

DOING BUSINESS IN THAILAND

Background Note

Martial law was declared on 20 May 2014. A new interim constitution (the 19th) was promulgated on 22 July 2014. A new constitution (the 20th) was drafted by a Constitution Drafting committee appointed by the National Council for Peace and Order (NCPO), and was approved by a referendum on 7 August 2016.

Currently a Cabinet, National Legislative Assembly and National Reform Council are functioning under the NCPO. The date of the next general election is said to be 24 February 2019.

There has been little impact on business in the private sector. The civil service and civil courts are operating normally. Following promulgation of the new 20th constitution, a general election will be conducted. This is a familiar cycle in Thailand. Newcomers to Thailand should meet with their chamber of commerce for advice.

A foreign investor looking at a project or transaction in Thailand for the first time will find a legal framework and administrative practices that satisfactorily govern most private sector business transactions. The roles of the law, lawyers and the judiciary in Thailand have been long established. It is a system within which most foreign and local investors can operate comfortably with a high degree of confidence in consistent interpretation and enforcement of the law.

- The modern Thai legal system dates from the reign of King Chulalongkorn in 1868. The Ministry of Justice was established in 1892. The Thai Bar Association was established in 1914. As of December 2018, there are over 97,000 lawyers, judges and prosecutors. The legal and accounting professions are regulated under professional licensing systems, which encourage high standards of service.
- There is an independent judiciary that provides a forum for the fair settlement of disputes. A high status is attached to being a judge, and the examinations to enter the judiciary are very difficult. The judiciary jealously guards its independence. Government agencies may be sued in the courts and cannot raise a defense of sovereign immunity. However, state property is not subject to execution.
- There is a Thai civil service that administers laws and regulations with a high degree of consistency, and is largely free from political influences. Few, if any, decisions in a normal business transaction or investment project require going above the civil service for a political decision.
- There are four basic codes: Civil and Commercial Code, Criminal Code, Civil Procedure Code, and Criminal Procedure Code. In adopting these codes early in the last century, Thailand selected features from the two western legal systems (common law and civil law) adapting them to the circumstances in Thailand. In addition, there are the Land Code, the Revenue Code and hundreds of special laws and regulations governing most areas of commercial activity, many of them drafted and implemented with the assistance of international legal advisors. Decisions and rulings of the judiciary and civil service are not binding but have considerable force as precedents.

- Although Thai is the language of the courts, most contracts between private parties may be executed in English or other foreign languages, and may be governed by foreign law. Such contracts may also specify a foreign jurisdiction or foreign or domestic arbitration as the dispute settlement mechanism. Foreign arbitration awards are enforceable. However, foreign court judgments are not enforced by the Thai courts.
- US lawyers may be surprised by the absence of juries, class actions (until 2016), US-style discovery, contingent fees, penalty damages (with few exceptions) and full recovery of legal fees.

THE GOVERNMENT OF THAILAND

The Kingdom of Thailand is a constitutional monarchy. The first constitution was adopted in 1932. The late King, Rama 9, who ascended to the throne in 1946, was the Head of State. Following his passing on 13 October 2016, the Crown Prince accepted the throne as King Rama the 10th on 1 December 2016, but will not be officially crowned until sometime in 2019. The government retroactively declared his reign to have begun on 13 October 2016.

From 1932 until the present day, Thailand has had 20 Constitutions. The one currently in force was drafted by the Constitutional Drafting Committee appointed by the NCPO, and approved by a referendum on 7 August 2016. The date of the next general election is said to be 24 February 2019.

The new Constitution contemplates the enactment of 10 organic laws by the National Legislative Assembly including a Political Parties Act, and Act on election of members of the Parliament and Election Commission.

Under Thailand's constitutional monarchy, the sovereign power belongs to the Thai people. The King as Head of State exercises such power through the National Assembly, the Council of Ministers and the Courts in accordance with the provisions of the Constitution.

Although His Majesty is legally subordinate to the Constitution, the document contains a provision stating that no one shall make any accusations or bring any action against the King.

The 2016 Constitution fixes the number of members in the National Assembly at 200 Senators and 500 members.

Members of the House of Representative serve a four-year term after being elected, 350 from election on a constituency basis, and 150 for election on a party list basis.

