

INTRODUCTION

Indispensable Legal Guide for Businesspersons

Thailand, just like other jurisdictions, is a regime governed by tons of laws that are generally enacted for guiding or regulating its people to achieve desirable ends. As far as businesspersons are concerned, it is well translated that their activities when doing business in Thailand are heavily regulated by such laws. While the underlying law may seem complex, hard to understand given the gigantic amount of provisions, it does not excuse you from being ignorance of the law. Businesspersons cannot escape this reality. If you insist on simply ignoring it, the consequence is not something that you would like to face (trust me on that!). Thus, it's your responsibility to do everything within your power ensuring that your business be run legally under applicable laws. An ultimate goal is obviously to safeguard your interest from any risks that may jeopardize the survival and growth of your business.

This book is all about showing you how to first get a good grasp on Thailand's business law, and how to comply with it to establish sound business compliance. Regardless of what type of business you run, you will find this book indispensable as it provides a comprehensive, easy to follow legal guidance that can help you stay out of trouble. By learning from this book in conjunction with taking pre-emptive steps as explained here, you can gain enough confidence to conduct your business with greater security. At the end of the reading, no doubt that you will become legally fluent as you would think as a lawyer and a businessperson simultaneously.

Thai Legal 101: Your Portable Encyclopedia on Thai Law

This book attempts to encompass a wide range of legal issues that you will likely have to deal with in any stage of your business. Whether you are in an early establishment of your business, or have been in business for many years, all the materials presented in book are still relevant and applicable to your situation. The ultimate benefit of this book is that such a comprehensive legal matter and its discussions have been put together into a single, handy book that you can conveniently look up anytime, anywhere. That's why you should always keep this book as your portable encyclopedia for doing business with Thailand.

Below is a snapshot of variety of legal subjects covered in this book:

- a brief introduction to Thailand's legal system;
- forms of business entities available to do business in Thailand;
- complete guideline on how to set up a limited company;
- how to observe every corporate formality;
- understand foreign business law & its restrictions;
- how to handle employment matters like an expert;
- the most tax effective way of hiring expat;
- types of employee benefits and perks;
- how to manage employment termination and what to negotiate on severance;
- various ways for foreign buyers to own property in Thailand and how to do it legally;
- options to get around foreign ownership restrictions;
- how to deal with commercial disputes;
- what to do when you can not collect your bill;
- understand legal & tax issues for buying, selling or merging business;
- basic steps in M&A transactions;
- learn practical aspects of commercial contract; and
- overview of Thailand taxes.

The Approach: Simple, Practical with Good Details

When we talk about a legal jargon, how simple can it be? The truthful answer is *yes*, it can be presented as simple as any layman can understand. The legal subject is typically regarded as complicated, boring and difficult. It is definitely challenging for any layman to digest all the information and appreciate it all by studying and reading through the materials available everywhere – even an experienced lawyer can't fully figure out certain aspects. Therefore, to be the most useful, I am convinced that the materials in this book should be presented in the simplest way as possible for even a person without any legal background can understand and digest what is covered in this book.

What makes this book stands out from others available on the market is that it offers invaluable legal resources written in a simple language, without leaving the details. In a number of subjects under discussion, I've provided the legislative reference, which is likely to be insightful to those who are keen on analyzing further these specific Thai laws. I've also quoted the relevant rulings and presented Supreme Court judgments to clarify legal principles of certain matters. I believe citing this legislative reference is useful and such an integral part of this learning process of Thai law that to omit it would hinder understanding on the subject under discussion. In addition, I have incorporated selected examples with detailed calculations, and included forms or illustrations to the extent necessary.

This book reflects quite a practical approach to Thai law through its interpretation on the theory and moving this to a practical solution accessible by any businessperson. From the start to the finish, this book attempts to offer ideas and insights strongly drawn upon my own experiences as a practitioner and a business owner, and it will, therefore, be relevant to any businessperson in the real world context. Through detailed explanation, this book aims to give an accessible explanation on what to do and why it works. It is carefully researched and compellingly written with a perfect mixture of two active ingredients: the legal education and the practice of law.

