

NEWSLETTER

No. 123 Edition July 2017

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1. Additional Businesses Exempt from Foreign Business License

The Ministerial Regulation No. 3 is issued by virtue by the Foreign Business Act, B.E. 2542 (1999) (the "Act") to exempt certain services from the foreign business license requirement under the Act. It is deemed Thais are ready to operate and compete with foreign owned businesses in these activities. So these businesses are exempt from the foreign business license.

The Ministerial Regulation No. 3 lists the following businesses.

1. Financial institution business, business related to or necessary for operating the financial institution business by a financial institution, and business of companies in a financial group of a financial institution in accordance with law pertaining to financial institutions.
 - 1.1 Banking business.
 - 1.2 Service business being a representative office of a bank.
 - 1.3 Rendering servicing according to Sharia.
 - 1.4 Being an agent of the financial institution.
 - 1.5 Money deposit service with a withdrawing condition from an account according to an order of a customer or a custodian.
 - 1.6 Private sector buyback transaction.
 - 1.7 Being an agent in accepting an application and collecting insurance premiums or export guarantee service fee and guaranteeing credit for a customer.
 - 1.8 Rendering the services related to financial business to a financial institution, companies in a financial group, the Bank of Thailand and government agencies.
 - 1.9 Renting out immovable property.
 - 1.10 Buying or taking transfer of loan debtors.
 - 1.11 Rendering the services on cash management.
 - 1.12 Rendering the services pertaining to preparation of documents related to customers.
 - 1.13 Rendering the services as an agent in accepting a debt payment or an agent to accept an application.
 - 1.14 Hire purchase and leasing.
2. Asset management under law pertaining to asset management.
3. Service business of being a representative office of a foreign juristic person in international trade.

4. Service business of being a regional office of a foreign juristic person in international trade.
5. Service business with a government agency as a contractual party.
6. Service business with a state enterprise as a contractual party.

This development will make it easier for a foreign company to set up a representative office or a regional office in Thailand and for a foreign contractor to bid for a government contract.

For more information, please contact our lawyers for consultation.

LEGAL UPDATE

2. Amendments to Company Law and Public Company Law

There are new amendment to company law and public company law to make it easier to do business in Thailand.

Company Law

1. The Articles of Association may now contain dispute resolution mechanisms among shareholders and directors.
2. The court may dissolve the company in case of shareholders dispute.
3. A limited company no long needs to have a seal.
4. Dividends must be paid within one month from a declaration date.

Public Company Law

1. A shareholder or shareholders holding 10% of the total shares may request the Board of Director to call a general meeting of shareholder. (A threshold is reduced from 20%)
2. The Board of Directors must call the general meeting within 45 days from the date that the Board of Directors receives a request from the shareholders.
3. Board's failure to call the general meeting of shareholders within 45 days shall result in the requesting shareholder being entitled to call the general meeting of shareholders by themselves at company's expenses.

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