Members of the Senate are appointed by Royal Decree, and serve a five-year term after being appointed. Members shall consist of persons who possess knowledge, expertise, experience, profession or common characteristic or interest, or who work in diverse fields of society. Members shall not be a member of any political party.

The National Assembly convenes in two ordinary sessions per year, for a period of 120 days. Often called the "Cabinet", the Council of Ministers will consist of the Prime Minister and not more than 35 other Ministers. Cabinet members will be selected by the Prime Minister and then presented to the King for approval.

The administration of the State is currently divided into:

- (1) The central government, which consists of the Office of the Prime Minister, the 19 Ministries, and all the departments, divisions and sections within each individual ministry;
- (2) Provincial governments established in each of the 76 provinces under the Ministry of Interior, with a provincial Governor having authority over provincial matters;
- (3) One Special Administrative Area (Bangkok), which is part of the local government, and is administered by the Bangkok Metropolitan Administration headed by the Governor of Bangkok; and
- (4) Local governments include districts, townships and municipal government units operating under the authority of the Ministry of Interior.

The Judiciary

1. Trial, Appellate and Supreme Courts

Cases will usually be heard by a general court of first instance. The court will depend on the subject of the proceedings and the value of the claims. Civil claims will be heard by Civil Courts, and criminal claims will be heard by Criminal Courts. Alternatively, a specialty court, as described below, may be the court of first instance.

An appeal from a trial court or a specialized court is made to the Court of Appeal. The Court of Appeal will hear cases that are appealed both on points of fact and points of law. A minimum of three judges must sit in session during an appeal.

The Supreme Court is the final appeals court and will generally only hear appeals made on points of law and occasionally appeals on points of fact from the Court of Appeal. Appeals from certain specialized courts may also be made directly to the Supreme Court. A minimum of three judges must sit through the proceedings; this number may be increased if warranted by the importance of the case.

2. Constitutional Court

This court has jurisdiction regarding the powers and duties of the National Assembly, the Council of Ministers and other constitutional organs, the President of the National Assembly, and the Prime Minister, the constitutionality of the nine Organic Acts; whether any law, rule or regulation violates the constitution; and to determine whether a person's Constitutional rights or liberties have been violated by a provision of law which is contrary to or inconsistent with the Constitution.

3. Administrative Court

In March 2001, the Central Administrative Court opened; it has jurisdiction over a wide range of disputes involving government agencies, officials and administrative or state contracts.

4. IPIT Court

The Act for the Establishment of Courts of Intellectual Property and International Trade was enacted on 26 October 1996, and the Central IPIT Court opened on 1 December 1997. This court has jurisdiction over all civil and criminal cases regarding intellectual property and international trade, including claims under foreign loans.

5. Other Specialty Courts

Thailand has several other special purpose courts. The Tax Court, established in 1985, has accelerated procedures to deal with disputes regarding the Thai tax system. The Labour Court, established in 1980, has jurisdiction over cases arising under the Labour Protection Act. The Bankruptcy Court, which has jurisdiction over all cases arising under the Bankruptcy Act, opened in June 1999. The Juvenile and Family Court was established in 1952 and has jurisdiction over juvenile offences and family issues.

GENERAL LAWS GOVERNING DOING BUSINESS

Investors may carry on business in Thailand through sole proprietorships, partnerships, private limited companies, or public limited companies. In addition, contractual joint ventures, branches of foreign corporations, representative offices and regional offices may be utilized in some cases. Foreign investors, like domestic investors, must comply with the general business laws of Thailand. The principal laws include:

Thai Companies Law

The most common form of business organization for any major project is the private limited company.

Private limited companies: All shares must be issued, and each share must be at least 25% paid up in cash or property. There is no equivalent of “authorized but unissued” shares or treasury stock. The registered capital of a Thai limited company may be increased by special resolution of the shareholders. The Articles of Association may include provisions for classing of shares, rights to nominate directors, greater-than-majority voting and quorum requirements, and rights of preference shares. In 2008 the use of directors’ proxies and circular board resolutions was prohibited.

