

## Thailand

### Introduction

#### Our Location Offer

Thailand enjoys a strategic location and serves as a gateway into the heart of Asia - home to what is today the largest growing economic market.

- \* Convenient trade with China, India and the countries of the Association of Southeast Asian Nations (ASEAN), and easy access into the Greater Mekong sub-region, where newly emerging markets offer great business potential.
- \* Close economic cooperation with other ASEAN member nations, and Thai manufactured products and services have access to their markets, which includes all 10 ASEAN countries. ASEAN is home to more than half a billion people, GDP in excess of US\$1.5 trillion and total trade of well more than US\$1 trillion per year.
- \* Well-defined investment policies focus on liberalization and encourage free trade. Foreign investments, especially those that contribute to the development of skills, technology and innovation are actively promoted by the government.
- \* Thailand consistently ranks among the most attractive investment locations in international surveys, and the World Bank's 2010 Ease of Doing Business report places Thailand as the 12th easiest country in the world in which to do business.
- \* The Board of Investment offers a range of tax incentives, support services and import duty exemptions or reductions to an extensive list of promoted activities.
- \* The Board of Investment coordinates the activities of the One-Stop Service Center for Visas and Work Permits, which enables foreign staff of BOI-promoted companies to obtain work permits and long-term visas within three hours or less. Additionally, set up the One Stop Investment Center to facilitate a full range of services and streamline investment procedures by bringing representatives from more than 20 government agencies under one roof.

#### Introduction to investment regime

To relieve the fiscal burden of the government and to respond to current and future economic situations, the Board of Investment (BOI) prescribes policies for investment promotion as follows:

1. Privileges will be granted to projects that actually benefit the economy, and good governance will be used to manager and supervise the application of tax and duty privileges. Promoted entities will report the operating results of their promoted projects to the BOI for review prior to the application of tax and duty privileges for that year.
2. To promote development of quality and production standards that will enhance Thailand's competitiveness in the world market, every promoted project that has investment capital of 10 million bath or more (excluding cost of land and working capital) must obtain ISO 9000 certification or similar international certification.
3. Previous conditions on exports and use of local materials have been repealed, making the criteria for promotion in line with international trade and investment agreements.
4. Special investment promotion will be given to regions or areas with low income and inadequate investment facilities. Maximum tax and duty privileges will be given to these regions or areas.
5. Priority is given to small and medium-sized industries by applying a minimum level of investment capital of 500,000 baht (excluding cost of land and working capital) for activities, as per BOI announcement No. 1/2553, and of not less than one million baht (excluding cost of land and working capital) for other activities.
6. Priority is given to agricultural activities and agricultural products, projects related to technological and human resource development, public utilities, infrastructure and basic services, environmental protection and conservation and targeted industries.

#### Investment priority plan/equivalent policy

## Thailand

Thailand aims to gear the country towards sustainable development. Studies will be conducted in order to launch investment promotion measures that contribute to the country's development in economic, social and environmental development, as well as transition the industrial sector into becoming knowledge-based and value-added.

Thailand Board of Investment will start working with related organizations to develop investment policies for sustainable development. It also review measures that expired of the end of last year which are in line with this direction, such as Thailand Investment Year 2008-2009, to improve efficiency of production processes and measures to solve environmental problems.

In addition, the details of new investment promotion measures will be studied in order to develop human resources to support knowledge-based industries, to build strength in science and technology, to promote environmental and community friendly investment, such as Eco Town or Eco Industrial Estate, and finally to build industry and services on cultural uniqueness and value-added creativity.

### More information

Office of the Board of Investment: [www.boi.go.th](http://www.boi.go.th)

## Regulation of foreign investment

### Process for foreign entities/nationals to invest in our economy

The process for foreign entities/nations to invest in your economy

There are several choices of business organization recognized under Thai Law ranging from sole proprietorship, partnership, private company, and public limited company. Hence, private limited Company, Branches of Foreign Companies, Representative Office of Foreign Companies, and Regional Operating Head Quarter are among the most popular form of organization of Foreign Entities. Please see business guide to Thailand for more information. [www.boi.go.th/english/download/faq/Bizzg.pdf](http://www.boi.go.th/english/download/faq/Bizzg.pdf)

Generally there are two main procedures to start up a business in Thailand for private limited company. One is for general procedure; the other is the special procedure in order to obtain the special privilege under Investment Promotion Act (in short to obtain BOI promoted incentives). The two procedures can be processed at the parallel timeline.

#### General Procedure to start up company limited

##### 1. Registration of the company at Minister of Commerce

This procedure will require a minimum of 3 promoters for private limited company and the promoter must be individual (not business entities).

The registering of the company occurs at the MOC can be accomplished on the same day as the registration of the memorandum of association (subject to full compliance with the required procedures). If the company falls under the definition of "foreign" (as defined in the Foreign Business Act), it will normally require to obtain Cabinet approval or a Foreign Business License prior to commencing operation. However, the BOI Promoted Company normally can use the BOI document to obtain the Foreign Business Certificate.

The process of the registration is consisting of (1) Corporate Name Reservation (2) Filling a Memorandum of Association-to define the share structure (3) Convening a Statutory Meeting -when the minimum 25 percent of the par value of each subscribed share must be paid. (4) Registration within the 3 months of the date of the statutory meeting, the directors must submit the application to establish the company. (5) Registering for Tax Documents

##### 2. Accounting and Financial Report Requirements

The companies must keep books and follow accounting procedures specified in the Civil and commercial code, the Revenue Code and the Accounts Act. The basic accounting principles practiced in the United States are accepted in Thailand as are accounting methods and conventions sanctioned by Law.

