



Legal Alert

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NEW MEASURES APPROVED BY THAI CABINET: TEARING DOWN THE BARRIER, LAND OWNERSHIP FOR FOREIGNERS

On 14th September 2021, the Thai Cabinet has approved, in principle, measures to stimulate the post-Covid-19 economy and investment by attracting high-potential foreigners to Thailand (“**Measures**”). The Measures were proposed to the Cabinet on 3rd August 2021 by the Office of the National Economic and Social Development Council (“**NESDC**”), aiming to attract high-potential foreigners to stay in the country in a long term. The targeted high-potential foreigners are high net worth individuals, pensioners, remote workers, and skilled professionals.

With the implementation of the Measures, long-term visas would be granted to the targeted group of foreigners and accompanied by attractive incentives including relaxation on landholdings.

Before the implementation of the Measures, the foreigner’s rights to own lands in Thailand are greatly restricted under the Land Code. There are only a few circumstances where an individual foreigner can own land, broadly speaking such circumstances can be categorized as follows:

- (1) Through inheritance, provided that the total area of land held by the heir does not exceed the maximum area allowed under the Land Code e.g., not over 1 rai/family for residency purposes or 10 rai for industrial purposes.
- (2) Through meeting minimum investment requirements starting at THB 40 million for 1 rai/family to be used for residency purposes.

With the principle provided under the Measures, the strict provisions of the Land Code may be amended to provide relaxation for the targeted foreigners since the minimum investment required under the Measures only starts at around THB 8 million, which is over 5 times less than what is required under the current law.

In addition to the rights to own land the Measures may also provide residence visas for spouses and children of targeted foreigners, tax exemption for income from foreign sources, reduced personal income tax rate, etc.

For the actual implementation of the Measures, the Thai Cabinet has assigned the relevant authorities including Thailand Board of Investment, Ministry of Labor, Ministry of Finance, etc. to consider the appropriateness of the Measures and set goals for the evaluation of the implementation of the Measures. It is expected that around mid-December 2021 NESDC will gather matters discovered by the relevant authorities and submit them to the Thai Cabinet once more before proceeding with the Measures.

Foreigners who are looking to acquire land in Thailand should observe the development of the Measures and reap this opportunity as the Measures will be reconsidered once every 5 years and, depending on the economic conditions then, the benefits that come with them may be diminished.

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