Public limited companies: In 1992, the Public Limited Company Act came into force. Only public limited companies may issue shares to the public. All companies wishing to list their shares on the SET (including, among others, BOI promoted companies who, as a condition of promotion, agreed to offer shares to the public after commencement of operations) must obtain approval of and file disclosure documents with the Office of the SEC to sell shares to the public, and then obtain SET approval to list their shares. The size of the public shareholding block is dealt with in the SET listing requirements. Public offerings of new shares are subject to approval under the Securities and Exchange Act, which also came into force in 1992, and relevant regulations issued thereunder.

Some of the features of a public limited company (as distinct from private limited companies) include no restrictions on the transfer of shares (except to satisfy statutory or policy ceilings on foreign ownership), no director’s proxies allowed, no circular board resolutions allowed, directors elected by cumulative voting (unless the articles provide otherwise), at least 50% of the directors must reside in Thailand and board meetings must be held at least once every three months. Directors’ liabilities are substantially increased.

New SET listing requirements came into force in February 2001, and have been amended from time to time with the latest amendments occurring in 2016 in regard to minimum requirement for the listing of ordinary and preferred shares. These requirements prescribed conditions of listing, including minimum shareholding distribution requirements (ranging from 20 to 25% of issued and fully paid up shares), and the prohibition or restriction of sales by major shareholders for prescribed periods. New Takeover rules came into force in June 2011. Under the takeover rules, mandatory tender offers are triggered with an offer of 25%, 50% or 75% (aka a “chain principle”) of the total voting rights of a company.

Revenue Code

The Revenue Code prescribed a reduced maximum corporate income tax on net profits at a flat rate of 20% (from a statutory 30%) effective from 1 January 2012 to 31 December 2015, with certain exceptions. The Royal Cabinet ruled on 13 October 2015 that the 20% flat rate would become permanent for accounting periods starting from 1 January 2016. Reduced rates may apply to certain SMEs after 1 January 2002, and to certain new listed companies, and to regional headquarters offices. Usual business deductions and depreciation allowances, at rates ranging from 5 to 20%, are allowed in calculating net profits. Accelerated depreciation methods are also permitted.

Withholding tax at rates of up to 15% is payable on many forms of outward remittances, such as dividends (10%), royalties (15%), professional fees (15%) and other forms of income paid to companies not doing business in Thailand. Interest paid to foreign banks or financial institutions is taxed at 15%, subject to reduction to 10% under double tax treaties.

The Revenue Code also provides for a personal income tax at rates ranging from 5 to 35%.

Thailand has double tax treaties with 60 countries, and these treaties provide relief from double taxation on certain forms of income. A double tax treaty with the United States came into force on 1 January 1998.

The Value Added Tax (VAT) is a major tax applicable to transactions in Thailand. It is imposed on all natural and juristic persons who sell goods, render services or import goods and services. The current VAT rate is 7%.

Stamp duty is payable in respect to a number of transactions, at rates prescribed in the Revenue Code.

Labor Law

A new Labour Protection Act came into force in August 1998, consolidating a comprehensive set of labor regulations contained in numerous announcements and notifications. It was amended in 2008. The law deals with such subjects as work hours, holidays, leaves of absence, women and child labor, wages and overtime, severance pay, workman compensation, compensation fund, welfare, work rules and other matters. A universal minimum wage was introduced in 2013, and has been enforced in most of the country. The government announced a nominal increase of minimum wages in December 2016, to become effective in 2017, with the maximum daily increase announced at 10 Baht. The increase proposed is not universal, but varies depending on province. In December 2018, an amendment bill was passed by the NLA increasing rates of severance pay after 20 years employment, duration of maternity leave, and other rights of employees. The new amendment has not been enacted yet. The Labor Relations Act of 1975 governs labor relations problems. The Social Security Act was enacted in 1990 and established a fund with contributions by employers, employees and the government. A Workmen's Compensation Act was enacted in 1994. The Occupational Safety, Health and Environment Act was enacted in 2011.

Exchange Control

In the past, Thailand had comprehensive exchange control regulations, which were administered by the Bank of Thailand. Although approvals to repatriate capital and profits were discretionary, in practice approvals were granted as a matter of routine, provided one complied with applicable procedures. A number of relaxations of exchange controls have been announced by the Bank of Thailand since June 1990, and ceilings on outward remittances have been substantially increased. Presently, commercial banks are authorized to process most applications to purchase foreign currency. Foreign currency accounts may be established abroad and in Thailand.