##### 3. Industrial Licensing and Regulation

## Thailand

The companies wish to established a factor in Thailand has to comply with the Factory Act 1969 (amended in 1972,1975,1979, and 1992) and a factory or any premise that uses machinery equivalent to five horsepower or more, or that employs seven or more workers for manufacturing, producing, assembling, packing, repairing, maintaining, testing, improving, processing, conveying, storing or destroying anything included in the classes or types of factories presently listed in the Ministerial Regulations.

A factory license issued by the department of Industrial works, Ministry of Industry -see [www.diw.go.th](http://www.diw.go.th) If the premise is required to obtain the notification or license, this must be obtain prior to the construction of a factory. After the construction is completed and prior to the commencement of operations, the operator must inform the official at least 15 days in advance.

For environmental purpose, some of the factory has to conduct an Environment Impact Assessment-see [www.onep.go.th](http://www.onep.go.th)

4. The other applications, that should be considered depending on the type of business, are patent, trademark and some specific industry regulation (explain in the following question)

5. The Land Act in Thailand.

In order to obtain the land, the foreign entities can use the channel through BOI or IEAT to obtain the right to own land for their business. Apart from that, all has to comply by the Land Act.

6. Foreign Worker in Thailand

Foreigner works in Thailand must obtain work permits from the Foreigner's Occupation Control Division of the Department of Skill Development or the One-Stop Service Center for the visa and work permit (for BOI promoted mainly). Reports on all changes in employment of foreigners must be filed by the employers with the Department of Skill Development.

The procedure to apply for BOI promotion incentives:

Thailand Board of Investment has offered a wide range of incentives for Business Start-up in Thailand for both Thai Nationality and Foreigner under the same national treatment basic. For more information on the BOI rules and regulation, please visit the [www.boi.go.th](http://www.boi.go.th) and download the publication : A guide to the Board of Investment at [www.boi.go.th/english/services/a\\_guide/index.htm](http://www.boi.go.th/english/services/a_guide/index.htm)

The incentives for Foreigner is included the right to own land (for manufacturing purpose) the service to bring in XPAT via one stop service center, the tax and non-tax incentives etc.

### Does this apply to all investment or, are there differential treatment?

Foreigners in Thailand basically have the same rights with Thai nationalities. The limitation is restricted in some area for security reason such as Nationality Act, Foreigner Registration Act, Immigration Act, Land Code, Foreigner Employment Act etc.

For Manufacturing or real sector, foreigner shareholder can own up to 100 % of the business except for those listed under List 2-3 of Foreign Business Act that require special certificate from Ministry of Commerce. (please note that activities fall under List 1 in Foreign Business Act shall be reserved only for Thai Nationality for security reason. For more information on the Foreign Business Act, please view [www.dbd.go.th](http://www.dbd.go.th)

In additional to this, foreigner can enjoy further rights and privileges derive from different treaty that Thailand has committed to such as FTA, APEC, ASEAN AIA, and Treaty of Amity. Please view [www.thaifta.com](http://www.thaifta.com) for extended details on each FTA.

### Conditions of investment

Please note that, in special sector, mainly liquid investment, financial sector and investment related for security issue, such as commercial banks, insurance companies, commercial fishing, aircraft, commercial transportation, commodity export, mining and other enterprises shall be control by different statutes, cabinet policies, and trade association's regulations.

Thailand therefore has an international standard rules and regulations for a certain security and safety related issue such as the consumer protection laws, food, drugs, cosmetics and medical devices laws, trade competition law etc.

## Thailand

### Investment promotion and facilitation

The office of the Board of Investment is the government agency under the Ministry of Industry. Its main roles and responsibility are in promoting investment, prescribed under the investment promotion Act B.E. 2520 and the respective Amendment Acts No. 2 B.E. 2534 and No. 3 B.E. 2544

OBOI has 13 branches in 9 economies, which are listed in alphabetically as Beijing, Frankfurt, Guangzhou, Los Angeles, New York, Osaka, Paris, Seoul, Shanghai, Sydney, Stockholm, Taipei, and Tokyo. Investors interested in learning more about investment in Thailand and BOI incentives and the application process can contact the BOI through different branches or by e-mail to [head@boi.go.th](mailto:head@boi.go.th)

Furthermore, Thailand Government has set up the OSOS or the One start one Stop investment Center in November 23, 2009. The OSOS, which operates as part of the Board of Investment, consolidates staff from numerous investment-related agencies at the permanent location to assist investors with procedural matters. Staffs from numerous agencies will be on hand to consult with investors on a range of topics and the matter can be addressed by the various experts at the OSOS.

The agencies represented at OSOS are included 10 business related Ministries such as

Ministry of Commerce, Ministry of Finance, Ministry of Energy, Ministry of Industry, Ministry of Interior, Ministry of Labor, Ministry of Natural Resources and Environment, Ministry of Public Health, Ministry of Tourism and Sports, Ministry of Transport. Please see : <http://osos.boi.go.th> or email: [osos@boi.go.th](mailto:osos@boi.go.th)

### More information about the process of investing in our economy

Thailand Board of Investment

555 vibhavadee Rungsit Road

Chatuchak Bangkok 10900

Tel: +662-553 8111

e-mail: [head@boi.go.th](mailto:head@boi.go.th)

website: [www.boi.go.th](http://www.boi.go.th)

#### INTERNATIONAL ORGANIZATIONS

Asian Development Bank (ADB)

Thailand Resident Mission

23rd Floor, Central World, 999/9 Rama I Road, Wangmai, Pathumwan, Bangkok 10330

Tel: (66) 2263-5300

Fax: (66) 2263-5301

Website: <http://www.adb.org/thailand>, <http://www.adb.org/trm>

Asian Institute of Technology (AIT)

58 Moo 9, km. 42, Paholyothin Highway, Klong Luang, Pathumthani 12120

(or P.O. Box 4, Klong Luang, Pathumthani 12120)

