

A Business Guide
to Thailand

with compliments

Office of the Board of Investment
Ministry of Industry

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(Unofficial translation: For legal purposes, please refer to original text in the Thai language)

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Chapter 1-- Procedures for Establishing a Company

1. Procedures for Establishing a Company

1.1 Company Registration

1.1.1 Promoters

Company promoters are responsible for registering the company with the Ministry of Commerce (MOC). There must be a minimum of seven promoters for a private limited company and at least 15 promoters for a public limited company. The promoters must be individuals (not business entities), and they must be available to sign documentation, as required, during the registration process.

The promoters must be among the company's initial shareholders immediately after the company's registration. Each of the promoters is required to hold a minimum of one share on the company's registration. However, they are generally free to transfer those shares to existing shareholders or third parties, thereafter, if they wish. It is not required for the individuals serving as promoters to reside in Thailand.

Promoters' potential legal liability is generally limited to the par value of the shares they will hold after registration is completed. The promoters are also responsible for paying expenses associated with the company's registration. After registration, however, the company may choose to reimburse the promoters for those expenses.

1.1.2 Timing

Registration of the company occurs at the MOC and can normally be accomplished between 10 days and six weeks, depending on a number of factors. These include the types of business activities the company is to pursue, the speed with which the investor supplies required information and documents, and the availability of the parties who are required to sign various documents.

If the company falls under the definition of "foreign" (as defined in the Foreign Business Act) it will normally be required to obtain Cabinet approval or a Foreign Business License prior to commencing operations.

Applying for and obtaining the company's tax ID card and VAT certificate (if required) takes place after registration with the MOC and can normally be accomplished within seven to 10 days of the date of providing all required information and documents to the Revenue Department.

1.1.3 Filings

All documents associated with the company's registration must be submitted to the registrar of the Department of Business Development of the MOC, or, if the company's office is located outside of Bangkok, at the filing office of the province where the office will be located. All documents associated with the registration of the company's tax ID card and VAT certificate must be submitted to the Central Filing Office of the Revenue Department in Bangkok, or, if the company office is located outside Bangkok, to the Revenue Office of the province where the office will be located.

1.2 Registration Process

1.2.1 Corporate Name Reservation

The first step of the company registration process is the name reservation. To reserve the name, one of the promoters is required to submit a signed Name Reservation Form to the Department of Business Development of the MOC.

A promoter is required to supply the requested company name together with two alternative names. The registrar will then examine the application in order to ensure that:

- No similar company names have previously been reserved
- The names do not violate any ministerial rules

If the applicant's intended name is in conflict with either of the above, that name will be rejected, and the registrar will consider the alternative names submitted. This process can normally be completed within two to three days. If all three names submitted are rejected the applicant will be required to re-submit the form with three new names.

The registrar has considerable discretion with regard to the consideration of company names. Many times, the first name or even the first two names are rejected for violating one of the two rules stated above. Once approved, the corporate name reservation is valid for 30 days, with no extensions.

1.2.2 Filing a Memorandum of Association

After the name reservation has been approved, the company Memorandum of Association (MOA) must be submitted. The MOA must include the name of the company that has been successfully reserved, the province where the company will be located, its business objectives, the capital to be registered, and the names of the promoters. The capital information must include the number of shares and the par value. At the registration step, the authorized capital, although partly paid, must all be issued.

The memorandum registration fee is 50 baht per 100,000 baht of registered capital. The minimum fee is 500 baht, the maximum 25,000 baht. Although there are no minimum capital requirements, the amount of the capital should be respectable enough and adequate for the intended business operation. However, if the company falls under the definition of a foreign company, the following rules apply:

- If the foreign company engages in activities specified in the Foreign Business Act, its minimum registered capital would be the greater of 25 percent of the company's average per year expenses for its first three years of operation and 3 million baht (exceptions apply) fully (100%) paid up.
- If the foreign company does not engage in specified activities, its minimum registered capital would be 2 million baht fully (100%) paid up. If the company is to employ foreigners, other minimum registered capital requirements may also apply.

1.2.3 Convening a Statutory Meeting

Once the share structure has been defined, a statutory meeting is called during which the articles of incorporation and bylaws are approved, the Board of Directors is elected and an auditor appointed. A minimum of 25 percent of the par value of each subscribed share must be paid.

