



Doing business in Thailand

A comparative guide

May 2022

A guide to doing business in Thailand

Deloitte Legal compiled this guide for Legal 500, providing an overview of the laws and regulations on doing business in a variety of jurisdictions. The following country chapter contains the relevant information on the systems of law, the legal forms through which people carry out business, capital requirements, how entities are operated and managed, expansion possibilities, corporate governance, employment law and more.



No.	Question
<h2>A. Legal system and landscape</h2>	
1	<p>Is the system of law in your jurisdiction based on civil law, common law or something else?</p> <p>The legal system of Thailand is a civil law system established by code of laws passed by the legislature. Though sources of laws in Thailand includes the constitution, codes of laws, acts, and decrees, some judicial decisions are used as a secondary authoritative source of laws due to the influences of common law in Thailand's legal system.</p>
<h2>B. Entity establishment</h2>	
2	<p>What are the different types of vehicle / legal forms through which people carry on business in your jurisdiction?</p> <p>There are five main types of business vehicles:</p> <ul style="list-style-type: none"> • Partnership: It can divide into (i) ordinary partnership, (ii) ordinary registered partnership and (iii) limited partnership. Only the ordinary registered partnership that registered with the Ministry of Commerce (MOC) and limited partnership are legal entities, separate and distinct from the individual partners. • Limited company: It is the most common business form used in Thailand. It is formed through a process that leads to the registration of a memorandum of association and articles of association (by-laws), as its constitutive documents. • Public limited company: The procedure for setting up a public limited company is similar to a limited company. However, it is usually formed in order to list its shares in the Stock Exchange of Thailand (SET). • Branch office: An entity registered under the foreign law and considered as the same legal entity as its head office. • Representative office or regional office: Established for limited business purposes and cannot render services to any person other than its head office or affiliated/group companies or earn income from any transaction. Such offices can only receive funds for payment of their expenses from their head office.
3	<p>Can non-domestic entities carry on business directly in your jurisdiction, i.e., without having to incorporate or register an entity?</p> <p>An overseas company may carry on business directly in Thailand through branch office, representative office or regional office. For the branch office, it is required to apply for a foreign business license (FBL) or certificate (FBC) before operating the restricted activity under the Foreign Business Act (FBA) in Thailand.</p>
4	<p>Are there are any capital requirements to consider when establishing different entity types?</p> <ul style="list-style-type: none"> • There is no specific minimum registered capital requirement. However, for the limited company, the value of each share may not be less than THB 5, and at least 25% of the share value must be paid up. For the public limited company, 100% of the issued share capital must be paid up. • If 50% or more shares of the limited company or the public limited company owned by the foreigner(s), it is generally required to have a minimum capital of not less than THB 2 million (fully-paid up) per business activity that it will conduct. Any activities being subject to the FBA restrictions and required an FBL or FBC would require the fully paid-up capital of at least THB 3 million per activity. • For the branch office who apply for a business license, it is required to have the remittance funds from its head office in the amount of 25% of estimated average expenses per year in the first three years (per the license application) or a minimum of THB 3 million per activity.
5	<p>How are the different types of vehicle established in your jurisdiction? And which is the most common entity / branch for investors to utilize?</p> <ul style="list-style-type: none"> • The partnership and the limited company are governed by the Civil and Commercial Code (CCC), and the public limited company is governed by the Public Limited Companies Act, B.E. 2535 (AD 1992) (PLCA). Branch offices, representative offices and regional offices are recognized under the FBA. • The most common entity for investor to use are the limited company and the public limited company.
6	<p>How is the entity operated and managed, i.e., directors, officers or others? And how do they make decisions?</p> <ul style="list-style-type: none"> • Under the CCC or PLCA, the limited company and the public limited company are managed by directors (appointed by shareholders) who make decisions at board meetings. There are some certain decisions require to seek the shareholders meeting approval. • Shareholder decisions may pass by various voting requirement, depending on the type of decision which stipulated in the company's articles of association and the CCC or PLCA.
7	<p>Are there general requirements or restrictions relating to the appointment of (a) authorized representatives / directors or (b) shareholders, such as a requirement for a certain number, or local residency or nationality?</p>