Tel: (66) 2516-0110

Fax: (66) 2516-2126

Website: <http://www.ait.ac.th>

European Commission Delegation in Bangkok

19th Floor, Kian Gwan House II, 140/1 Wireless Road, Bangkok 10330

Tel: (66) 2305-2600, 2305-2700

## Thailand

**Fax: (66) 2255-9113**

**Website: <http://www.deltha.ec.europa.eu>**

**International Bank for Reconstruction and Development (IBRD)**

**The World Bank Office Bangkok**

**30th Floor, Siam Tower, 989 Rama I Road, Pathumwan, Bangkok 10330**

**Tel: (66) 2686-8300**

**Fax: (66) 2686-8301**

**United Nations Development Programme (UNDP)**

**12th Floor, UN Building, Ratchadamnern Nok Avenue, Bangkok 10200**

**Tel: (66) 2288-2138**

**Fax: (66) 2280-0556**

**Website: <http://www.undp.or.th>**

**United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP)**

**United Nations Building, Rajadamnern Nok Avenue, Bangkok 10200**

**Tel: (66) 2288-1234**

**Fax: (66) 2288-1000**

**Website: <http://www.unescap.org>**

**United Nations Industrial Development Organization (UNIDO)**

**5th Floor, Department of Industrial Works Building**

**57 Phrasumen Road, Banglamphoo, Pranakorn, Bangkok 10200**

**Tel: (66) 2280-8691**

**Fax: (66) 2280-8695**

**Website: <http://www.unido.org>**

**World Bank Group**

**The World Bank Office, Bangkok**

**30th Floor, Siam Tower, 989 Rama 1 Road, Pathumwan, Bangkok 10330**

**Tel: (66) 2686-8300**

**Fax: (66) 2686-8301**

**Website: <http://www.worldbank.or.th>**

**World Health Organization (WHO)**

**4th Floor, Permanent Secretary Building 3, Tiwanon Road, Nonthaburi 11000**

**Tel: (66) 2590-1524, 2591-8198**

**Fax: (66) 2591-8199**

**Website: <http://www.whothai.org>**

**PUBLIC SECTOR INSTITUTIONS**

**Government House**

**Government House, Thanon Nakhon Pathom, Bangkok 10300**

**Thailand**

**Tel: (66) 2280-3000**

**Website: <http://www.thaigov.go.th>**

**Ministry of Foreign Affairs**

**443 Sri Ayudhaya Road, Tungphayathai, Rajthewi, Bangkok 10400**

**Tel: (66) 2643-5000**

**Fax: (66) 2643-5180**

**Website: <http://www.mfa.go.th>**

**INVESTMENT**

**Office of the Board of Investment (BOI)**

**555 Vibhavadi-Rangsit Road, Chatuchak, Bangkok 10900**

**Tel: (66) 2537-8111-55**

**Fax: (66) 2537-8177**

**Website: <http://www.boi.go.th>**

**Office of the National Economic and Social Development**

**962 Krung Kasem Road, Watsomanas, Pom Prab Sattru Phai, Bangkok 10100**

**Tel: (66) 2280-4085**

**Fax: (66) 2281-3938**

**Website: <http://www.nesdb.go.th>**

**One-Stop Service Center for Visas and Work Permits**

**16th Floor, Rasa Tower 2, 555 Phaholyothin Road, Chatuchak, Bangkok 19000**

**Tel: (66) 2937-1155-66 ext. 220 (Visa), ext. 303, 318 (Work Permit)**

**Fax: (66) 2937-1191**

**Securities and Exchange Commission (SEC)**

**15th Floor, GPF Wittayu, 93/1 Wireless Road, Lumpini, Pathumwan, Bangkok 10330**

**Tel: (66) 2263-6499**

**Fax: (66) 2256-7755**

**Website: <http://www.sec.or.th>**

**The Stock Exchange of Thailand (SET)**

**The Stock Exchange of Thailand Building**

**62 Ratchadapisek Road, Klongtoey, Bangkok 10110, Thailand**

**Tel: (66) 2229-2222**

**Website: <http://www.set.or.th>**

**INDUSTRY**

**Department of Industrial Promotion**

**Rama VI Road, Rajathevee, Bangkok 10400**

**Tel: (66) 2202-4414-18, 2202-4511**

**Fax: (66) 2246-0031**

## Thailand

**Website:** <http://www.dip.go.th>

**Industrial Estate Authority of Thailand (IEAT)**

**618 Nikom Makkason Road, Rajathevee, Bangkok 10400**

**Tel:** (66) 2253-0561

**Fax:** (66) 2253-4086

**Website:** <http://www.ieat.go.th>

**Ministry of Industry (MOI)**

**Rama VI Road, Rajathevee, Bangkok, 10400**

**Tel:** (66) 2202-3000

**Fax:** (66) 2202-3048

**Website:** <http://www.m-industry.go.th>

**Office of Industrial Economics (OIE)**

**75/6 Rama VI Road, Rajathevee, Bangkok 10400**

**Tel:** (66) 2202-4274, 2202-4276

**Fax:** (66) 2644-7023

**Website:** <http://www.oie.go.th>

**Thai Industrial Standards Institute (TISI)**

**Rama VI Road, Rajathevee, Bangkok 10400**

**Tel:** (66) 2202-3301-4

**Fax:** (66) 2202-3415

**Website:** <http://www.tisi.go.th>

**TRADE**

**Department of Export Promotion**

**Ratchadapisek office:**

**22/77 Ratchadapisek Road, Bangkok 10900**

**Tel:** (66) 2511-5066-77

**Fax:** (66) 2512-2670

**Nonthaburi office:**

**44/100 Nonthaburi 1 Road, Bang Krasor, Muang, Nonthaburi 11000**

**Tel:** (66) 2507-7999

**Website:** <http://www.thaitrade.com>, <http://www.depthai.go.th>, <http://www.thaitradefair.com>

**Department of Foreign Trade (DFT)**

**44/100 Nonthaburi 1 Road, Bang Krasor, Muang, Nonthaburi 11000**

**Tel:** (66) 2547-4771-86

**Fax:** (66) 2547-4791-2

