholders, with the DBD within one month from the date of such approval and also to submit an updated list of shareholders to the DBD within fourteen days from the date of the annual general meeting of shareholders.

In the case of a public limited company, in addition to the audited annual financial statements and an updated list of shareholders within one month from the date of the annual general meeting of the shareholders, an annual report containing corporate information as prescribed under the applicable laws and being approved by the general meeting of the shareholders shall be filed with the DBD within one month of approval.

Moreover, for a public listed company, it shall submit reviewed quarterly and audited annual financial statements and Form 56-1 One Report (including corporate information as prescribed under SEC regulations). These must be filed with the SEC and the SET through the SET's online filing system within the timeframe prescribed by the SEC and the SET.

23. Is there a requirement for annual meetings of shareholders, or other stakeholders, to be held? If so, what matters need to be considered and approved at the annual shareholder meeting?

There is a requirement for annual meetings of shareholders for a private limited company and a public limited company with the required agenda as follows:

Private Limited Company

A private limited company is required to convene an annual general meeting of shareholders within four months from the end of the fiscal year to consider and adopt, at a minimum, the following matters:

- (i) approval of the annual financial statements audited by the auditors;
- (ii) appointment or reappointment of directors replacing those whose terms have expired; and
- (iii) appointment of auditors and determination of their remuneration.

Public Limited Company

For a public limited company, the annual general meeting of shareholders shall be convened within four months from the end of the fiscal year to consider and adopt, at a minimum, the following matters:

- (i) approval of the annual financial statement;
- (ii) appointment or reappointment of directors replacing those whose terms have expired;
- (iii) consider and determination of directors' remuneration; and
- (iv) appointment of auditors and determination of their remuneration.

24. Are there any reporting / notification / disclosure requirements on beneficial ownership / ultimate beneficial owners (UBO) of entities? If yes, please briefly describe these requirements.

A private limited company and a public limited company are required to submit an updated list of shareholders to the DBD within fourteen days and one month, respectively, from the date of the annual general meeting of shareholders.

For a publicly listed company, in addition to the submission of the updated list of shareholders to the DBD, a listed company shall file the 56-1 One Report to the SEC and the SET, which includes information on major shareholders who materially influence management policy and operations. Additionally, if the identified shareholders are not the ultimate shareholders, the company must provide details of the ultimate shareholders and the core businesses of such shareholders.

In addition, although there is no statutory requirement to disclose the UBOs in the updated list of shareholders submitted to the DBD, disclosure of shareholders and UBOs may be required in certain transactions for regulatory verification purposes, such as under the land acquisition transaction which the competent authority

may require the party who is an entity to provide details of shareholders and UBOs to ensure that such entity is a foreign entity which is therefore subject to foreign ownership restrictions.

25. What main taxes are businesses subject to in your jurisdiction, and on what are they levied (usually profits), and at what rate?

In Thailand, businesses are mainly subject to the following taxes.

Corporate Income Tax ("CIT")

CIT is levied on net profits. The tax rate for a corporate entity is normally 20% of the net profits, however some tax incentive schemes provide a reduced CIT rate, including but not limited to the tax incentive schemes as discussed in item no. 26 below, if a company complies with the prescribed conditions.

Value Added Tax ("VAT")

VAT is levied on sale of goods, provision of services and importation of goods. Under the Revenue Code, the statutory VAT rate is 10%. However, the VAT rate has been reduced to 7% pursuant to a series of Royal Decrees issued under the Revenue Code. This temporary reduction has been extended annually by the government since VAT was introduced into the Thai tax system in 1992, and the reduced rate of 7% continues to apply at present.

Exportation is subject to 0% VAT and the VAT registration is not required for the business that having revenue of not exceeding THB 1.8 million per year, while VAT exemption is also provided for certain goods and services e.g. education, healthcare, agricultural related products, employment, transportation, rental of real estate.

Specific Business Tax ("SBT")

SBT is levied on certain businesses e.g. commercial banking, life insurance and sale of real estate, etc. SBT rate varies for each type of business.

26. Are there any particular incentive regimes that make your jurisdiction attractive to businesses from a tax perspective (e.g. tax holidays, incentive regimes, employee schemes, or other?)

Thailand provides various schemes of tax incentives including the following key tax incentive schemes.

Board of Investment ("BOI") tax incentives

Tax incentives are provided through promotion scheme granted by the BOI for certain specific businesses. Subject to the BOI approval, the promoted business may be eligible for tax benefits for a specified period e.g., corporate income tax exemptions for a period of up to 8 years or up to 13 years for the high innovation business activities, import duties exemptions on machinery and raw material, and exemption on corporate income tax on dividend derived from the promoted business. In certain cases, up to 50% reduction of corporate income tax may be available after the exemption period, particularly where the promoted business is located in designated investment promotion zones.