1.2.4 Registration

Within three months of the date of the statutory meeting, the directors must submit the application to establish the company. During the company registration process, the promoters

will be required to supply the name, license number, and remuneration of the auditor the company is planning to engage. Company registration fees are 500 baht per 100,000 baht of registered capital. The minimum fee is 5,000 baht; the maximum is 250,000 baht.

1.2.5 Registering for Tax Documents

Businesses liable for income tax must obtain a tax ID card and number for the company from the Revenue Department within 60 days of incorporation or the start of operations. Companies that have turnover in excess of 1.8 million baht must also register for VAT with the Revenue Department within 30 days of the date the annual turnover exceeded that threshold.

2. Accounting and Financial Reporting Requirements

2.1 Books of Accounts and Statutory Records

Companies must keep books and follow accounting procedures specified in the Civil and Commercial Code, the Revenue Code and the Accounts Act. Documents may be prepared in any language, provided that a Thai translation is attached. All accounting entries should be written in ink, typewritten, or printed. Specifically, Section 12 of the Accounts Act of 2000 provides rules on the accounts that should be maintained as follows:

“In keeping accounts, the person with the duty to keep accounts must hand over the documents required for making accounting entries to the bookkeeper correctly and completely, in order that the accounts so kept may show the results of operations, financial position according to facts and accounting standards.”

2.2 Accounting Period

A newly established company should close accounts within 12 months from the date of its registration. Thereafter, the accounts should be closed every 12 months. If a company wishes to change its accounting period, it must obtain written approval from the Director-General of the Revenue Department.

2.3 Reporting Requirements

All juristic companies, partnerships, branches of foreign companies, and joint ventures are required to prepare a financial statement for each accounting period. The financial statement must be audited by and subjected to an opinion of a certified auditor, except the financial statement of a registered partnership established under Thai law, whose capital, assets or income, any one or all of them, are not more than that prescribed in Ministerial Regulations. The performance record is to be certified by the company auditor, approved by shareholders, and filed with the Commercial Registration Department, Ministry of Commerce, within five months of the end of the fiscal year, and with the Revenue Department, Ministry of Finance, within 150 days of the end of the fiscal year.

2.4 Accounting Principles

In general, the basic accounting principles practiced in the United States are accepted in Thailand, as are accounting methods and conventions sanctioned by law. The Institute of Certified Accountants and Auditors of Thailand is the authoritative group promoting the application of generally accepted accounting principles.

Any accounting method adopted by a company must be used consistently and may be changed only with approval of the Revenue Department. Certain accounting practices of note include:

Depreciation: The Revenue Code permits the use of varying depreciation rates according to the nature of the classes of assets, which has the effect of depreciating the assets over periods that may be shorter than their estimated useful lives. These maximum depreciation rates are not mandatory. A company may use lower rates that approximate the estimated useful lives of the assets. If a lower rate is used in the books of the accounts, the same rate must be used in the income tax return.

Accounting for Pension Plans: Contributions to a pension or provident fund are not deductible for tax purposes unless these are actually paid out to the employees, or the fund is approved as a qualified fund by the Revenue Department and managed by a licensed fund manager.

Consolidation: Local companies with either foreign or local subsidiaries are not required to consolidate their financial statements for tax and other government reporting purposes, except for listed companies which must submit consolidated financial statements to the Securities and Exchange Commission of Thailand .

Statutory Reserve: A statutory reserve of at least five percent of the annual net profits arising from the business must be appropriated by the company at each distribution of dividends until the reserve reaches at least 10 percent of the company's authorized capital.

Stock Dividends: Stock dividends are taxable as ordinary dividends and may be declared only if there is an approved increase in authorized capital. The law requires the authorized capital to be subscribed in full by the shareholders.

2.5 Auditing Requirements and Standards

Audited financial statements of juristic entities (*i.e.* a limited company, a registered partnership, a branch, or representative office, or a regional office of a foreign corporation, or a joint venture) must be certified by an authorized auditor and submitted to the Revenue Department and to the Commercial Registrar for each accounting year.