	<ul style="list-style-type: none"> • There is no restriction on the number or nationality of directors for the limited company. However, businesses that are subject to specific laws may be required to maintain a specific ratio of Thai nationals to foreigners on the board or in management. There must be at least three shareholders at all times. • The board of directors of the public limited company must have at least five members and at least half of the directors must reside in Thailand. There must be at least 15 shareholders at all times. • If 50% or more shares of limited company or private company owned by foreigners, the said company might be subject to the FBA conditions.
8	<p>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?</p> <p>There is no restriction on expanding business operations in Thailand provided that the activity is covered by the company's objectives, and it is not illegal under the relevant Thailand laws.</p>

C. Entity operation

C1. Governance

9	<p>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.</p> <p>No.</p>
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C2. Capital

10	<p>What are the options available when looking to provide the entity with working capital? i.e., capital injection, loans etc.</p> <p>The limited company normally receives working capital by increasing its share capital or loans from its group company or third party.</p>
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C3. Return of proceeds

11	<p>What are the processes for returning proceeds from entities? i.e., dividends, returns of capital, loans etc.</p> <p>The limited company normally returns proceeds to its shareholders by dividend distribution. At the time of each dividend distribution, a limited company must appropriate at least 5% of the profit arising from the business of the company to a reserve fund, until the fund reaches 10% of the registered capital.</p> <p>Loan to shareholders is possible but interest should be made at market rate.</p> <p>The limited company also can reduce its share capital by reducing the number of shares issued or reducing the par value of the shares. This process requires a special resolution from shareholders, an approval from its creditor and registration with the MOC.</p>
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C4. Shareholder rights

12	<p>Are specific voting requirements / percentages required for specific decisions?</p> <p>There are two types of shareholders' resolutions for the limited company: an ordinary resolution and a special resolution (i.e., 75% of total voting shares). An ordinary resolution applies any shareholders' meeting. While special resolutions are required by the law (and if specified in the company's Articles of Association) for specific actions as follows:</p> <ul style="list-style-type: none"> • Amending the Memorandum of Association or Articles of Association • Increasing the capital by issuing new shares • Decreasing capital • Dissolving or merging the company
13	<p>Are shareholders authorized to issue binding instructions to the management? Are these rules the same for all entities? What are the consequences and limitations?</p>

Under the CCC, when 20% or more of the total share of shareholders call for a meeting, the directors must, without delay, summon the meeting. If the extraordinary meeting is not held within 30 days, shareholders holding the required amount of company shares may summon it themselves.

C5. Employment

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

In addition to the CCC, which regulates the employment, employment laws are regulated by the Labor Protection Act as amended, Labor Relations Act and Social Security Act, and the hiring of foreign nationals in Thailand is regulated by the Foreign Business Act and the foreigner’s Working Management Emergency Decree 2017 and Amendment 2018.

We have set out below a summary of the rights and protections of employees in Thailand under Thailand’s employment law. This is not exhaustive but covers the core areas. All financial figures are the current figures and are subject to review.