BOI promotion is available to businesses operating in targeted industries aligned with Thailand's economic policy, including:

- Agricultural, Food, Biotechnology and Medical Industries
- Machinery, Automotive, Electrical Appliances and Electronics Industries
- Metal, Material, Chemical and Petrochemical Industries and Public Utilities
- Digital, Creative Industries and High Value Services

International Business Centre ("IBC")

As approved by the Revenue Department, tax incentives are provided to a Thai incorporated company that operates as an IBC that (i) provides management, technical support or treasury management services to the related affiliates or (ii) operates international trade business. The tax benefits for a company operating IBC business includes the reduction of its corporate income tax rates on qualifying income, with the applicable rate depending on the level of annual operating expenditure in each fiscal year, the exemption from withholding tax on dividends paid by such a company to foreign shareholders, and a 15% flat personal income tax rate for eligible expatriate employees working for such company, subject to prescribed conditions, etc.

Economic Corridor

Tax incentives are provided to businesses located in promoted zones operating target industries. For example, the Eastern Economic Corridor (EEC) is a special economic development zone in eastern Thailand, covering Chonburi, Rayong, and Chachoengsao provinces. Specified businesses operating in the EEC may receive enhanced incentives through the BOI approval as

mentioned above, subject to the prescribed conditions.

Free Trade Zone

Custom-based tax incentives are provided to certain businesses located in Free Trade Zone.

27. Are there any impediments / tax charges that typically apply to the inflow or outflow of capital to and from your jurisdiction (e.g., withholding taxes, exchange controls, capital controls, etc.)?

The inflow and outflow of capital to and from Thailand are regulated by The Bank of Thailand ("BOT") under the Foreign Exchange Control Act B.E. 2485, as amended. In general, foreign exchange transactions must be conducted through authorized agents, typically a commercial bank in Thailand, which may require supporting documentation to verify the purpose of the transaction.

Thailand does not impose board capital controls, but certain cross-border transactions remain subject to regulatory requirements. For example, outward investment by Thai retail investors is generally subject to an annual limit of USD 5 million per person. Higher investment amounts may be permitted in certain circumstances, such as where approval from the BOT is obtained, where the investment is for a shareholding or ownership interest of at least 10% in the overseas business, or where the investment made through a licensed Thai intermediary.

In addition, certain payments made from Thailand to overseas recipients may be subject to withholding taxes, depending on the nature of the payment. Typical examples include dividends, interest, royalties and service fees. The applicable withholding tax rate varies depending on the type of income and may be reduced or exempted under an applicable double tax agreement.

28. Are there any significant transfer taxes, stamp duties, etc. to be taken into consideration?

Following are the key transfer taxes and duties to be taken into consideration when conducts a transaction in Thailand.

(i) Capital gains tax: Gains from the transfer of assets or shares may be subject to corporate income tax in the hands of the transferor, depending on the transferor's status (e.g., whether it is a corporate entity), the nature of the assets transferred, and the applicable tax incentives;

(ii) Real estate transfer taxes: The transfer of real estate may be subject to either stamp duty at 0.5% or Special Business Tax of 3.3% of the appraised price or the transfer price (whichever is higher); and

(iii) Stamp duties: Stamp duties are levied on certain documents executed in or brought into Thailand e.g. share transfer document, loan agreement, rental agreement, hire of work agreement and its rate varies depending on the documents, such as a share transfer document executed in or brought into Thailand, is subject to 0.1% of the paid-up capital or transfer price (whichever is higher).

29. Are there any public takeover rules?

Public takeovers in Thailand are regulated primarily under the SEC Act and takeover rules issued thereunder. The rules apply to public companies whose securities are listed on the SET, including the Market for Alternative Investment (MAI).

Under the mandatory tender offer regime, a person who acquires shares or voting rights (directly or indirectly) in a listed company and reaches or crosses the voting thresholds of 25%, 50% or 75% of the total voting rights of the company is required to make a tender offer for all remaining securities of the company. Certain exemptions may be available in specific circumstances. For example, exemptions may apply to acquisitions resulting from rights offering, or where the mandatory tender offer requirement is waived by a resolution of the shareholders of the target company (commonly referred to as a "whitewash" resolution), subject to compliance with the conditions prescribed by the relevant regulations.

30. Is there a merger control regime and is it mandatory / how does it broadly work?

Thailand has a mandatory merger control regime governed by the Trade Competition Act B.E. 2560 (2017), as amended and regulations issued by the Trade Competition Commission of Thailand. The regime applies to mergers, acquisitions, and other business combinations that may substantially reduce competition in the Thai market through the following key mechanisms:

Pre-merger approval which is required if the transaction may result in a monopoly or a dominant position in the relevant market. The transaction cannot be completed until approval from the Office of the Trade Competition Commission ("OTCC") is obtained. A transaction is

subject to review where it results in control over another business, whether directly or indirectly (e.g., through majority voting rights or the ability to determine management or policy). Dominance is generally assessed based on prescribed thresholds, including a market share of 50% or more with annual turnover of at least THB 1 billion in the relevant market; or the top three operators holding a combined market share of 75% or more (subject to certain minimum individual market share requirements).

Post-merger notification which is required if the transaction does not create monopoly or dominance but exceeds the prescribed turnover threshold (currently THB 1 billion combined turnover in the relevant market). Notification must be filed to the OTCC within 7 days after completion of the transaction.

31. Is there an obligation to negotiate in good faith?

Under Thai law, there is no law imposed an obligation to negotiate in good faith.