**Website:** <http://www.dft.moc.go.th>

**Ministry of Commerce (MOC)**

**Thailand**

**44/100 Nonthaburi 1 Road, Bang Krasor, Muang, Nonthaburi 11000**

**Tel: (66) 2507-8000**

**Fax: (66) 2507-7717**

**Website: <http://www.moc.go.th>**

**TOURISM**

**Airport of Thailand Public Company Limited (AOT)**

**333 Moo 7 Cherdwutagard Road, Srikan, Don Muang, Bangkok 10210**

**Tel: (66) 2535-1111**

**Fax: (66) 2535-4061**

**Website: <http://www.airportthai.co.th>, <http://www.airportthai.com>**

**Immigration Bureau**

**507 Soi SuanPlu, Sathorn Tai Road, Bangkok 10120**

**Tel: (66) 2287-3101-10**

**Fax: (66) 2287-1310, 287-1516**

**Website: <http://www.immigration.go.th>**

**Ministry of Tourism and Sports**

**4 Ratchadamnoen Nok Road, Pom Prab Sattru Phai, Bangkok 10100**

**Tel: (66) 2283-1555**

**Fax: (66) 2356-0746**

**Website: <http://www.mots.go.th/tourism/index.php>**

**Suvarnabhumi International Airport**

**999 Moo 7 Racha Thewa, Bang Phli, Samut Prakan 10540**

**Tel: (66) 2723-0000, 2132-1888**

**Fax: (66) 2723-0010, 2132-1889**

**Website: <http://www.suvarnabhumiairport.com>**

**Thai Airways International Public Company Limited**

**89 Vibhavadi-Rangsit Road, Bangkok 10900**

**Tel: (66) 2545-1000**

**Website: <http://www.thaiair.com>**

**Tourism Authority of Thailand (TAT)**

**1600 New Phetchaburi Road, Makkasan, Rajathevee, Bangkok 10400**

**Tel: (66) 2250-5500**

**Fax: (66) 2250-5511**

**Website: <http://www.tourismthailand.org>**

**FINANCE**

**Bank of Thailand (BOT)**

**273 Samsen Road, Bangkhumprom, Bangkok, 10200**



**Thailand**

**Tel: (66) 2283-5353**

**Fax: (66) 2280-0449**

**Website: <http://www.bot.or.th>**

**Excise Department of Thailand**

**1488 Nakornchaisri Road, Dusit, Bangkok 10300**

**Tel: (66) 2241-5600-19, 2668-6560-89 Ext. 54232 and 54233**

**Fax: (66) 2668-6398**

**Website: <http://www.excise.go.th>**

**Ministry of Finance (MOF)**

**Rama VI Road, Samsen-Nai, Phayathai, Bangkok 10400**

**Tel: (66) 2273-9021**

**Fax: (66) 2293-9408**

**Website: <http://www.mof.go.th>**

**Small and Medium Enterprise Development Bank of Thailand (SME Bank)**

**SME BANK Tower, 310 Phaholyothin Road, Samsen-Nai, Phayathai, Bangkok 10400**

**Tel: (66) 2265-3000**

**Fax: (66) 2265-4000**

**Website: <http://www.smebank.co.th>**

**The Customs Department, Ministry of Finance**

**1 Sunthon Kosa Road, Klongtoey, Bangkok 10110**

**Tel: (66) 2249-0431-40, 2249-9017**

**Website: <http://www.customs.go.th>**

**The Revenue Department**

**90 Revenue Department Building, Soi Paholyothin 7, Bangkok 10400**

**Tel: (66) 2272-8018, 2617-3605-13**

**Fax: (66) 2617-3616**

**Call Center: (66) 2272-8000**

**Website: <http://www.rd.go.th>**

**COMMUNICATIONS**

**Communications Authority of Thailand (CAT)**

**99 Moo 3, Chaengwathana Road, Paholyothin, Bangkok 10002**

**Tel: (66) 2573-0099**

**Fax: (66) 2574-6054**

**Website: <http://www.cattелеcom.com>**

**Ministry of Transport**

**38 Ratchadamnoen Nok Road, Pom Prab Sattru Phai, Bangkok 10100**

**Tel: (66) 2283-3000, 2281-3871**

**Thailand**

**Fax: (66) 2281-3049**

**Website: <http://www.mot.go.th>**

**Telephone Organization of Thailand (TOT)**

**89/2 Moo 3 Chaengwatthana, Tung Song Honk, Laksi, Bangkok 10210**

**Tel: (66) 2505-4500**

**Fax: (66) 2574-9533**

**Website: <http://www.tot.co.th>**

**UTILITIES**

**Electricity Generating Authority of Thailand (EGAT)**

**53 Charan Sanit Wong Road, Bang Kruai, Nonthaburi 11130**

**Tel: (66) 2436-0000**

**Fax: (66) 2436-4723**

**Website: <http://www.egat.co.th>, <http://www.egat.com>**

**Metropolitan Electrical Authority (MEA)**

**30 Soi Chidlom, Ploenchit Road, Pathumwan, Bangkok 10330**

**Tel: (66) 2254-9550, 2251-9586**

**Fax: (66) 2253-1424**

**Website: <http://www.mea.or.th>**

**Metropolitan Waterworks Authority (MWA)**

**400 Moo 4, Prachachuen Road, Laksi, Bangkok 10210**

**Tel: (66) 2504-0123**

**Website: <http://www.mwa.co.th>**

**Provincial Electrical Authority (PEA)**

**200 Ngam Wongwan Road, Chatuchak, Bangkok 10900**

**Tel: (66) 2589-0100-1**

**Fax: (66) 2589-4850-1**

**Website: <http://www.pea.co.th>**

**Provincial Waterworks Authority (PWA)**

**72 Chaeng Wattana Road, Laksi, Bangkok 10210**

**Tel: (66) 2551-1020**

**Fax: (66) 2551-1239, 2552-1547**

**Website: <http://www.pwa.co.th>**

**ASSOCIATIONS**

**The Federation of Thai Industries**

**4th Floor Zone C Queen Sirikit National Convention Centre**

**60 New Ratchadapisek Road, Klongtoey, Bangkok 10110**

**Tel: (66) 2345-1000**

## Thailand

**Fax: (66) 2345-1296-99**

**Website: <http://www.fti.or.th>**

**The Lawyers Council of Thailand**

**7/89 