However, for a registered partnership with registered capital of less than five million baht, total revenue of no more than 30 million baht, and total assets of no more than 30 million baht, financial statements need not be submitted to the Commercial Registrar, but must be certified by an authorized auditor or tax auditor and submitted to the Revenue Department for each accounting year.

Auditing standards conforming to international auditing standards are, to the greater extent, recognized and practiced by authorized auditors in Thailand.

3. Types of Business Organizations

Thailand recognizes three types of business organizations: partnerships, limited companies and joint ventures.

3.1 Partnerships

There are three types of partnerships in Thailand, each reflecting different degrees of liability.

Unregistered ordinary partnerships in which all partners are jointly and wholly liable for all obligations of the partnership. This form of partnership is not a juristic entity and is treated, for tax purposes, as an individual

Registered ordinary partnerships that are registered with the Commercial Registrar are legal entities, separate and distinct from the individual partners, and are taxed as a corporate entity

Limited partnerships comprise one or more partners, whose individual liability is restricted to the amount of capital contributed to the partnership, and one or more of the partners are jointly liable without any limitation for all obligations of the partnership. Limited partnerships must be registered and is taxed as a corporate entity

3.2 Limited Companies

There are two types of limited companies, *i.e.* private or closely held companies, and public companies. The first is governed by the Civil and Commercial Code, the second by the Public Limited Company Act.

Private Limited Companies in Thailand have basic characteristics similar to those of Western corporations. A private limited company is formed through a process that leads to the registration of a Memorandum of Association (Articles of Incorporation) and Articles of Association (By-laws), as its constitutive documents.

Shareholders enjoy limited liability, *i.e.*, limited to the remaining unpaid amount, if any, of the par values of their shares. The liability of the directors, however, may be unlimited if so provided in the company's memorandum of association or the articles of incorporation.

Limited companies are managed by a board of directors according to the company's charter and by-laws. All shares must be subscribed to, and at least 25 percent of the subscribed shares must be paid up. Both common and preferred shares of stock may be issued, but all shares must have voting rights. Thai law prohibits the issuance of shares with no par value. It also stipulates that only shares with par value of five baht or above may be issued. Treasury shares are prohibited.

A minimum of seven shareholders is required at all times. A private limited company may be wholly owned by aliens. However, in those activities reserved for Thai nationals, aliens' participation is generally allowed up to a maximum of 49 percent. The registration fee for a private limited company is 5,500 baht per million baht of capital.

Public Limited Companies registered in Thailand may, subject to compliance with the prospectus, approval, and other requirements, offer shares, debentures and warrants to the public and may apply to have their securities listed on the Stock Exchange of Thailand (SET).

In 1992, the Public Limited Company Act came into force. The size of the public shareholding block is dealt with in the SET listing requirements. 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 which 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 Securities and Exchange Commission (SEC) to sell shares to the public, and then obtain SET approval to list their shares.

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 alien ownership); no director's proxies allowed; no circular board resolutions allowed; directors elected by cumulative voting (unless the articles provide otherwise); at least 50 percent 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. Prescribed conditions of listing include small shareholding requirements (ranging from 10 to 20 percent of issued shares), and the prohibition or restriction of sales by major shareholders for prescribed periods. New takeover rules came into force in January 2003.

A minimum of 15 promoters is required for the formation and registration of the memorandum of association of a public limited company, and the promoters must hold their shares for a minimum of two years before they can be transferred. The Board of Directors of a public limited company must have a minimum of five members, at least half of whom are Thai nationals. Shares must have a face value of at least five baht each and be fully paid up.

Restrictions on share transfers are unlawful except those protecting the rights and benefits of the company allowed by law, and those maintaining a Thai/foreigner shareholder ratio. Debentures may only be issued with the approval of three quarters of the voting shareholders. The registration fee is 2,000 baht per million baht of capital for a public limited company.

