



Legal News

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Order of the Head of National Council for Peace No. 21/2560 regarding the Amendment of Laws to Facilitate Business Operations

On 4 April 2017, Order of the National Council for Peace No. 21/2560 regarding the Amendment of Laws to Facilitate Business Operations (the "Order") has been formally announced in the Royal Gazette. The Order comes into effect from the date of the announcement.



The order has amended provisions in the Civil and Commercial Code, the Labor Protection Act B.E. 2541 (A.D. 1998), the Public Company Limited Act B.E. 2535 (A.D. 1992) and the Bankruptcy Act B.E. 2483 (A.D. 1940) which can be summarized as follows:

The Civil and Commercial Code

- To amend the provision under Section 1016 whereby the registration with the Registrar can be done at the registry office of partnership/company notified by the Minister of the Ministry of Commerce. No longer necessary to register at the registry office of partnership/company where the principal office of the partnership/company is located.
- To add Section 1020/1 whereby the Minister of the Ministry of Commerce can issue the ministerial regulation to reduce or exempt the government fee for any registration, certifying documents and certification of incorporation.
- To amend the provision under Section 1108 (1) regarding the settlement of the company Articles of Association which is a business to be transacted at the statutory meeting where the company can specify the solution to the problem or conflict which is unsettled among directors and/or shareholders.
- To amend the provision under Section 1128 regarding the affix of the company seal in the share certificate and maintain the requirement of the signature of the director [at least 1 person] in the share certificate.
- To add the period for dividend payment under Section 1201 paragraph 4 whereby the dividend payment must be completed within 1 month from the resolution date of the shareholders meeting or the board of directors meeting.

The Labor Protection Act B.E. 2541 (A.D. 1998)

- To amend the provision under Section 108 that specifies the employer to deliver a copy of the work regulations to the Director General of Department of Labor Protection and Welfare, or the grantee from the Director General, within 7 days from the date of announcement of the work regulations.

The Public Company Limited Act B.E. 2535 (A.D. 1992)

- To amend Section 100 regarding the number of the shareholders who will jointly request in writing for the board of director to call the extraordinary shareholder's meeting and adding the wording in the provision from "the shareholder who has the shares of not less than 1 of 5 of the total shares which have been sold or the shareholders of not less than 25 persons who have the shares of not less than 1 of 10 of the total shares which have been sold" to "one shareholder or shareholders who have the shares of not less than 10 percent of the total shares which have been sold". In addition, to amend the period for the shareholder's meeting from within 1 month to 45 days from the date of the director receiving the written letter from the shareholders.

The Bankruptcy Act B.E. 2483 (A.D. 1940)

- To add the method of advertisement under Section 148/1 whereby the advertisement can be advertised by other public electronic methods according to the notification of the Director General of the Legal Execution Department.
- To amend Section 173 by adding the assumption that when the official receiver advertises the receiving order via other public electronic methods according to the notification of the Director General of the Legal Execution Department, it shall be deemed that every person acknowledges receiving such order.

BOI Promotes the Activities in relation to the Development of Technology and Innovation

On 14 March 2017, the Board of Investment ("BOI") issued the BOI Announcement on Investment Promotion for Development of Technology and Innovation No. Sor. 1/2560. The purpose of the Announcement is to develop the ability in relation to technology and innovation and to enhance the competitiveness of Thailand and the industry which is summarized below.



1. Adding the eligible activities under 8.1 Target Technology Development which shall be granted 10-year CIT exemption without a cap:
 - 8.1.1 Development in Biotechnology;
 - 8.1.2 Development in Nanotechnology;
 - 8.1.3 Development in Advanced Material Technology;
 - 8.1.4 Development in Digital Technology.
2. Stipulating the targeted eligible activities for investment promotion which shall be granted 10-year CIT exemption without a cap:
 - Activity 5.6: Electronics design
 - Activity 7.11: Research and development
 - Activity 7.13: Engineering design
 - Activity 7.14: Scientific laboratories
 - Activity 7.15: Calibration services
 - Activity 7.19: Vocational training centers (only training in science and technology)
3. The eligible activities in No. 1 and No. 2 can request for additional incentives as per merit-based incentives by granting CIT exemption for up to but not more than 13 years as per the BOI Announcement No. 2/2557 dated 3 December 2014.

The conditions for investment promotion as per this Announcement become effective starting from 8 February 2017.

BOI Grants Exemption of Import Duties for Items Imported into Thailand for the Purpose of Research and Development

On 14 March 2017, the Board of Investment ("BOI") issued Announcement No. 1/2560 in regards to Exemption of Import Duties for Items imported for the purpose of research and development. This was done by the BOI with the intention to promote research and development ("R&D"). Under this Announcement, the promoted persons will be eligible for import duties exemption rights and privileges for items imported into Thailand for the purpose of R&D (includes related tests).



The approval for granting such privileges shall be valid for 1 year. The items which can qualify for import duties exemption must not be a machinery or raw and essential materials already covered under a previous import duties exemption on machinery or raw and essential materials.

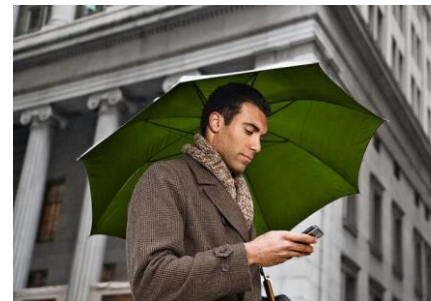
The categories, quantities, duration, conditions, and methods shall be as prescribed by the BOI for the following promoted activities.

- Research & Development
- Biotechnology
- Targeted technology development (only projects that have R&D)

This Announcement came into force as of 8 February 2017 and onwards.

Measures to Promote Investments in the Eastern Economic Corridor

On 16 March 2017, the Thailand Board of Investment ("BOI") issued Announcement No. 4/2560 on Measures to Promote Investments in the Eastern Economic Corridor. This was done by the BOI with the intent to promote investment in targeted industries that utilize high technology and innovation and is environmental friendly including city development and industrialization for the purpose of upgrading the Eastern Economic Corridor ("EEC"). The details of the BOI Announcement are summarized as follows:



1. Stipulates the EEC to comprise of 3 provinces i.e., Chachengsao, Chonburi, and Rayong provinces as an investment promotion zone.
2. Projects situated in the EEC are eligible to receive additional 50 percent corporate income tax ("**CIT**") reduction calculated on net profits for another 5 years after the duration of the initial CIT exemption has elapsed.
3. The targeted industries, or the so-called the New Growth Engine, to receive the benefits and incentives according to this BOI Announcement to include Next-Generation Automotive; Smart Electronics; Affluent, Medical and Wellness Tourism; Food for the future; Automation and Robotics; Aviation; Biochemicals and Eco-friendly Petrochemical; Digital; and Medical Hub. In addition to the listed targeted industries, the following activities which support the development of the EEC, including infrastructures and logistics development, tourism, R&D and technology support services, will also be qualified for the aforementioned privileges. Further details of each promoted eligible activity can be found in the Appendix to the Announcement of the BOI No. 2/2557.

The application to receive investment promotion according to this BOI Announcement must be submitted to the Office of the BOI by 29 December 2017.

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