Right/Protection	Details																						
National minimum wage	<p>As per the National Wage Committee’s Notification regarding the Minimum Wage Rate (No. 10) (NWC Notification), which is effective from 1 January 2020 onwards, the minimum wage rate applicable to the businesses in each province are as follows:</p> <table border="1"> <thead> <tr> <th>Province</th> <th>Minimum daily wage rate</th> </tr> </thead> <tbody> <tr> <td>Chon Buri, Phuket</td> <td>336</td> </tr> <tr> <td>Rayong</td> <td>335</td> </tr> <tr> <td>Bangkok, Nakhon Pathom, Nonthaburi, Pathum Thani, Samut Prakarn, and Samut Sakhon</td> <td>331</td> </tr> <tr> <td>Chachoengsao</td> <td>330</td> </tr> <tr> <td>Ayutthaya, Chiang Mai, Khon Kaen, Krabi, Lop Buri, Nakhon Ratchasima, Nong Khai, Phang Nga, Saraburi, Songkhla, Suphan Buri, Surat Thani, Trat, Ubon Ratchathani</td> <td>325</td> </tr> <tr> <td>Prachin Buri</td> <td>324</td> </tr> <tr> <td>Chanthaburi, Kalasin, Mukdahan, Nakhon Nayok, Sakon Nakhon, Samut Songkhram</td> <td>323</td> </tr> <tr> <td>Ang Thong, Bueng Kan, Buri Ram, Chainat, Kanchanaburi, Loei, Nakhon Phanom, Nakhon Sawan, Nan, Phattalung, Phayao, Phetchaburi, Phetchabun, Phitsanulok, Prachuap Khiri Khan, Roi Et, Sa Kaeo, Surin, Udon Thani, Uttaradit, Yasothon</td> <td>320</td> </tr> <tr> <td>Amnat Charoen, Chaiyaphum, Chiang Rai, Chumphon, Kamphaeng Phet, Lampang, Lamphun, Mae Hong Son, Maha Sarakham, Nakhon Si Thammarat, Nong Bua Lamphu, Phichit, Phrae, Ranong, Ratchaburi, Satun, Sing Buri, Si Sa Ket, Sukhothai, Tak, Trang, and Uthai Thani</td> <td>315</td> </tr> <tr> <td>Narathiwat, Pattani, Yala</td> <td>313</td> </tr> </tbody> </table>	Province	Minimum daily wage rate	Chon Buri, Phuket	336	Rayong	335	Bangkok, Nakhon Pathom, Nonthaburi, Pathum Thani, Samut Prakarn, and Samut Sakhon	331	Chachoengsao	330	Ayutthaya, Chiang Mai, Khon Kaen, Krabi, Lop Buri, Nakhon Ratchasima, Nong Khai, Phang Nga, Saraburi, Songkhla, Suphan Buri, Surat Thani, Trat, Ubon Ratchathani	325	Prachin Buri	324	Chanthaburi, Kalasin, Mukdahan, Nakhon Nayok, Sakon Nakhon, Samut Songkhram	323	Ang Thong, Bueng Kan, Buri Ram, Chainat, Kanchanaburi, Loei, Nakhon Phanom, Nakhon Sawan, Nan, Phattalung, Phayao, Phetchaburi, Phetchabun, Phitsanulok, Prachuap Khiri Khan, Roi Et, Sa Kaeo, Surin, Udon Thani, Uttaradit, Yasothon	320	Amnat Charoen, Chaiyaphum, Chiang Rai, Chumphon, Kamphaeng Phet, Lampang, Lamphun, Mae Hong Son, Maha Sarakham, Nakhon Si Thammarat, Nong Bua Lamphu, Phichit, Phrae, Ranong, Ratchaburi, Satun, Sing Buri, Si Sa Ket, Sukhothai, Tak, Trang, and Uthai Thani	315	Narathiwat, Pattani, Yala	313
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Holiday	<p>The employees are entitled to the holidays as detailed below:</p> <ul style="list-style-type: none"> • The employees who have worked continuously for one full year are entitled to an annual holiday of no lesser than six working days. • The employees who have worked for lesser than one year are entitled an annual holiday on a pro-rata basis. • In addition to the above, the employees are entitled to no lesser than 13 days of traditional holiday each year (inclusive of the National Labor Day). The traditional holidays are to be in accordance with the public’s annual holiday, religious holiday, or local customary holiday. 																						
Working hours	<p>Employee’s working hours shall not exceed eight hours per day. If the working period in any one day is less than eight hours, the remaining hours can be added to the other normal working days upon mutual agreement between</p>																						