3.2.1 Differences in Procedures for Establishing Private Limited and Public Limited Companies

	Private Limited Company	Public Limited Company
Minimum number of natural persons as promoters	7	15
Minimum number of shareholders at all times	7	15
Public subscription of shares by prospectus	Not Allowed	Allowed
Public subscription of debentures by prospectus	Allowed*	Allowed
Registration fee per million Baht of capital	5,500	2,000

* Subject to SEC approval

3.2.2 Scrutinization of Thai Shareholders in Limited Companies

In 2006, the Commercial Registrar issued an order that prescribed new rules for registration of limited companies. The order requires that sources of investment by Thai nationals in the following two categories of new companies be scrutinized:

- Companies in which shareholding by foreigners are at least 40% but less than 50% of the shares
- Companies in which shareholdings by foreigners are less than 40% but in which a foreigners is a director with power to bind the company.

Each Thai shareholder must disclose the source of their funds to the MOC.

Applications for incorporation of a limited company must now be accompanied by the following documents evidencing the sources of funds of each Thai shareholder:

- Copies of deposit passbooks or bank statements disclosing transactions over the past 6 months; or

- A letter issued by a bank certifying the financial position of the shareholder; or
- Copies of other documents evidencing the source of funds (i.e. loan documentation).

In addition, the MOC has recently issued internal guidelines in support of the Order setting out the following matters:

- The amounts shown in the documents of each Thai shareholder evidencing the source of funds must equal or exceed the amount of funds invested by that Thai shareholder.
- The Order does not apply if a foreign national(s) has joint authority with a Thai national(s) to act on behalf of the limited company.
- Copies of deposit passbooks or bank statements disclosing transactions less than 6 months old may be submitted to the MOC, provided that entries on at least one day must identify a balance that is equal to or exceeds the funds invested by the relevant shareholder.

The Thai shareholders must provide evidence of their sources of funds, regardless of the value of their shares

3.3 Other Forms of Corporate Presence

Branches of Foreign Companies

Foreign companies may carry out certain business in Thailand through a branch office. Branch offices are required to maintain accounts only relating to the branch in Thailand.

There is no special requirement for foreign companies to register their branches in order to do business in Thailand. However, most business activities fall within the scope of one or more laws or regulations which require special registration, either before or after the commencement of activities. Foreign business establishments must, therefore, follow generally accepted procedures.

It is important to clarify beforehand what constitutes income subject to Thai tax because the Revenue Department may consider revenues directly earned by the foreign head office from sources within Thailand as subject to Thai taxes.

A condition for approval of a Foreign Business License to a branch of a foreign corporation is that minimum capital amounting to not less than five million baht, which must be brought into Thailand within four years of start-up. The branch may be allowed to operate for a period of five years, unless a shorter period is applied for. Extension of the original duration of the license to operate may be granted, provided the working capital required to be brought into Thailand is met.

Representative Offices of Foreign Companies

Foreign corporations may establish representative offices in Thailand to engage in limited non-revenue-generating activities, such as sourcing of goods or services in Thailand for the head office or inspecting and controlling the quality of goods that the head office purchases in Thailand. Other activities can cover disseminating information about new products and services of the head office, and reporting to the head office on local business development and activities. The minimum capital contributions for branches applies to representative offices.

A representative office in Thailand cannot engage in any profit-seeking or profit-making enterprise. The scope of the activities must be limited to approved activities, otherwise significant Thai tax liabilities can arise. The risk of exceeding the scope of activities is that

the income of the parent or affiliated companies may be deemed earned in Thailand and subject to taxation. Also, the representative office cannot act on behalf of third persons.

Thus, a representative office which undertakes one or more of the approved activities in Thailand without rendering any other service to any other person, and which refrains from prohibited activities, is not subject to Thai taxation. Such representative office is understood to receive a subsidy from the head office to meet expenses in Thailand. Gross receipts or revenues received by a representative office from the head office are not characterized as revenue to be included in the computation of juristic person income tax or VAT.

Even though they are not subject to taxation in Thailand, all representative offices are still required to obtain a Corporate Tax Identification number and submit income tax returns and audited financial statements to the Revenue Department. They are also required to submit the same to the Department of Business Development.

The above international trading business is regarded as a service activity under Schedule 3 of the Foreign Business Act, thus the establishment of a representative office requires an alien business license from the Director-General of the Department of Business Development.