Intellectual Property

There are laws relating to protection of intellectual property (trademarks, patents, copyrights, plant varieties, layout designs of integrated circuits and trade secrets). These laws meet Thailand's obligations as a member of the World Trade Organization.

Trademarks

Trademark protection is provided under the Trademark Act (1991) last amended in 2016 by the Trademark Act (No. 3) which prescribed 14 changes of practice, and provided for accession to the Madrid Protocol.

Patents

Patent protection is provided for inventions and designs under the Patent Act (1979), last amended in 2009 by Patent Act (no. 3). Thailand became a member of the Patent Cooperation Treaty on December 24, 2009.

Copyrights

Copyright protection is provided by the Copyright Act (1994). Thailand is a signatory to the Berne Convention for the Protection of Literary and Artistic Works, the WTO and the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS). The Copyright Act was last amended in 2015 by Copyright Act (No. 2) and (No. 3).

Arbitration

The 1987 Arbitration Act recognized arbitration awards made according to private agreements, and allowed enforcement through the courts. Thai law recognizes two forms of arbitration, arbitration in court and arbitration out of court. Thailand is a party to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards.

In April 2002, a new Arbitration Act came into force, superseding the 1987 Act. The new Act confirms the power of the courts to enforce both foreign and domestic arbitration awards, subject to defenses provided in the international conventions. It confirms that a state contract between a government agency and a private party may provide for arbitration to settle disputes, settling an issue concerning the jurisdiction of the new Administrative Court. It includes certain provisions of the UNCITRAL Model Law. The current government policy is to prohibit arbitration of disputes in state contracts, unless specifically approved by the Cabinet.

The Arbitration Institute was established as an independent agency on 17 July 2007 and has published rules of arbitration (latest version issued 2 May 2003), which are often specified in arbitration clauses.

The Thai Arbitration Center ("THAC") was established in 2015 subject to the Act of Arbitration Center (2007), and promotes itself as an international arbitration center. [www.thac.or.th]

It is also common to find the Rules of Arbitration of the International Chamber of Commerce or the UNCITRAL Rules specified in dispute resolution provisions.

Foreign arbitrators are required to obtain work permits, which lessens Thailand's position as an international arbitration center.

Governing Law

In making a contract, the parties have right to select a foreign law. Under Sections 8 and 13 of Act on Conflict of Law B.E. 2481 (1838) (“Conflict of Law Act”), a mutual agreement to select a foreign law as a governing law of a contract is enforceable, provided that, a party who claims for the foreign law has a burden of proof of the existence of such law. However, the court still has its sole discretion whether to enforce such foreign law or not.

Under Section 5 of the Conflict of Law Act, the foreign law is enforceable to the extent that it is not contrary to the public order or good morals of Thailand.

RESTRICTIONS ON FOREIGNERS DOING BUSINESS IN THAILAND

There is no general licensing requirement for foreign investors in Thailand.

Restrictions on the percentage of foreign ownership of commercial banks, finance and insurance companies, commercial fishing, aircraft, commercial transportation, telecommunications, commodity export, mining, projects on forest land, and other businesses exist under 17 various laws, Cabinet policies, trade association regulations, etc. In connection with seeking promotion by the BOI, Thai participation requirements may be prescribed in specified categories of business, but many categories are open to 100% foreign ownership.

Foreign Business Law

The most important law governing majority foreign-owned businesses in Thailand is the Foreign Business Operations Act, which controls three broad categories of businesses as described below. There remain a number of businesses, including most manufacturing businesses, which do not fall within any of the three categories and are open for investments by foreigners.

The 1966 Treaty of Amity and Economic Relations between Thailand and the USA provides an exemption from the restrictions in the Foreign Business Law for US nationals and corporations for most (but not all) controlled businesses. Two recent BITs with Japan and Australia provide some relief for investors from those countries.