Mansion 10, Rajdamnoen Avenue, Pranakorn District, Bangkok 10200**

**Tel: (66) 2629-1430**

**Fax: (66) 2282-9907-8**

**Website: <http://www.lawyerscouncil.or.th>**

**The Thai Bankers' Association**

**4th Floor, Lake Rajada Office Complex (Building 2), CDF House**

**195/5 Ratchadaphisek Road, Klongtoey, Bangkok 10110**

**Tel: (66) 2264-0883-6**

**Fax: (66) 2264-0888**

**Website: <http://www.tba.or.th>**

**The Foreign Bankers' Association**

**19th Floor Sathorn Thani Building 2, 92/55 North Sathorn Road, Bangkok 10500**

**Tel: (66) 2236-6070-2**

**Fax: (66) 2236-6069**

**Website: <http://www.fba.or.th>**

**Thai Hotels Association**

**203-209/3 Ratchadamnoen Klang Avenue, Bowonniwet, Bangkok 10200**

**Tel: (66) 2281-9496**

**Fax: (66) 2281-4188**

**Website: <http://www.thaihotels.org>**

**Thai Auto-Parts Manufacturers Association (TAPMA)**

**1st Floor, Bureau of Supporting Industries Development (BSID)**

**86/6 Soi Trimit, Rama IV Road, Klongtoey, Bangkok 10110**

**Tel: (66) 2712-2246-7 , 2712-2971 , 2712-3594-6**

**Fax: (66) 2712-2970, 2712-3597**

**Website: <http://www.thaiautoparts.or.th>**

**Thai Airfreight Forwarders Association**

**874 Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330**

**Tel: (66) 2254-5780-3**

**Fax: (66) 2254-5784**

**Website: <http://www.tafathai.org>**

**Thailand Textile Institute**

**Soi Trimitr, Kluaynamtai, Rama IV Road, Klongtoey, Bangkok 10110**

**Tel: (66) 2713-5492-9**

**Thailand**

**Fax: (66) 2712-1592-3**

**Website: <http://www.thaitextile.org>**

**The Thai Synthetic Fiber Manufacturers' Association (TSMA)**

**9th Floor, Suite M, Phayatai Plaza Building**

**128/111 Phayathai Road, Rajthavee, Bangkok 10400**

**Tel: (66) 2216-5739-40**

**Fax: (66) 2216-5722**

**Website: <http://www.thaitextile.org/TSMA>**

**The Thai Textile Manufacturing Association (TTMA)**

**454-460 Sukhumvit Road 22, Klongton, Klongtoey, Bangkok 10110**

**Tel: (66) 2258-2023, 2258-2044**

**Fax: (66) 2260-1525**

**Website: <http://www.thaitextile.org/TTMA>**

**The Thai Weaving Industry Association (TWIA)**

**54/87-88 Moo 5, Rama II Road, Jomthong, Bangkok 10150**

**Tel: (66) 2427-6668-9**

**Fax: (66) 2427-6669**

**Website: <http://www.thaitextile.org/TWIA>**

**The Association of Thai Textile Bleaching, Dyeing, Printing and Finishing Industries (ATDP)**

**Queen Sirikit National Convention Center, Zone D**

**3rd Floor, Room D301/3, 60 New Ratchadapisek Road, Klongtoey, Bangkok 10110**

**Tel: (66) 2229-3431-2**

**Fax: (66) 2229-3431-2**

**Website: <http://www.thaitextile.org/ATDP>**

**The Thai Garment Manufacturers Association (TGMA)**

**31st Floor, Panjathani Tower, 127/36, Nonsee Road, Chongnonsee, Yannawa, Bangkok 10120**

**Tel: (66) 2681-2222**

**Fax: (66) 2681-0231-2**

**Website: <http://www.thaigarment.org>**

**The Thai Silk Association (TSA)**

**Textile Industry Division, Soi Trimitr, Rama IV Road, Klong Toey, Bangkok 10110**

**Tel: (66) 2712-4328**

**Fax: (66) 2258-8769**

**Website: <http://www.thaitextile.org/TSA>**

**The Textile Merchants Association (TMA)**

**4th Floor, Espreme Building**

## Thailand

562 Soi Watgunmatuyalarm, Rajchawong Road, Samphantawong, Bangkok 10100

Tel: (66) 2622-6711-3

Fax: (66) 2622-6714

Website: <http://www.thaitextile.org/TMA>

The Bobae Garment Association (BOBAE)

94/24 Trok Thamma Rongmuang, Pathumwan, Bangkok 10330

Tel: (66) 2221-8050

Fax: (66) 2221-4996

Website: <http://www.thaitextile.org/BOBAE>

## Investment protection

### Protection of property rights and conditions for expropriation

The Royal Thai Government has developed a clear policy to promote effective protection of intellectual property rights. This intention can be inferred from both in the new Constitution of the Kingdom of Thailand B.E. 2550, which gives special emphasis on providing protection on intellectual property in line with international accepted standard, as well as the National Policy of the current royal Thai Government that places high priority on the development of intellectual property system. Accordingly, the Department of Intellectual Property (DIP), as the principal agency in the development of intellectual property system in Thailand, with cooperation from related agencies, has developed measures so as to ensure a sustainable development in the intellectual property system of the country. These measures range from the promotion of intellectual property creation to the establishment of an effective information database system to a reliable intellectual property examination process and the promotion of the utilization of intellectual property for commercial purposes.

