

SPI Newsletter

## UPDATE ON THE FBC'S PROPOSED RELAXATION OF CERTAIN FOREIGN BUSINESS RESTRICTIONS

LINDA OSATHAWORANAN (Partner)  
SAITHIP MANSRI (Partner)  
PANJAREE CHUMUANG (Associate)

Further to our earlier article dated 17 May 2019 (available [here](#)), the Royal Gazette published the Ministerial Regulation issued by the Ministry of Commerce on 25 June 2019 in relation to three categories of service businesses which no longer require permission to operate as a foreign business ("Ministerial Regulation"):

- 1) providing loans within Thailand to affiliated companies and group companies;
- 2) leasing office space with public utilities to affiliated companies and group companies; and
- 3) providing consultation, especially on management, marketing, human resources, and information technology to affiliated companies and group companies.

The Ministerial Regulation describes affiliated companies and group companies of a juristic person as falling within any of the following categories:

- (a) More than half of the total number of shareholders or partners being in a juristic person hold shares more than half of the total number of shareholders or partners in another juristic person;
- (b) Shareholders or partners, holding 25% or more of capital in a juristic person, hold capital with a value of 25% or more in another juristic person;
- (c) A juristic person or a partnership holds 25% or more of capital in another juristic person; or
- (d) More than half of the total number of directors or partners with management authority being in a juristic person are more than half of total number of directors or partners with management authority in another juristic person.

As the Ministerial Regulation is now in force, an investor who plans to conduct a service business in the Ministerial Regulation is not required to apply for a foreign business license or obtain a foreign business certificate in order to conduct such business in Thailand.

If you require any further information or assistance, please contact us at [spi-info@siampremier.com](mailto:spi-info@siampremier.com)