	the employer and employee. However, such working hours shall not exceed nine hours per day and 48 hours per week.
Rest periods	Employees are entitled to at least one hour rest period after working for five hours consecutively. The rest period can be agreed otherwise between the employer and employee, however, the total rest period per day shall not be less than one hour.
Pension rights	<p>The employer is required to enroll its employees, who are older than 15 years old, for the social security funds within 30 days from the date of which the employer hire the employees. Such employees contributing to the social security fund are known as an insured person.</p> <p>An insured person aged 55 and above is entitled to old-age benefits as follows:</p> <ul style="list-style-type: none"> • Contributed for not lesser than 180 months (whether consecutively or not): entitled to the monthly living allowances or known as superannuation pension in the amount of 20% of the average wage (capped at THB 15,000) for the last 60 months before retirement; or • Contributed for over 180 months (whether consecutively or not): entitled to the monthly living allowances or known as superannuation pension in the amount of 20% of the average wage (capped at THB 15,000) for the last 60 months before retirement plus an extra 1.5% for each additional year.
Discrimination	<p>Employees are protected against unfair and unequal treatment based on the following grounds:</p> <ul style="list-style-type: none"> • Origin • Race • Language • Sex • Pregnancy • Age • Disability • Physical or health condition • Personal status • Economic or social standing • Religious belief • Education • Constitutionally political view
Maternity leave/pay	<p>Pregnant female employees are entitled to no more than 98 days maternity leave.</p> <p>Pregnant female employees are entitled to their normal earnings for the period of 45 days from their employer, and pay for the other 45 days from the Social Security Fund.</p>
Paternity leave	N/A
Shared parental leave	N/A
Statutory sick pay	Employees are entitled to sick pay equal to their wage for a normal working day for the entire period of time taken as sick leave, but not exceeding 30 working days per year.
Statutory notice periods	<p>Where period of employment is not specified in the employment contract, if the employer wishes to terminate the employment contract, a written advance notice must be given to the employees on or before the due date of wage payment and such termination shall take effect on the following due date of the wage payment.</p> <p>If the employer wishes to immediately terminate the employment contract, the employer shall render a payment in lieu of advance notice to the employees in the amount to be paid up until following due date of the wage payment.</p>
Unfair dismissal	<p>Unfair dismissal of employees are as follows:</p> <ul style="list-style-type: none"> • Immediate dismissal without cause and without severance pay; • Termination of the employment contract without payment of unused annual leave; • Termination of the employment contract due to violation of work regulations by the employees without prior warning; or • Termination of employment contract under the ground prohibited by law.

	Accordingly, in case of unfair dismissal, if the court see that the dismissal of employees is unfair, the court may order the employer to reinstate the employee or order the employer to compensate the employee as the court see fits.														
Statutory redundancy payment	<p>A statutory redundancy payment or known as severance pay in Thailand must be provided to the employees if the employer dismisses the employees without cause. The details of severance pay are summarized as follows:</p> <table border="1"> <thead> <tr> <th>Length of service</th> <th>Severance pay rate</th> </tr> </thead> <tbody> <tr> <td>120 days but less than one year</td> <td>30 days</td> </tr> <tr> <td>One year but less than three years</td> <td>90 days</td> </tr> <tr> <td>Three years but less than six years</td> <td>180 days</td> </tr> <tr> <td>Six years but less than 10 years</td> <td>240 days</td> </tr> <tr> <td>10 years or more</td> <td>300 days</td> </tr> <tr> <td>More than 20 years</td> <td>400 days</td> </tr> </tbody> </table>	Length of service	Severance pay rate	120 days but less than one year	30 days	One year but less than three years	90 days	Three years but less than six years	180 days	Six years but less than 10 years	240 days	10 years or more	300 days	More than 20 years	400 days
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Statement of particulars	<p>The employer having 20 or more employees is required to provide an agreement relating to the employment's working condition covering at least the following subject:</p> <ul style="list-style-type: none"> • Conditions of employment or work; • Specified working days and hours; • Wages; • Welfare; • Termination of employment; • Submission of petitions by employees; and • Amendment to or renewal of the agreement relating to employment conditions. <p>The employer is prohibited from establishing an employment contract that conflicts with the employment's working condition agreement unless it is more favorable to the employees.</p>														

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?**

Unfair dismissal

In general, the employer may dismiss the employee on the following basis:

- The employee has performed their duty dishonestly or intentionally committed a criminal offence against the employer;
- The employee has willfully caused damage to the employer;
- The employee has violated the work regulations, lawful regulation or order of the employer in which the employer has issued written warning (except for serious instances);
- The employee has been absent from their duty without justifiable reason for three consecutive working days; or
- The employee has been sentenced to imprisonment by final court judgement.

In this case, the employer is required to specify the said cause in the termination of employment letter as well as inform the employee of the cause of termination. Provided that the cause of termination has been informed to the employee, the employer may immediately dismiss the employee without having to provide the severance pay.

Dismissal for certain reasons such as dismissal for reasons connected to pregnancy, health and safety activities, or exercising the rights provided under the law are considered as unfair dismissal. As stated in question 14, if the court see that the dismissal of employees is unfair, the court may order the employer to reinstate the employee or order the employer to compensate the employee as the court see fits.

When determining the award, the court would consider the employee's age, year of service, hardship for losing job, the reason for termination, and the severance pay.

The costs of a dismissal will depend on the reason for the dismissal. Potential costs will include:

- Payment in lieu of advance notice (see above); and
- Redundancy pay (see above).