Avoid Costly Legal Troubles

From my years of practice, I've discovered that many get stuck along the road to getting success because they are struggling *legally*. While others can manage to do business and protect their interest in a safe and lawful manner, many businesses run into legal troubles. The later might be a result from someone's taking a short cut (for whatever reason) by engaging in an unlawful activity, or completely ignoring the statutory rules, or sometimes breaking the law without intent. For whatever reason might be, one thing is for sure, the unwanted legal trouble will lead you to a complaint, a hefty penalty, or even worse an expensive lawsuit. You may suffer business losses or even personal misfortune – and yet many are unprepared for this possibility.

To that end, this book is written with the purpose of closing a gap between those who succeed and those who struggle in term of their legal standing. As you read this book you will find the guidance on how to run business legally in Thailand without breaking the laws. You will also gain awareness on common legal pitfalls which should be avoided at all time. The book not only helps you avoid legal troubles, but also foresees if any of those is coming and how you should be prepared for it. Nonetheless, always be aware that putting a protection in place prior to any legal case is a lot simpler and cheaper than fighting it. It is always cheaper to prevent a problem than to solve it.

Working Effectively with Legal Advisor

When you have a law related problem and hire a legal advisor, you would want that the legal advisor provides you with the advice or solution pretty quickly. Well, it definitely takes two to tango. Many perspective clients come to an initial consultation or send an email inquiry with a lack of detailed explanation and missing supporting documents leaving their lawyer puzzled about what they actually need. This book will help you, as a client, to work more efficiently with your legal adviser. With a thorough understanding of Thai law gained from reading this book, you can be more precise in articulating your problem, or even make some predictions on how the law will respond. Key legal issues can be promptly identified and your legal adviser can make a tactical or strategic decision to resolve your issues. The more legal knowledge you have, the more effectively you can work with your legal adviser. Not only you are able to establish an effective working relationship with your legal adviser, but you can also do it within reasonable costs and time frame.

Who Should Read This Book?

This book is a must read for anyone who has to deal with Thailand legal in any business transactions, whether at multinational companies, publicly held companies, small and medium enterprises, or individual business owners, including:

- Board Chairmen, Executive Chairmen, Chief Executive Officers, Presidents, Managing Directors, Managing Partners, Country Managers, Chief Operating Officers, Chief Administrative Officers, Corporate Officers and General Managers;
- Corporate Legal Counsels, General Counsels, Chief Legal Officers, Vice Presidents – Legal Affairs, Heads of Legal Departments, Legal Directors, Legal Advisors, In-house Legal Counsels, Legal & Compliance Managers, Legal Consultants, and Private Practitioners;
- Chief Financial Officers, Finance Directors, Financial Vice Presidents, Heads of Accounting & Finance Departments, Financial Controllers, Finance Managers and Treasurers;
- Heads of Tax Compliance, Corporate Tax Planning Directors, Tax & Investment Managers, Chief Accounting Officers, Chief Accountants, Accounting Directors, Accounting Managers, Accountants and Auditors;
- Members of Board of Directors and Executive Directors;
- Business Development Vice Presidents, Business Development Directors, and Heads of Corporate Planning;
- Chief Human Resources Officers, Human Resources Vice Presidents, HR Managers, HR Consultants, Recruitment Agencies, and Managers of Compensation & Benefits;
- Businesspersons or entrepreneurs who own businesses;
- Foreign investors who (plan to) do business in Thailand;
- Real estate investors who are interested in obtaining a property in Thailand;
- General employees; and
- Anyone who cares to gain knowledge of Thailand law in order to safeguard its interest.

Icons Used in This Book

We also develop various icons that help to highlight certain useful information so as to enhance your learning throughout this book. Here's is a rundown of what those icons mean.



**NARIT's
Note**

NARIT's Note provides some additional insight or background story on the concept being discussed.



**NARIT's
Tip**

NARIT's Tip offers a proven strategy that you should not miss to take advantage most out of this book.



**NARIT's
Alert**

If you see NARIT's Alert, it means we try to alarm you to the occasions that may disadvantage to you. It is intended to grab your attention so that a pitfall can be avoided and help you stay out of trouble.



**NARIT's
Example**

Through NARIT's Example, you will be handed a key to unlock the theory that is just explained by applying it to real life situations.



**NARIT's
Glossary**

Don't understand legal terms? Legal lingo is probably not in your dictionary, so look for NARIT's Glossary for a plain English definition of the terms explained.

... and so the venture begins. Let's start our learning journey to unwrap Thailand law and regulatory framework that will give you the legal edge in doing business with Thailand.