The Department of Intellectual Property has coordinated with universities, National Innovation Agencies and National Science and Technology Development Agency to promote the creation of innovations and intellectual property subject means. The Department of Intellectual Property has also cooperated with the Office of Small and Medium Enterprises Promotion and the universities to provide knowledge on commercialization of intellectual property rights for innovations and entities in business circles in order to assist them to make full use of their rights.

With regard to infringement of intellectual property rights, the Department of Intellectual Property has coordinated closely with related agencies to suppress intellectual property violations in an integrated manner with clear target and expected results. Especially for the optical disc piracy, the Department of Intellectual Property, the Royal Thai Police and the Department of Special Investigation have jointly conducted numerous numbers of raids, with the focus on the suppression of large scale violations. The counterfeiting and pirated goods seized in the intellectual property infringement cases are destroyed to prevent them from re-entering the market.

With regard to future work plan, the Royal Thai Government will focus on consistent implementation to ensure concrete and significant outcome, both in terms of expediting legal reforms and intensifying coordination among related agencies to effectively suppress intellectual property violations in all dimensions. Indeed, the Royal Thai Government is fully confident that all of the efforts will help to resolve the intellectual property issues in the country and, more importantly, assure a continual and sustainable development of the intellectual property system in Thailand.

### More information

The Department of Intellectual Property: [www.ipthailand.go.th](http://www.ipthailand.go.th)

### Protection of IPRs

## Thailand

As a member of WTO, Thailand provides intellectual property protection according to the requirements of the TRIPS Agreement and the flexibilities provided therein. It has a sui-generis law on the protection of geographic indication that protects the name of the geographical area associated with quality and identity of products. Thailand excludes certain inventions from patentability as provided by Article 27.2 and 27.3 of the TRIPS Agreement. It also provides sui-generis protection to plant variety under a specific law governed by the Ministry of Agriculture and Corporate.

As far as international treaties are concerned, Thailand is a signatory to the World Intellectual Property Organization (WIPO), the Berne Convention, the Paris Convention, and since 24 December 2009, Thailand has effectively become a party to the Patent Corporation Treaty (PCT).

Thailand realises the gravity of the rapid changing of technology. It, therefore, is in the process of reviewing numbers of IPR related legislations. The Copyright Act is being revised, among other things, to cope up with the protection of work in digital environment. The trademark definition is being expanded to cover non-conventional marks. Thailand is also in the process of enacting an anti-camcording law and landlord liability in the term of IPR violation. Most of the legislations' reviewing and drafting are actively in process at the moment.

Thailand criminalizes all IPR violations with penalties vary from fine to imprisonment, provided that some of the defenses require closer participation from the right holders in the procedure. The damaged party could also seek for remedies in the civil cases for its lost. It is worth noting that, since 1997, Thailand has had the Central Intellectual Property and International Trade Court whose procedures is aimed to facilitate parties in IPR violation cases.

Thailand values close corporation among concerned government agencies. In January 2009, the Cabinet set up a National Committee on IPR Policy chaired by the Prime Minister with high level executives from various Ministries as members. The committee's National Strategy on IP was later approved by the Cabinet as well as the Proactive Plan on Prevention and Suppression of IPR Violation, one priority of which is to ensure the harmonious efforts among agencies in combating IPR violation in the country. It was reported that the enforcement statistic has significantly improved during the past year. At the same time, destruction of infringing goods seized has been periodically commenced to ensure they will not leak back into the market.

### Intellectual Property Law of Thailand

- \* Patent Act B.E. 2522 (1979)
- \* Trademark Act B.E. 2534 (1991)
- \* Copyright Act B.E. 2537 (1994)
- \* Protection of Layout-Design of Integrated Act B.E. 2543 (2000)
- \* Trade Secret Act B.E. 2545 (2002)
- \* Protection of Geographical Indication Act B.E. 2546 (2003)
- \* Optical Disk Production Act B.E. 2548 (2005)

### More information

The Department of Intellectual Property: [www.ipthailand.go.th](http://www.ipthailand.go.th)

### Flow of funds

Since July 1997, Thailand has adopted the managed-float exchange rate regime, which is also consistent with the inflation targeting regime that has been in place since 2000. Under the inflation targeting framework and the managed-float, the value of the baht is allowed to be determined by market forces, reflecting demand and supply for the baht in the foreign exchange market.

And if managed, under what circumstances or purposes does your government/central bank intervene?

Under the managed float, the Bank of Thailand (1) does not target a fixed level for the exchange rate, (2) stands ready to intervene in the case of excess volatility, particularly resulting from speculative capital flows, in a manner consistent with the Bank's inflation targeting framework.

## Thailand

The Bank of Thailand aims to ensure that the value of the baht is allowed to fluctuate under the following conditions; (1) volatility of the exchange rate is at a level that the economy can tolerate, (2) maintaining national competitiveness, as measured through the Nominal Effective Exchange Rate (NEER), which comprises currencies of important trading partners - and not just the US Dollar, and (3) any intervention does not go against economic fundamentals which would otherwise lead to further imbalances.

Are there any restrictions on the repatriation of funds related to a foreign investment (e.g. profits, dividends, royalties, loan payments)?

Repatriation of investment funds and repayment of overseas loans can be remitted freely upon submission of supporting documents to an authorized financial institution. In the case of repatriation of investment funds or a dividend payment, these supporting documents include (1) evidence of sale or transfer of such investments or (2) evidence of a dividend payment. In the case of loan repayments, these supporting documents include (1) evidence of inward remittance of such loan and (2) the loan agreement.