Collective dismissals

	<p>Unlike unfair dismissal, collective dismissals or known as dismissals of employees due to corporate reorganization based on non-profitability such as closing of a department, close of business is not considered as an unfair termination provided that all employees under such department are treated fairly and the same.</p> <p>In this case, the employees are entitled to the payment in lieu of advance notice (for cases of immediate termination) and severance pay.</p>
16	<p>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?</p> <p>The system of employee representation/participation is not required by law. However, the employees may organize a labor union consisting of 20% of the total number of employees. In general terms, most labor union arrangements focus on the amendment of issues under the working condition agreements such as benefits, wages, holidays, and other work-related matters.</p>

C6. Anti-corruption / bribery / money laundering / supply chain

17	<p>Is there a system governing anti-bribery or anti-corruption or similar? Does this system extend to nondomestic constellations, i.e., have extraterritorial reach?</p> <p>Yes, there are anti-corruption laws preventing and suppressing corruption and willful misconduct in Thailand, including:</p> <ul style="list-style-type: none"> • Penal Code • Constitution of Thailand • Anti-corruption Act • Civil Servant Act • Money laundering Prevention and Suppression Act <p>These anti-corruption laws extend to nondomestic constellations where a foreign juristic person is registered abroad but operates a business in Thailand. The foreign juristic person needs not be physically present or registered in Thailand to be subject to the anti-corruption laws, but may be liable for violations if such juristic person is registered overseas and using local agents/representatives in Thailand.</p>
18	<p>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?</p> <p>There are no direct laws governing economic crime. The laws relating to economic crime are as listed in answer to question 17. However, in general, economic crimes are usually under the examination of the Economic Crime Suppression Division.</p>
19	<p>How is money laundering and terrorist financing regulated in your jurisdiction?</p> <p>Money laundering is regulated by the Anti-Money Laundering Prevention and Suppression Office established under the Money Laundering Prevention and Suppression Act which are the core of Thailand’s anti-money laundering law, regulating the laundering of money or property derived from the commission of a predicate offense. Separately, terrorist financing is regulated by the Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing Act.</p>
20	<p>Are there rules regulating compliance in the supply chain (for example comparable to the UK Modern Slavery Act, the Dutch wet kinderearbeid, the French loi de vigilance)?</p> <p>No.</p>

C7. Compliance

21	<p>Please describe the requirements to prepare, audit, approve and disclose annual accounts / annual financial statements in your jurisdiction.</p> <p>The board of directors of a limited company must prepare the statement of financial position at least every 12 months. The statement must contain a summary of the assets and liabilities of the company and a profit and loss statement for the fiscal year. The board must have the statement of financial position and the statement of income audited by Thai Accounting Professions Act, which requires Certified Public Accountants who are appointed by the annual general shareholders meeting (AGM) of the company, and those statements must be submitted to the AGM for approval within four months from the end of the fiscal year.</p> <p>The financial statements must be submitted to Department of Business Development (DBD) via electronic systems (DBD e-filing). Those statements must be submitted within one month from the day on which the AGM approves the audited financial statements.</p>
22	<p>Please detail any corporate / company secretarial annual compliance requirements?</p>

