

SPI Newsletter

One Person Companies may soon be allowed in Thailand

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Currently, to incorporate a private limited company in Thailand, a minimum of 3 shareholders are required.

The Establishment of a Private Limited Company by an Individual Person Bill (**OPC Bill**) recently approved by the Cabinet and Council of the State proposes to allow the incorporation of a new type of private liability company in Thailand having only a single shareholder (**One Person Company** or **OPC**).

[...the OPC business structure will likely attract single entrepreneurs and sole founder startups...]

Some of the key features of the proposed OPC Bill include:

1. To incorporate an OPC, there are specific corporate requirements including that the entity name must specify that it is a single shareholder company;
2. The liability of the shareholder in an OPC is limited to the registered capital; and
3. An OPC may be transferred to another person by registration with the Department of Business Development.

In a previous draft of the OPC Bill there was a requirement that an OPC shareholder must be a Thai national. However, in the current draft proposed for public hearing, there is no such shareholder nationality requirement. As the proposed OPC Bill is subject to amendment and approval by the National Legislative Assembly, it remains to be seen whether it will have any impact on foreign investment.

If the proposed OPC Bill is approved, the OPC business structure will likely attract single entrepreneurs and sole founder startups looking to operate a private limited company with limited liability protection for its sole shareholder. Incorporating an OPC might also enable startups to unlock tax and non-tax incentives offered to SMEs which are only available to juristic persons.

Public hearings organized by the Department of Business Development, Ministry of Commerce on the proposed OPC Bill are currently being held from **16 November 2018 – 3 December 2018**.

We will keep you updated on the progress of the OPC Bill.

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