

## Newsletter

### THAILAND: CABINET APPROVES DRAFT PROPOSED AMENDMENT TO THE PUBLIC LIMITED COMPANY ACT

On 11 May 2021, the cabinet approved a draft proposed amendment to the Public Limited Company Act B.E. 2535 (1992) ("PLCA"). The main reasons for the proposed amendment are to bring the PLCA up to date with current technological advancements, to facilitate meetings, and to enhance the country's business competitiveness.

The amendments in the draft PLCA focus primarily on the flexibility to hold meetings via electronic means as well as other issues such as additional methods for calling board of directors' meetings. The draft PLCA will be sent to the National Assembly for their consideration, approval and enactment.

#### Proposed amendment to the PLCA

- Advertising of the notice of a shareholders' meeting

The draft PLCA adds an option for advertising the notice of a shareholders' meeting via electronic means according to the requirements stipulated by the registrar. As a result, a public limited company ("PLC") would have the option of publishing its notice in local newspapers or advertising its notice via electronic means.

- Issuance of the notice of a board of directors' meeting ("BDM") and shareholders' meeting

The draft PLCA allows a PLC to send letters or documents to its directors, shareholders, or creditors via electronic means. The conditions are as follows:

- such person needs to declare an intention or give consent to receive such letters or documents via electronic means; and
- the PLC or its board of directors needs to comply with the requirements stipulated by the registrar.

The draft PLCA also reduces the notice period for calling the BDM from seven days to three days, thereby providing more flexibility in convening the meeting. However, a shorter notice period in the case of an emergency is still permitted.

In a case where a shareholders' meeting is called by shareholders under the second paragraph of Section 100 of the PLCA, the draft PLCA allows such shareholders to send notice to other shareholders via electronic means, provided that the requirements indicated above are duly complied with.

- Board of directors' meeting

The draft PLCA limits the place for holding a physical BDM to be in Thailand only. Therefore, a BDM cannot be convened overseas.

In addition, the draft PLCA allows a BDM to be held via electronic means so long as the meeting is held in compliance with regulations on e-Meetings and is not prohibited under its AOA. Please see our previous newsletters dated 20 April 2020 ([see our newsletter](#)) and 27 May 2020 ([see our newsletter](#)). It is noteworthy that if the PLC chooses to hold the BDM via electronic means, the meeting is deemed to be held at the head office of the PLC.

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- Calling board of directors' meeting

There are two methods for calling a BDM. The traditional method is for the chairman to call a BDM. The second method allows the meeting to be initiated by at least two directors who request the chairman to call a BDM. If the chairman refuses or is unable to do so within 14 days, the draft PLCA resolves the deadlock by allowing the directors who made the request to jointly call the meeting as well as setting the meeting date within 14 days after the lapse of such period.

In addition, if there is no chairman of the board, the deputy chairman can call a BDM. If there is also no deputy chairman, at least two directors may jointly call the BDM.

- Shareholders' meeting

The draft PLCA allows a PLC to hold a shareholders' meeting via electronic means so long as the meeting is held in accordance with the laws regarding e-Meetings and is not prohibited under its AOA. Please see our previous newsletters dated 20 April 2020 ([see our newsletter](#)) and 27 May 2020 ([see our newsletter](#)). Similar to the BDM, if the PLC chooses to hold the shareholders' meeting via electronic means, the meeting is deemed to be held at the head office of the PLC.

- E-proxy for the shareholders' meeting

Currently, the appointment of a proxy must be made in writing in hard copy. The draft PLCA gives more flexibility to shareholders by allowing them to appoint proxies via electronic means, provided that the methods are safe and traceable (to confirm that such appointment is made by a shareholder) and in compliance with the requirements stipulated by the registrar.

This publication only provides a brief outline. Please contact the authors if you require further information on the issues raised in this publication or related issues.