

IFLR

INTERNATIONAL FINANCIAL LAW REVIEW

A fresh start

Brazil is trying to change.
But overhauling its business culture won't be easy

Emir & Mifid II:
interactions

India's new insolvency
regime

Brexit and enhanced
equivalence

Nafta: what could
happen next

THAILAND

Chandler MHM Limited



Albert T Chandler

Doing business developments

A brief summary of changes in legislation relevant to companies wishing to do business in Thailand.

Social enterprises

In 2016, a royal decree under the Revenue Code was passed, providing company income tax exemption for 'social enterprises' defined as follows:

- established under Thai law, with the objective of operating a business for the sale of goods or the provision of services;
- aiming to promote employment at the location of the social enterprise, or solve problems or develop local communities, societies or the environment; and,
- at least 70% of the profit of the social enterprise must be invested back into the business or invested for the benefit of farmers, the poor, the disabled, the disadvantaged, and so on.

Investors in and donors to social enterprises are eligible for tax exemptions of 100% of the amount invested. A juristic person engaged in a social enterprise may register with the Department of Business Development (DBD). A Social Enterprise Promotion Bill has been drafted and is still pending.

Ease of doing business

On April 4 2017, in response to World Bank input, the prime minister announced an amendment to the laws that facilitate the operation of business, thus amending the Civil and Commercial Code (CCC), the Labour Protection Act, the Social Security Act, the Public Limited Companies Act and the Bankruptcy Act.

- *CCC*: the amendment allows the registration of changes to the organisation of private companies in any district, not only the district of registration; and to

require dividends to be paid within one month after a resolution of shareholders or board of directors.

- *Labour Protection Act*: the amendment eliminates the requirement for companies to file work rules with the labour protection and welfare department, but requires employers who employ 10 or more people to provide work rules with prescribed details.
- *Social Security Act*: the amendment requires employers to make more contributions to pensions from when employees turn 55 years old.
- *Public Limited Companies Act*: the amendment allows a lower percentage of shareholders' (no less than 10%) to call an EGM, to protect small shareholders.
- *Bankruptcy Act*: the amendment introduces restrictions on secured creditors' enforcement rights without the permission of a court; and guidelines for resolutions approving reorganisation plans.
- The amendment introduces an order to facilitate obtaining copies of documents issued by government agencies.

Licensing Facilitation Act

This Act was enacted in 2015 to facilitate procedures and shorten the time required for the licensing processes under various laws. A manual for the public and regulators is to be produced; timeframes for announcing the results of applications will be prescribed; and, one-stop service centres are to be established.

E-insurance regulations

The Office of the Insurance Commission issued new notifications concerning the criteria, procedures, and conditions for (1) offering insurance policies for sale through electronic channels, (2) using electronic means as a method of sale of policies, (3) issuing policies through electronic channels, and (4) paying compensation for claims through electronic channels (notifications). The notifications will come into effect on August 26 2017 (180 days after publication in the Government Gazette).

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