



Guide on Business License Application in Thailand

Foreword

This guide has been prepared for the assistance of individuals who are willing to apply for business license in Thailand. Though it does not exhaustively cover the subjects it deals with, but it does intend to answer some of the important points. However, if any specific issue arises in practice, it will be necessary to refer to the laws and regulations of Thailand and seek proper legal advice.

Introduction

Foreigners willing to conduct and manage business limited to foreign nationals under Thai law should make an application for Foreign Business License in Thailand. Restricted businesses are as follows;

- List 1 businesses prohibited to foreign citizens, except when there is some special exemption mentioned by a treaty or a law;
- List 2 businesses owned by foreign citizens, opened and activated before enactment of FBA
- List 3 businesses are similar to list 2, except that the FBL for foreigners who set up new companies in the country issued by the Director General and a Committee

How Thai Law Separates Foreigners

- Non-registered juristic person in Thailand
- Registered juristic person in Thailand having the following characteristics;
 - ✓ Limited company, where almost 50% of the capital shares are held by the foreigner(s)
 - ✓ Limited partnership, where 50% of the capital is invested by the foreigner(s)
 - ✓ Limited partnership, where a foreigner is the managing partner/manager

Thai Foreign Business License Restrictions

List 1:

Businesses Restricted to Foreign Investors

- Newspaper publication, TV Station and Radio Broadcasting
- Trading and Auctioning of the Thai Antiques
- Land Trading

List 2:

Businesses Permitted to Foreigners under Special Conditions

- Production, repairing and selling of firearms and explosives
- Domestic land and waterway or air transportation
- Production, selling, aircrafts and military vehicles
- Production of musical instruments of Thailand
- Production of nielloware, lacquerware and silverware
- Manufacturing sugar from sugarcane
- Wood fabrication and utensil production

List 3:

Businesses Not Yet Allowed to Foreigners as Thai Nationals are Unequipped for Competition

- Production of Lime
- Tour Agency
- Architecture Service Business
- Production of Plywood
- Selling Food or Beverages
- Engineering Service Business

Thai FBL Terms & Conditions

The Applicant,

- Must have attained the age of 20
- Must not be a bankrupt
- Must not be an incompetent
- Have a residency or should be permitted to enter Thailand temporarily
- Never had a revoked license under Notification No. 281
- Never found guilty by the court or fined for an offence
- Never have been imprisoned for debtor cheating and fraudulent acts
- Never being bankrupt

Foreign Business License in Thailand Procedure

- File an application with the Commercial Registration Department followed by review made by the Foreign Business Committee.
- Criteria including nation's safety, local employment and socio-economic development will be considered before approving a business license application.
- Business license application approval is more likely when it is proved that the business will provide significant benefits while protecting and promoting Thai interests.
- Usually, the application process for a Thailand foreign business license is complex and time consuming. It will take a minimum of four months to obtain the license.