The Foreign Business Operations Act came into force in March 2000. It superseded the 1972 alien business law. “Alien” means a natural person or juristic person without Thai nationality, including a company with half or more than half of its shares held by foreigners.

The Act prescribes 43 restricted businesses in three annexes:

- Annex 1: 9 businesses prohibited for special reasons, relating to national media, agriculture, natural resources, religion, heritage and land.
- Annex 2: 13 businesses related to national safety or security or affecting arts, culture, traditional customs, folk handicrafts, natural resources and the environment. Licenses may be issued by the Minister of Commerce with the approval of the Cabinet.
- Annex 3: 21 businesses in which Thai people are not yet ready to compete with foreigners. Licenses may be issued by the Director-General with the consent of the Foreign Business Operation Committee.

There was a limited grandfather provision with respect to existing businesses. There is also the possibility of exemption under certain treaties to which Thailand is a party, as well as for businesses promoted by the BOI.

In the case of a restricted business carried on by a foreigner, a minimum capital of Baht three million or greater is prescribed, to be specified in a ministerial regulation. For businesses under Annex 2, at least 2/5 of the directors must be Thai, and a minimum of 40% of the shares must be owned by Thai persons (which may be reduced to 25% by Cabinet approval). Businesses under Annexes 2 or 3 may have conditions attached to foreign business licenses such as: minimum debt/equity ratio, number of foreign directors resident in Thailand, amount and period of investment, technology and assets, etc.

The Act recently has been interpreted in expansive ways, subjecting certain inter-company loans, guarantees and services to regulation.

The Company Registration Office adopted a policy in July 2006 to scrutinize Thai shareholders in new companies in which:

- (1) Foreigners hold at least 40% but less than 50% of the shares; and
- (2) Foreigners own less than 40% of the shares, but a foreigner is a director with power to bind the company.

There are additional provisions of importance in the Act, including, for example, a minimum capital of Baht two million applicable to all foreign businesses (not only restricted businesses), and a requirement for existing restricted businesses to obtain a certificate.

Alien Work Permits

The Emergency Decree Foreign Employee Management (2017) superseded the Working of Aliens Act (2008) and requires that every foreigner working in Thailand obtain a work permit with certain exceptions. Presently, 39 occupations are closed to foreigners, including architecture, civil engineering, accounting, and law (including arbitration). Generally, foreigners may start working only after a work permit is issued. In practice, little difficulty is experienced in obtaining work permits for qualified foreigners in positions for which qualified Thai nationals are not available.

Immigration Law

The Immigration Act (1979) prescribes a number of visa categories. Foreigners wishing to reside and work in Thailand need a non-immigrant visa, which is initially valid for 90 days or one year and is renewable. The procedures to acquire a non-immigrant visa valid for one year are normally complicated, and are linked to procedures of the Department of Employment, Ministry of Labour governing work permits. Foreigners of most nationalities may enter Thailand for periods of up to 15 or 30 days without a visa.

Land Code

Generally, foreigners may not own land. For the purposes of the Land Code, a company is deemed to be foreign if more than 49% of its shares are owned by foreigners or more than half of the shareholders are foreigners.

However, in Bangkok and certain other areas foreigners may purchase up to 1600 SQM of land for residential purposes, subject to making an investment of Baht 40 million or more and complying with regulations of the Ministry of Interior. Under the Condominium Act, foreigners may own up to 49% of the units in a condominium.

For industrial purposes, a company promoted by the BOI or IEAT may be granted the right to own land, as noted below. A foreign company may lease immovable property, and a registered lease of up to 30-years duration provides secure tenure. A new law which allows duration of leases up to 50 years for commercial and industrial purposes was enacted in 1999.

Investment Laws

The BOI prescribes ceilings on foreign ownership, on a case-by-case basis, for the same projects awarded promotional privileges (see below).

INVESTMENT PROMOTION LAWS

Board of Investment

The BOI was established under the Investment Promotion Law, 1977, which follows the same general form of the first investment promotion law enacted in 1963. Both foreign and local investors may apply for incentives under this law.

A list of businesses eligible for promotion is maintained by the BOI, which will consider additional businesses on a case-by-case basis. Conditions may be imposed on promoted projects, including minimum capital investment, minimum Thai share participation, requirements to use local raw materials, nationality and number of employees, training of labor, and distribution, designation and quality of products.