However, the CCC sets out general good faith principles that are relevant to negotiations such as a transaction induced by fraud is voidable if, absent the fraud, the transaction would not have been made; or if a transaction is entered by a mistake as to an essential element (e.g., the nature of the transaction, the counterparty, or the subject matter), it may be void or a mistake as to the qualities of a person or property of the transaction may render the transaction voidable, provided such mistakes were not caused by gross negligence.

In addition, the CCC requires parties to exercise their rights and perform their obligations in good faith, and contracts must be interpreted in good faith.

32. What protections do employees benefit from when their employer is being acquired, for example, are there employee and / or employee representatives' information and consultation or co-determination obligations, and what process must be followed? Do these obligations differ depending on whether an asset or share deal is undertaken?

In shares sale or acquisition, since there is no change on legal entity of the employer, there is no requirement by law to consult with or obtain consent from the employee before implementing the transaction. However, please

note that if there are any changes to employment terms of employees due to shares sale or shares acquisition, the employees' consent is required.

In assets sale or acquisition, if the employees are transferred as part of assets sale or assets acquisition, their consent is required. Notably, unless otherwise agreed, generally terms and conditions of employment of the transferred employees shall not be less favorable than those provided by the former employer, and their length of service shall continue uninterrupted.

33. Please detail any foreign direct investment restrictions, controls or requirements? For example, please detail any limitations, notifications and / or approvals required for corporate acquisitions.

The foreign direct investment in Thailand is primarily regulated under the FBA, which imposes restrictions on foreign participation in certain business activities. Under the FBA, a foreigner is defined as (i) a non-Thai individual, (ii) a corporate entity incorporated outside Thailand, (iii) (a) a corporate entity incorporated in Thailand in which 50% or more of the shares capital is held by persons failing within in (i) or (ii); or (b) limited partnership or a registered ordinary partnership whose managing partner or manager is a non-Thai individual, or (iv) a corporate entity incorporated in Thailand in which 50% or more of the shares capital is held by persons falling in (i) or (ii) or (iii). The foreigner is prohibited from engaging in certain business and is required to obtain a foreign business license and/or certificate issued under the FBA in order to operate restricted businesses, such as retail, construction and services business.

The FBA classifies restricted business activities into three categories. Foreigners are prohibited from engaging in certain businesses or are required to obtain a Foreign Business License or Foreign Business Certificate issued under the FBA before conducting restricted activities.

Additionally, other sector-specific laws may impose foreign ownership or operational restrictions depending on the nature of business. For example, foreigners are generally prohibited from owning land in Thailand as prescribed under the Land Code, except in limited circumstances (e.g., where approval is granted under a BOI promotion for business purpose). Restrictions also apply in certain regulated sectors, such as telecommunications, air transport, and tourism and tour guide businesses.

34. Does your jurisdiction have any exchange control requirements?

Thailand's exchange control requirements are governed by the Exchange Control Act B.E. 2485 (1942), as amended and administered by the Bank of Thailand. Generally, most foreign exchange transactions are required to be conducted through authorized agent which is mainly a commercial bank in Thailand. Capital outflows (e.g., overseas investment, loans or remittance of funds abroad) may be subject to prescribed conditions, thresholds, or BOT prior approval, depending on the amount and purpose.

35. What are the most common ways to wind up / liquidate / dissolve an entity in your jurisdiction? Please provide a brief explanation of the process.

The most common method of winding up a company in Thailand is voluntary dissolution and liquidation. This process is governed by the CCC for private limited companies and by the PLCA for public limited companies. In general, the procedure involves the following steps:

1. Shareholders' resolution – The company must pass a special resolution (requiring not less than 75% of the votes of shareholders present and entitled to vote) approving the dissolution and appointing a liquidator to conduct the winding-up.
2. Registration of dissolution – The resolution to dissolve the company must be registered with the DBD.
3. Public notice and creditor notification – The liquidator must publish notice of the dissolution in a local newspaper and send

written notice to creditors, inviting them to submit claims within the statutory period.

4. Liquidation process – The appointed liquidator is responsible for settling all outstanding debts and liabilities, distributing remaining assets to shareholders in accordance with legal priorities and ensuring full compliance with regulatory and tax obligations.
5. Shareholders' meeting and liquidation approval – Once all assets have been liquidated and liabilities settled, a final shareholders' meeting must be convened to approve the liquidation process and liquidation report.
6. Completion of liquidation – The liquidator shall submit a liquidation application to the DBD to formally complete the dissolution process. Upon approval, the company is officially deregistered and ceases to exist as a legal entity.

In practice, a straightforward voluntary liquidation typically takes approximately six to twelve months. However, the duration of the liquidation stage itself is often uncertain and may be extended depending on the company's circumstances. Delays commonly arise where there are unresolved tax matters, outstanding creditor claims, asset realisation issues, regulatory investigations, or pending litigation. In such cases, the liquidation cannot be completed until these matters have been properly settled or concluded.

In the case of a listed public company, once shareholders resolve to dissolve the company, the SET will announce the company's pending delisting. Delisting becomes effective after the dissolution has been duly registered with the registrar.

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