	Please refer to questions 21 and 23.
23	<p>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?</p> <p>The board of directors of a limited company must call the AGM within four months from the end of the fiscal year. The significant agenda items require approval from the AGM, e.g., approval on the audited financial statement and appointment of auditor etc.</p>
24	<p>Are there any reporting / notification / disclosure requirements on beneficial ownership / ultimate beneficial owners (“UBO”) of entities? If yes, please briefly describe these requirements.</p> <p>The disclosure requirement relating to the beneficial ownership or/and UBO will normally apply to the public limited company which is listed under SET.</p>
C8. Tax	
25	<p>What main taxes are businesses subject to in your jurisdiction, and on what are they levied (usually profits), and at what rate?</p> <p>The main tax for a limited company is corporate income tax which has a flat rate of 20% and applies to net profit. A company with a paid-in capital of THB 5 million or less of any accounting period and income from the sale of goods (and/or the provision of services) not exceeding THB 30 million could be eligible for the SME rates, i.e., 0 – 20%.</p>
26	<p>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?)</p> <p>Tax exemptions and various tax incentives are available to all qualified entities, depending upon the conditions of each tax privilege, e.g., activities promoted under Board of Investment (BOI) measures, incentives from industrial development in border provinces in Southern Thailand, Eastern Economic Corridor area or a special economic zone, and incentives issued by the relevant authorities.</p>
27	<p>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.)?</p> <p>Please refer to question 34</p>
28	<p>Are there any significant transfer taxes, stamp duties, etc. to be taken into consideration?</p> <p>Under the Revenue Code, there are the significant transfer taxes as follows: -</p> <ul style="list-style-type: none"> Stamp duty at 0.01% applies on the transfer of shares and is payable by the transferee and THB 5 for each newly share certificate. Specific Business Tax at 3.3% applies on the sale of immovable property in a profit-seeking manner.
C9. M&A	
29	<p>Are there any public takeover rules?</p> <p>The takeover rules will normally apply to the public limited company, which is listed under SET.</p>
30	<p>Is there a merger control regime and is it mandatory / how does it broadly work?</p> <p>Please refer to question 29.</p>
31	<p>Is there an obligation to negotiate in good faith?</p> <p>Please refer to question 29.</p>
32	<p>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?</p> <p>There are no specific protections for employee rights and benefits other than the ordinary employment law for acquisition of the company both share deals and asset deal.</p>

In cases where there is a novation of employment contract where the current employer transfers the employees to the new employer under the following circumstances, the employees shall continue to resume the rights entitled from the current employer and the new employer shall assume the rights and duties in connection with those employees in all respect:

- The new employer takes over the rights and obligations of the current employer towards the employees;
- The employment relationship between the current employer and the employee ceases (not due to termination/resignation); and
- There is a continuation of employment with the new employer.

The transfer of employees is not automatic because it requires the consent of the employees. If the employees object to the transfer, it means that the employment relationship with the current employer is terminated. The employee is then entitled to severance pay and other legal entitlements (e.g., payment in lieu of advance notice (for cases of immediate termination)).

C10. Foreign direct investment

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 FBA is the main law governing foreign investment and defining foreign ownership. The law restricts access to certain businesses (e.g., transport, retail and wholesale and services) for reasons of security, cultural heritage, or perceived competitive disadvantage.

A foreign juristic entity is defined as an entity that is not registered in Thailand, or that is registered in Thailand and has a foreign shareholding equal to 50% or more of the total registered capital. A limited partnership or ordinary registered partnership is classified as foreign if the managing partner or manager is a non-Thai. Foreigners currently may not retain majority control through nominees, and penalties apply for violations. Notably, however, 100% foreign-owned businesses are permitted, except for 43 restricted businesses in three categories covered in the FBA.

Some of Thailand's free trade agreements and certain laws (e.g., the Investment Promotion Act and Industrial Estate Authority of Thailand Act) relax the ownership restrictions under the Foreign Business Law. Some of the countries that Thailand has a free trade agreement with are the United States, Australia, and Japan.

The BOI, which operates under the directives of the Office of the Prime Minister, is the principal government agency for encouraging investment in the country. Foreign investment in Thailand does not require approval from the BOI, provided the necessary operating permits have been obtained. Investors should determine whether the incentives available through the BOI outweigh the various restrictions involved.

34 **Does your jurisdiction have any exchange control requirements?**
Exchange control in Thailand falls under the jurisdiction of the Bank of Thailand, as entrusted by the Ministry of Finance. The Exchange Control Act and its regulations set out the governing principles.

Transfers in foreign currency for direct and portfolio investments in Thailand are freely permitted. Repatriation of investment funds and repayment of overseas loans can be remitted upon submission of supporting documents to an authorized bank.

D. Entity closure

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 way to dissolve a limited company in Thailand is seeking a special resolution approval from shareholders.

There are two main steps for register the company's dissolution with the MOC:

- Registering the company's dissolution together with appointment of a liquidator. The liquidator shall become director of the company. In case the liquidator cannot complete the liquidation, the liquidator has to submit the report to the officer every three months. However, if the liquidation cannot be completed within one year, the liquidator has to hold the shareholders' meeting every year to report the movement of the going on liquidation.
- Registering the completion of liquidation once the liquidation process is completed. Upon registering the second step, the company is now dissolved.

Contacts



Anthony Visate Loh

Partner

aloh@deloitte.com

+66 2034 0112;ext=40112

Deloitte.

Legal

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