For more information, please contact Bank of Thailand: [www.bot.or.th](http://www.bot.or.th)

### Mechanisms to review decisions, and settle disputes

According to the Foreign Business Act 1999, in the case where the Director - General of the Department of Business Development does not permit the foreigners to operate the businesses under List 3, the Director - General shall notify the foreigners of the decision in writing within 15 days and the reasons for disapproval shall be expressly indicated. The foreigners are entitled to lodge an appeal with the Minister within 30 days of the date on which they receive the notification.

What, if any, mechanism do you have for foreign investors to settle disputes?

There are a wide range of dispute resolution mechanisms available to foreign investors in Thailand. These include domestic regulatory framework, such as access to national courts of justice, administrative tribunals, the Central Intellectual Property and International Trade Court, or alternative dispute resolution mechanisms: arbitration, mediation and conciliation. Some investors with International Investment Agreements (IIA) with Thailand can also enjoy additional protection through such investment agreements.

### ICSID

Thailand signed the ICSID Convention on 6th December 1985; however the Convention has not yet been ratified. Meanwhile, investors with International Investment Agreements with Thailand might use ICSID Additional Facility, if stipulated in the Agreement, as their mechanism for dispute resolution.

### More information

Ministry of Foreign Affairs: [www.mfa.go.th](http://www.mfa.go.th)

### International investment agreements

With;

Argentina; Bahrain; Bangladesh; Brunei Darussalam; Bulgaria; Cambodia; Canada; China, People's Republic of; Czech Republic; Egypt; Finland; Germany; Hong Kong, China; Hungary; India; Indonesia; Jordan; Korea, Republic of; Lao, People's Democ. Rep.; Luxembourg; Peru; Philippines; Poland; Romania; The Russian Federation; Singapore; Slovenia; Sri Lanka (ex-Ceylan); Sweden; Switzerland; Chinese Taipei ; Tajikistan; Turkey; United Kingdom ; Viet Nam; Zimbabwe;

Please provide a brief description of these IIAs, or your IIAs in general.

Thailand has signed 42 bilateral investment treaties ("BITs"), 35 of which have entered into force. The said complete list appears in Attachment I.

## Thailand

Besides BITs, Thailand is party to a number of Free Trade Agreements (FTAs) or regional agreements with substantive investment provisions or chapters, namely FTA between Thailand and Japan , Thailand and Australia , Thailand and New Zealand , ASEAN and China , ASEAN and Korea , ASEAN and Australia-New Zealand , and ASEAN Comprehensive Investment Agreement (ACIA). In addition, Thailand is a party to the ongoing negotiations of the FTA, including the provision of investment, between ASEAN, BIMSTEC, and India and ASEAN and Japan.

Most of the investment provisions in these FTAs share common characteristics, for example, the matters of coverage of direct investment, expropriation, fair and equitable treatment, national treatment and most-favoured nation treatment, free transfer, investor-state dispute settlement, state-to-state settlement, etc.

### More information

Ministry of Foreign Affairs: [www.mfa.go.th](http://www.mfa.go.th)

## Movement of persons

### Treatment of foreign nations or personnel of foreign firms

#### Short Term Business Entry

The Non-Immigrant "B" Visa exists to facilitate short-term business travels for foreign nationals. Foreign citizens who wish to visit Thailand for business purposes may apply for the three-year Non-Immigrant "B" Visa. This type of visa may be issued to businessmen for multiple-entries and is valid for 3 years. It allows holder to visit Thailand as often as required for as long as the visa remains valid and allows holder to stay in Thailand for a period of not exceeding 90 days during each visit. Employment of any kind is strictly prohibited for holder of this particular visa.

As for the ABTC Scheme, at present (August 2009) Thailand has more than 4,157 active ABTCs in circulation in Thailand. In order to facilitate border processing for ABTC holders, Thailand has set up APEC lanes (and/or Diplomatic, Crew lanes) at 5 main international airports, namely : Suvarnabhumi, Don Meang, Chiang Mai, Phuket and Had Yai.

Thailand operates a One-Stop Service Centre to facilitate visa and work permit requests and extensions as well as all related arrangements within 3 hours for foreign business people.

#### Temporary Business Stay

Foreign nationals who wish to enter Thailand for any type of employment or investment must obtain an appropriate visa and permit.

Thailand, specifically the Thai Immigration Bureau, continues to comply with the processing standard for applications for temporary STAY including those received from executives and senior managers on intra company transfers and specialists.

Thailand has established a One-Stop Service Centre to facilitate visa and work permit extensions. Such applications are processed within three hours.

### More information

Department of Employment: [www.doe.go.th](http://www.doe.go.th)

One -Stop Service Center for Visas and Work Permits, BOI: [www.boi.go.th](http://www.boi.go.th)

Visas for short-term business visits to Thailand, please see the APEC Business Travel Handbook website at:

<http://www.businessmobility.org/travel/displayForm.asp?id=21&fid=1>

General information on Thailand's visas: [www.mfa.go.th/web/2637.php](http://www.mfa.go.th/web/2637.php)

Immigration Bureau: [www.immigration.go.th](http://www.immigration.go.th)



## Thailand

## Taxation

### Taxation of foreign nationals and foreign firms

#### Double Taxation Treaties

Thailand first concluded the double taxation treaties (DTT) with Sweden in 1963. The Thai DTT network continues to be expanded and updated. Currently Thailand has concluded DTT s with 53 countries, namely Armenia, Australia, Austria, Bahrain, Bangladesh, Belgium, Bulgaria, Canada, China P.R., Cyprus, Czech Republic, Denmark, Finland, France, Germany, Hong Kong, Hungary, India, Indonesia, Israel, Italy, Korea, Kuwait, Laos, Luxembourg, Malaysia, Mauritius, Nepal, Netherlands, New Zealand, Norway, Oman, Pakistan, Philippines, Poland, Romania, Russian, Singapore, Slovenia, South Africa, Spain, Sri Lanka, Sweden, Switzerland, Seychelles, Turkey, Ukraine, United Arab Emirates, United Kingdom of Great Britain and Northern Ireland, United State of America, Uzbekistan and Vietnam. In general the DTT applies only income taxes, which are personal income tax, corporate income tax and petroleum income tax.

