

Newsletter

THAILAND: NEW BUSINESS LICENSE RENEWAL PROCEDURES

Introduction

The process for the renewal of a business operations in Thailand may require numerous formalities (i.e., documents and bureaucratic procedures) and approvals can take time. Licensees commonly find themselves in difficult positions due to the complications involved in license renewals. Failure to obtain license renewals in a timely fashion can lead to legal penalties under relevant laws.

Regulatory background

The Licensing Facilitation Act, B.E. 2558 (2015) was enacted to resolve some of the issues, as described above in 2015. However, subordinate legislation had not been passed until recently. A Royal Decree requiring a Licensee to Pay the License Renewal Fee in lieu of Submitting a License Renewal Application, B.E. 2564 (2021) (the “**Royal Decree on License Renewal**”) was enacted to set out the new renewal procedures for certain applicable licenses in relation to business operations in sectors that the cabinet has determined require continuous operations (e.g., agriculture, cosmetics, spas, medical businesses, fuel businesses). The Royal Decree on License Renewal will come into force on 22 November 2021.

Overview of the Royal Decree on License Renewal

The renewal procedures under the Royal Decree on License Renewal only require the licensees of the applicable licenses to pay the renewal fees through designated channels, including the office of the competent authority, banks, by electronic means or any other facilitating channels. After paying the fees, the license will automatically be renewed without the need to wait for approvals from the competent authority. Note that although the traditional renewal procedures are no longer required for the licenses listed in the Royal Decree on License Renewal, the requirements on renewal timeframe prior to the expiration of a license, which vary depending on the relevant laws, remain.

Another key consideration is that only applicable licenses may be renewed via the new renewal procedures. Note that these do not include some key licenses for some business operators such as transportation business operating licenses. The list of relevant laws and the applicable licenses are as follows:

No.	Relevant laws	The applicable license
1.	Export Commodity Standards Act, B.E. 2503 (1960)	<ul style="list-style-type: none"> Registration certification as a standard commodity exporter Commodity standards inspection business operator license Commodity standards inspector license
2.	Plant Variety Act, B.E. 2518 (1975)	<ul style="list-style-type: none"> License to sell controlled seeds
3.	Cemeteries and Crematoria Act, B.E. 2528 (1985)	<ul style="list-style-type: none"> License to establish cemetery and crematorium License to operate cemetery and crematorium

Key Contacts



Nuanporn Wechsuwanarux
TEL+66-2-009-5000 Ext. 3329
nuanporn.w@mhm-global.com



Somporn Manodamrongtham
TEL+66-2-009-5000 Ext. 3319
somporn.m@mhm-global.com



Chotiwiwit Sukpradub
TEL+66-2-009-5000 Ext. 3329
chotiwiwit.s@mhm-global.com



Kanchana Suchato
TEL+66-2-009-5000 Ext. 3323
kanchana.s@mhm-global.com

CHANDLER MHM

Chandler MHM Limited
36th Floor, Sathorn Square
Office Tower
98 North Sathorn Road
Silom, Bangrak, Bangkok 10500
Thailand
www.chandlermhm.com

No.	Relevant laws	The applicable license
4.	Veterinary Sanatoriums Act, B.E. 2533 (1990)	<ul style="list-style-type: none"> • License to establish a veterinary sanatorium without rest areas for overnight stays for sick animals • License to establish a veterinary sanatorium with rest areas for overnight stays for sick animals • License to operate a veterinary sanatorium without rest areas for overnight stays for sick animals • License to operate a veterinary sanatorium with rest areas for overnight stays for sick animals
5.	Public Health Act, B.E. 2535 (1992)	<ul style="list-style-type: none"> • License for operation of business detrimental to health (for commercial business) • License to establish marketplaces • License to establish the food selling place or food storage place in any building or space with an area exceeding 200 square meters and not selling in the marketplace • License to sell products in public place or way
6.	Hazardous Substance Act, B.E. 2535 (1992) Note: Only for the licenses under the authority of the Department of Fisheries, Department of Livestock Development and Food and Drug Administration	<ul style="list-style-type: none"> • Certificate of registration of hazardous substances • Hazardous substance production license • Hazardous substance importation license • Hazardous substance exportation license • Hazardous substance possession license
7.	Medical Facilities Act, B.E. 2541 (1998)	<ul style="list-style-type: none"> • License to operate a medical facility that does not admit patients for overnight stays • License to operate a medical facility that admits patients for overnight stays • License to manage a medical facility that does not admit patients for overnight stays • License to manage a medical facility that admits patients for overnight stays
8.	Fuel Oils Control Act, B.E. 2542 (1999)	<ul style="list-style-type: none"> • License to operate a category 3 controlled business
9.	Agricultural Commodity Standards Act, B.E. 2551 (2008)	<ul style="list-style-type: none"> • License to produce an agricultural commodity under the mandatory standards • License to export an agricultural commodity under the mandatory standards • License to import an agricultural commodity under the mandatory standards
10.	Cosmetic Product Act, B.E. 2558 (2015)	<ul style="list-style-type: none"> • Acknowledgment of receipt for production of cosmetic products • Acknowledgment of receipt for importing cosmetic products • Acknowledgment of receipt for employed producer of cosmetic products
11.	Health Business Establishments Act, B.E. 2559 (2016)	<ul style="list-style-type: none"> • License to operate a health business establishment

Conclusion

The updated procedures included in the Royal Decree on License Renewal are a welcome first step in reducing the procedural aspects of licensing renewals and will provide a good standard for eliminating approval uncertainties. Although there is no indication that these renewal procedures will be extended beyond these sectors, business operators in Thailand, or those interested in investing in Thailand should continue to monitor any changes, or extension of these renewal procedures to other sectors.

If you would like to discuss any of the legal implications of the matters discussed above, please contact the authors listed in the right-hand column.