3.4 Regional Operating Headquarters (ROH)

In 2002, the government introduced a new package governing the establishment of ROH in Thailand. A ROH is a juristic company or partnership organized under Thai law that provides services to its domestic or overseas affiliated companies/or branches. Such services relate to administrative, technical, management and other supporting roles, including research and development and training.

The package on ROH provides tax breaks and incentives to attract foreign companies to set up in the Kingdom.

Requirements

- The ROH must have at least 10 million baht in paid-up capital on the closing date of any accounting period
- The ROH must provide services to its overseas affiliated companies and/or branches in at least three countries
- At least half of the revenue booked by the ROH must be derived from service provision to its overseas affiliated companies and/or branches, although this requirement will be reduced to not less than one third of the ROH's revenue for the first three years
- Other requirements may be imposed by the Director-General of the Revenue Department

Tax privileges

- A 10 percent corporate income tax, instead of the regular 30 percent rate, only for the service income provided to affiliated companies and/or branches
- A 10 percent corporate income tax on interest income which the ROH receives as a result of re-lending its borrowed funds to its affiliated companies and/or branches
- A 10 percent corporate income tax on royalty income that is derived from its affiliated companies and/or branches, including income generated from its research and development work performed in Thailand
- Exemption of corporate income tax on any dividends received from its domestic and overseas affiliated companies and/or branches
- An accelerated depreciation of 25 percent on the acquisition of buildings and permanent construction which the ROH purchases for its own business use

Personal income tax

- A waiver on personal taxes to foreign employees of the ROH sent to work in other countries
- Foreign employees of the ROH can pay a 15 percent flat rate of their personal taxes if they forego withholding tax credit of their interest and dividend income

In June 2006, the Revenue Department extended the personal income tax privileges for expatriates working for a ROH from two to four years, retroactive to 16 August 2002. Therefore, expatriates who have worked for a ROH in the tax years 2002-2006 should be eligible to be taxed at 15 percent of gross income. If the expatriate has filed and paid tax using the standard progressive tax rates after the initial two-year period, management may submit claims for tax refunds.

Chapter 2 - Taxation in Thailand

The Revenue Code outlines regulations for the imposition of taxes on income, with income tax divided into three categories: Corporate income tax, value added taxes (or specific business taxes), and personal income tax.

1: Corporate Income Tax

Corporate Income Tax (CIT) is a direct tax levied on a juristic company or partnership which is established under Thai or foreign law and carries on business in Thailand or derive certain types of income from Thailand.

The term “juristic company or partnership” (hereinafter called “company”) means a limited company, a limited partnership or a registered ordinary partnership incorporated under Thai or foreign law as well as an association and a foundation engaged in business producing revenue. The term also includes any joint venture and any trading or profit-seeking activity carried on by a foreign government or its agency or by any other juristic body incorporated under a foreign law.

1.1 Taxable Persons

Corporate income tax is levied on both Thai and foreign companies. A Thai company means a company incorporated under the law of Thailand. Thai company is subject to tax in Thailand on its worldwide net profit at the end of each accounting period (12 months).

A foreign company means a company incorporated under foreign law. Generally, a foreign company is treated as carrying on business in Thailand if it has an office, a branch or any other place of business in Thailand or has an employee, agent, representative or go-between for carrying on business in Thailand.

A foreign company carrying on business in Thailand is subject to CIT only for net profit arising from or in consequence of business carried on in Thailand, at the end of each accounting period. However, a foreign company engaged in international transport is subject to tax on its gross receipts. When a foreign company disposes its profit out of Thailand, such profit will be subject to tax on the sum disposed. Profit also means any sum set aside out of profits as well as any sum which may be regarded as profit.

A foreign company, not carrying on business in Thailand but deriving certain types of income from Thailand, such as service fees, interests, dividends, rents, professional fees, is subject to corporate income tax on the gross amount received. It is collected in the form of withholding tax by which the payer of income shall deduct the tax from the income at the rate shown below (Tax Rates).