#### Taxation of Foreign Nationals and Foreign Firms

##### Company Profits

In Thailand, there are many kinds of business identities. The tax rates and tax benefits are subject to type of business.

In general, the most common types of business are:

1. Thai company - A company registered under Thai law.
2. A company carrying on business in Thailand but registered under foreign law.
3. A company not carrying on business in Thailand but deriving income from Thailand.

##### Detailed information:

##### 1. Thai Company

A Thai company generally pays tax at 30% of net profit. However, some types of company are entitled to a rate reduction.

##### Rates:

- Small business with paid-up capital less than 5 million baht

15% of net profit < 1 million baht

25% of net profit 1-3 million baht

- Association and foundation

2% or 10% on gross receipts

##### 2. Foreign Company

A foreign company carrying on business in Thailand, whether it has a branch, an office, an employee or an agent in Thailand shall pay 30% tax only on profit deriving from business in Thailand. However, international transportation company shall pay tax at the rate of 3% on gross receipts.

##### 3. Foreign Company Abroad

A foreign company that does not carry on business in Thailand will be subject to withholding tax on certain categories of income derived from Thailand. The withholding tax rates may be further reduced or exempted depending on types of income under the provision of Double Taxation Agreement.

Rates: Remittance of profits 10%

- Dividends 10%

- Other income such as interests, royalties, capital gains, rents and professional fees 15%

## Thailand

### Tax Benefits

A company that chooses to register under Thai law shall enjoy various tax benefit schemes such as;

- Income tax holiday from 3 to 8 years for business with Investment Promotion Privileges.
- Reduction or exemption of import duties on raw material and imported machinery for business with Investment Promotion Privileges or industries setting up in Export Processing Zone and Free Trade Zone.
- Double deduction for the cost of transportation, electricity and water supply for industries with Investment Promotion Privileges.
- 200% deduction for the cost of hiring qualified researchers doing research and development project.
- 150% deduction for the cost of employee's training in order to improve human capital.
- Small and medium size company can choose to deduct special initial allowance on the date of acquisition for computer (40%), plant (25%) and machinery (40%).
- Under Regional Operational Headquarter (ROH) scheme, certain type of income is exempted and reduced.

### Personal Income/Profits

Individual Taxpayers are classified into "resident" and "non-resident". "Resident" means any person residing in Thailand for a period or periods aggregating more than 180 days in any tax (calendar) year. A resident of Thailand is liable to pay tax on income from sources in Thailand as well as on the portion of income from foreign sources that is brought into Thailand. A non-resident is, however, subject to tax only on income from sources in Thailand.

With respect to Thai Revenue Code, income chargeable to the personal income tax (PIT) covers income both in cash and in kind. Therefore, any benefits provided by an employer or other persons, such as a rent-free house or the amount of tax paid by the employer on behalf of the employee, is also treated as assessable income of the employee for the purpose of PIT. To calculate tax amount, certain deductions and allowances are allowed.

### Tax Rates

Personal income tax rates applicable to taxable income are as follows.

#### - Progressive Tax Rates

Taxable Income (baht)	Tax Rate (%)
0 - 150,000	Exempt
150,000 - 500,000	10
500,000 - 1,000,000	20
1,000,000 - 4,000,000	30
Over 4,000,000	37

#### - Separate Taxation

There are several types of income that the taxpayer shall not include or may not choose to include such income to the assessable income in calculating the tax liability.

#### - Income from sale of immovable property

Taxpayer shall not include income from sales of immovable property acquired by bequest or by way of gift to the assessable income when calculating PIT. However, if the sale is made for a commercial purpose, it is essential that such income must be included as the assessable income and be subject to PIT.

#### - Interest

## Thailand

The following forms of interest income may, at the taxpayer's selection, be excluded from the computation of PIT provided that a tax of 15 per cent is withheld at source:

- (1) interest on bonds or debentures issued by a government organization;
- (2) interest on saving deposits in commercial banks if the aggregate amount of interest received is not more than 20,000 baht during a taxable year;
- (3) interest on loans paid by a finance company;
- (4) interest received from any financial institution organized by a specific law of Thailand for the purpose of lending money to promote agriculture, commerce or industry.

### - Dividends

Taxpayer who resides in Thailand and receives dividends or shares of profits from a registered company or a mutual fund which tax has been withheld at source at the rate of 10 per cent, may opt to exclude such dividend from the assessable income when calculating PIT. However, in doing so, taxpayer will be unable to claim any refund or credit.

#### Tax Credit for dividends

Any taxpayer who domiciles in Thailand and receives dividends from a juristic company or partnership incorporated in Thailand is entitled to a tax credit of 3/7 of the amount of dividends received. In computing assessable income, taxpayer shall gross up his dividends by the amount of the tax credit received. The amount of tax credit is creditable against his tax liability.

### Fund for Repatriation

Repatriation of profits is subject to withholding tax. However, some can be tax exempted.

Is the basis for taxation economy or global? If the basis for taxing is global, with whom do you have tax treaties?

Taxation of all business in Thailand is on a national basis. However, some businesses are also considered on global basis. Currently, we have tax treaties with 54 countries. For more information, please refer to the Revenue Department's website: <http://www.rd.go.th>.

### More information

Ministry of Finance provides "Income Tax Guide for Foreign Investors" in the Revenue Department's website: <http://www.rd.go.th>