



## Legal News

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### The Debt Collection Act B.E. 2558

The Debt Collection Act B.E. 2558 is the first regulation pertaining to debt collection in Thailand and is effective starting from 2 September 2015. The Act is intended to provide more protection to debtors while the supervision on debt collection will be impartial and of the same standard. In addition, penalty provisions are specifically provided in the Act.

As this Act brings in some significant changes to the debt collection process the important points are summarized below:

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#### Inside this issue:

- The Debt Collection Act B.E. 2558
- Additional Documentation for bringing in Foreign Skilled Workers and Experts under e-Expert System
- Ministry of Commerce Rulings on Business Operations of Foreign Companies in Thailand

- A business of debt collection must be registered with the Registrar appointed by the Minister of Interior. The business of debt collection is defined by the Act as debt collection for other persons directly or indirectly as a normal business but does not include debt collection by a lawyer who acts on behalf of his/her client;
- Debt collection by persons other than the debtor or the person designated by the debtor is prohibited;
- The requirements of address, time and frequency of debt collection are stipulated;
- Debt collection in a threatening, violent or insulting manner is prohibited. In addition unfair debt collection, for example, fee collection exceeds the prescribed rate, is also prohibited.
- A Debt Collection Committee will be established and the Minister of the Interior will be the chairman of the Committee to regulate debt collection by debt collectors.
- Penalties include administrative penalties and criminal penalties.
- A person who conducted the business of debt collection or a similar business before the effective date of the Act must register within 90 days from the effective date of the Act if such person would like to continue conducting the debt collection business. Such person can continue to conduct the business unless the registration is denied by the Registrar.

## Additional Documentation for Bringing in Foreign Skilled Workers and Experts under e-Expert System



The Office of the Board of Investment (“OBOI”) has issued a new requirement of additional documentation for bringing in foreign skilled workers and experts to work under the e-Expert System. The additional documentation includes a Progress Report by way of the Form of Confirmation of Operation of the Promoted Project submitted to the OBOI upon its first 6 months, its 1<sup>st</sup> and 2<sup>nd</sup> anniversaries from the date of issuance of the Promotion Certificate. The Progress Report must be submitted to the e-Expert System together with the company’s Organization Chart as an additional document.

In case the company has not yet submitted the Progress Report, the company shall report on the result of the performance of the project through the Project Monitoring System of the BOI.

# Ministry Of Commerce Rulings on Business Operations of Foreign Companies in Thailand



## Assignment of specialist and supervisor to Thailand to install and test the software system in Thailand

A company in an overseas country has executed an agreement with a Thailand company to provide design, development and integration of management software system in Thailand. The services will be performed by remote access from the overseas country and the foreign company dispatching specialists and supervisors to install and test the software system in Thailand. A ruling was provided whereby the activity of the foreign company in Thailand is considered as a “service business” under the list 3 (21) of the Foreign Business Act B.E. 2542 (“FBA”). As a result the foreign company must formally obtain permission from the Director-General of the Department of Business Development in Ministry of Commerce with corresponding approval from the Foreign Business Committee before the foreign company can begin the service business operation.

## Definition of retail and wholesale businesses

Retail business under the list 3 (14) of the FBA is intended to mean the sale of product to customers (end users or consumer) in the country directly for use or consumption of the product by the customer themselves.

Wholesale business under the list 3 (15) of the FBA is intended to mean the sale of products to the customers who then re-sell the products or use the product to provide services to their customers or uses the product as a raw material for production purposes.

A foreigner who intends to conduct the retail and/or wholesale businesses has to obtain permission to conduct such business according to the FBA unless the foreign entity has the required minimum capital amount. The required amount is registered and fully paid up capital for commencement of the retail and wholesale businesses of not less than 100 million Baht for each business. For the 100 million Baht attributable to the retail business a foreigner is allowed to open up to 5 shops while for the 100 million Baht attributable to the wholesale business a foreigner is only allowed to open 1 shop. The minimum capital required is specifically for the retail and/or wholesale businesses and excludes any minimum capital required for any other requirements under the FBA and/or other laws.

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