Promoted companies are given guarantees against nationalization and competition from the government sector.

The BOI announced a Seven-Year Investment Promotion Strategy (2015 to 2021) following the issue of Announcement No 2/2557 on December 3 2014, which repeals eight past announcements. It includes a new list of activities eligible for promotion, which has a number of changes from former lists. It prescribes new activity-based incentives and merit-based incentives.

Activity-based incentives are divided into Group A and Group B, as indicated in the new list. Group A activities receive corporate income tax incentives, machinery and raw materials import duty incentives, and other non-tax incentives. Group A is divided into four subgroups. Group B activities receive only machinery and raw material import duty incentives and other non-tax incentives. Group B is divided into two subgroups.

Merit-based incentives are described in section 9.2 of the Announcement, under the following categories: merit on competitiveness enhancement (six classes of projects are specified); merit on decentralization, being projects located in investment promotion zones (20 provinces with low per capital income); and merit on industrial area development (projects located within industrial estates or promoted industrial zones).

Projects with activities in Group A and Group B can apply for merit-based incentives at the time of applying for investment promotion (and in the case of Group A, after being promoted). Group A projects are granted the following activity-based tax incentives: three, five or eight-year corporate income tax exemptions; exemption of import duties on machinery; and reduction of import duties for raw and essential materials for use in production for export for one year, which may be extended.

Additional merit-based tax incentives may include: 50% reduction of corporate income tax after initial tax holiday; double deductions from the costs of transportation, electricity and water supply; and additional 25% deduction of the cost of installation or construction of facilities.

Both Group A and Group B activities are given the following non-tax incentives: permit for foreigners to enter Thailand to study an investment opportunity or work; permit to own land; and permit to bring in and take out money in foreign currency.

The Announcement is only applicable to applications submitted after January 1 2015 (section 13).

In 2017 and 2018 the government enacted additional laws to promote new SME and startups, large infrastructure projects including the Eastern Economic Corridor, and SEZs.

Even though a particular project is eligible for promotion, obtaining promotion usually is not a condition to proceeding with the project. In some instances, for example, foreign investors decide to proceed without promotion to avoid delays, costs or minimum Thai participation requirements involved in applying for and obtaining promotion, or because the incentives offered by the Board of Investment are not felt to be necessary.

The BOI publishes in English “A Guide to the Board of Investment”, the “Thailand Business Legal Handbook” (which is one of the best English summaries of Thai business laws available), and numerous other publications concerning investment in Thailand.

The BOI provides a service (through the BOI One Stop Center) to assist investors who have difficulties with the administrative procedures involved in obtaining numerous official permits, licenses and approvals from various government departments. Further information may be found in the BOI website at www.boi.go.th

Industrial Estate Authority of Thailand

The IEAT is authorized by the Industrial Estate Authority Act to establish and operate industrial estates. The following incentives are available from IEAT:

1. The right to own land, except for certain IEAT land which is only available by lease;
2. The right to bring foreign technicians and managers into Thailand;
3. For businesses in an export-processing zone, exemption of import duty and value added tax on imported machinery, equipment and materials.

The IEAT has authority to issue factory licenses and to provide other permits and facilities within its industrial estates.

Special Economic Zones

The government is actively pursuing policies for the promotion of SEZ's, specifically along major border trading centers. In addition to the promotion of SEZ's, the Eastern Special Development Zone Act 2018 (EEC Act) was published on May 14, 2018. It applies in three eastern provinces: Rayong, Chonburi and Chachoengsao (and any other area in the eastern part of Thailand to be prescribed in the Royal Decree to be announced, as special development zones), and prescribes a number of incentives for private investment. It complements and builds upon the BOI's regime.

Certain parts of the EEC area have been designated as special economic promotion zones (SEZ) within which 10 “targeted industries” will enjoy additional privileges. These 10 targeted industries include:

- Next-generation automotive;
- Smart electronics;

- Medical and wellness tourism;
- Agriculture and biotechnology;
- Food processing;
- Robotics;
- Aviation and logistics;
- Biofuels and biochemicals;
- Digital services; and,
- Intensive medical and wellness hubs.

The additional privileges include: the exemption from corporate income tax for up to 13 years; the right to bring in foreign experts in certain fields; foreign ownership of land, a 50-year land lease, with the right to renew for up to 49 years; the right to own land and condominiums for the purpose of the business; exemptions from exchange control regulations; and, exemptions from customs law compliance.

A one-stop service to facilitate the issuance of permits and licenses under a large number of laws is being established to facilitate the start-up of business in the SEZs.

The World Bank Ease of Doing Business Ranking for Thailand increased from 46 in 2016 to 27 in 2019.

The EEC office was relocated in November 2018 to 3rd Floor, CAT Tower, 72 Soi Wat Maungkhae, Charoenkrung Road, Bangrak, Bangkok 10500. Useful web addresses:

www.eeco.or.th/en/background and www.eeco.or.th/en/content/request-approval-promotional-investment.

Applications for investment in the EEC should be made through the BOI. See the BOI's website at www.boi.go.th, in particular the following titles:

- Promotional investment procedure;
- Online request approval for promotional investment (E-BOI application); and,
- Contract channels for investing in the targeted industries.

ASEAN Economic Community

Thailand is a member of ASEAN which in December 2015 integrated its economy with other 9 regional economies to form the ASEAN Economic Community (AEC). The five core elements of the AEC are (i) free flow of goods; (ii) free flow of services; (iii) free flow of investment; (iv) free flow of capital; and (v) free flow of skilled labor. Members of ASEAN have ratified enhanced dispute resolution mechanisms under the ASEAN Protocol on Enhanced Dispute Settlement Mechanisms (2004), and member states afford one another certain investment guarantees, as agreed to and included in the ASEAN Comprehensive Investment Agreement (2009), with the goal of economic integration in line with the AEC Blueprint. Thailand is chair of ASEAN in 2019.

Renewable Energy Policies

In 2009, the government announced a policy to encourage investment in solar, wind, waste gas and other renewable energy projects, including subsidies in the form of “adders” to tariffs. On 30 November 2011, the National Energy Policy Committee approved a 10-year 25% renewable and alternative energy development plan (2012-2021) to replace the 15-year alternative energy plan. Numerous renewable projects have been started. In July 2013, the NEPC approved two policies to

promote solar power: feed-in tariff rates for rooftop and community ground-mounted solar systems. See www.erc.or.th, www.dede.go.th, www.eppo.go.th, www.pea.co.th and www.egat.co.th.

Notwithstanding the development in wind power energy and also other renewable energy in Thailand during the past several years, on 28 March 2018, Dr. Siri Jirapongphan, Energy Minister, stated that there will be no state renewable power buying for 5 years from 2018 – 2023. Even though the Energy Minister’s statement remains arguable, subject to further implementation by government agencies of energy sector in compliance with that vision of the Minister, it is unlikely to have the new PPA for renewable energy sector during such period. This would not effect to the existing PPA signed by EGAT or PEA.

Department/Organization	Website
Bank of Thailand (BOT)	www.bot.or.th (Thai and English)
Board of Investment (BOI)	www.boi.go.th (several languages)
Chandler MHM	www.chandlermhm.com (Thai and English)
Energy Policy and Planning Office (EPPO)	www.eppo.go.th (Thai and English)
Ministry of Commerce (MOC)	www.moc.go.th (Thai and English)
Ministry of Energy (MOE)	www.energy.go.th/en/aboutUs_04structure.asp (English)
Ministry of Finance (MOF)	www.mof.go.th (Thai and English)
Ministry of Foreign Affairs (MFA)	www.mfa.go.th (English)
Office of the Council of State	www.krisdika.go.th (Thai)
Office of Judiciary	www.judiciary.go.th/eng/engjud.htm (English)
Petroleum Institute of Thailand (PTIT)	www.ptit.org (English)
Securities & Exchange Commission (SEC)	www.sec.or.th (Thai and English)
Stock Exchange of Thailand (SET)	www.set.or.th/th/index.html (Thai and English)
Thai Arbitration Center (THAC)	www.thac.or.th (Thai and English)
Thai Arbitration Institute (TAI)	www.adro.coj.go.th (Thai)