1.2 Tax Calculation

In the calculation of CIT of a company carrying on business in Thailand, it is calculated from the company's net profit on the accrual basis. A company shall take into account all revenue arising from or in consequence of the business carried on in an accounting period and deducting from that figure all expenses as prescribed by the Revenue Code. For dividend income, one-half of the dividends received by Thai companies from any other Thai companies may be excluded from the taxable income. However, the full amount may be excluded from taxable income if the recipient is a company listed on the Stock Exchange of Thailand or the recipient owns at least 25% of the distributing company's capital interest, provided that the distributing company does not own a direct or indirect capital interest in the

recipient company. The exclusion of dividends is applied only if the shares are acquired not less than three months before receiving the dividends and are not disposed of within three months after receiving the dividends

In calculating CIT, deductible expenses are as follows.

1. Ordinary and necessary expenses. However, the deductible amount of the following expenses is allowed at a special rate:
 - 200% deduction of Research and Development expense,
 - 150% deduction of job training expense,
 - 200% deduction of expenditure on the provision of equipment for the disabled;
2. Interest, except interest on capital reserves or funds of the company;
3. Taxes, except for Corporate Income Tax and Value Added Tax paid to the Thai government;
4. Net losses carried forward from the last five accounting periods;
5. Bad debts;
6. Wear and tear;
7. Donations of up to 2% of net profits;
8. Provident fund contributions;
9. Entertainment expenses up to 0.3% of gross receipt but not exceeding 10 million Baht;
10. Depreciation : Provided that in no case shall the deduction exceed the following percentage of cost as shown below. However, if a company adopts an accounting method, in which the depreciation rates vary from year to year, the company is allowed to do so, provided that the number of years over which an asset depreciated shall not be less than 100 divided by the percentage prescribed below.

Type of Asset	Rate of Depreciation
Durable buildings	5%
Temporary buildings	100%
Cost of acquisition of depletable natural resources	5%
Cost of acquiring lease rights: <ul style="list-style-type: none"> • If there is no written lease agreement or if there is a written lease agreement containing a renewal clause whereby continuous renewals are permitted • If there is a written lease agreement containing no renewal clause or containing a renewal clause but restricting renewable periods to a definitely limited duration 	10% 100% divided by the original and renewable lease periods
Cost of acquisition of the right in a process, formula, goodwill, trademark, business license, patent, copyright, or any other right: <ul style="list-style-type: none"> • If the period of use is unlimited • If the period of use is limited 	10% 100% divided by number of years used
Other depreciable assets not mentioned above excluding land and inventory	20%
Machinery or equipment used in technical R&D	Initial allowance of 40% on the date of acquisition and the residual can be depreciated at 20%
Machinery used in SMEs*	Initial allowance of 40% on the date of acquisition and the residual can be depreciated at 20%
Cash registering machine	100 % or initial allowance of 40 % on

	the date of acquisition and the residual can be depreciated at 20%
Computers and accessories <ul style="list-style-type: none"> SMEs 	Initial allowance of 40 % on the date of acquisition and the residual can be depreciated over 3 years
<ul style="list-style-type: none"> Other businesses 	Depreciated over 3 years

* SMEs refer to any Thai companies with fixed assets less than 200 million Baht and number of employee not exceeding 200 people.

1.3 Tax Rates

Taxpayer	Tax Base	Rate (%)
Small company ¹	Net profit not exceeding 1 million Baht	15 ²
	Net profit over 1 million Baht but not exceeding 3 million Baht	25
	Net profit exceeding 3 million Baht	30
Companies listed on Stock Exchange of Thailand (SET)	Net profit for first 300 million Baht	25
	Net profit for the amount exceeding 300 million Baht	30
Companies newly listed on Stock Exchange of Thailand (SET)	Net profit	25 ⁴
Company newly listed on Market for Alternative Investment (MAI)	Net Profit for first 5 accounting periods after listing	20 ⁴
	Net Profit after first 5 accounting periods	30
Bank deriving profits from International Banking Facilities (IBF)	Net Profit	10
Foreign company engaging in international transportation	Gross receipts	3
Foreign company not carrying on business in Thailand receiving dividends from Thailand	Gross receipts	10
Foreign company not carrying on business in Thailand receiving other types of income apart from dividend from Thailand	Gross receipts	15
Foreign company disposing profit out of Thailand	Amount disposed	10
Regional Operating Headquarters (ROH)	Net Profit	10

¹ Small company refers to companies with paid-up capital less than 5 million Baht at the end of each accounting period.

² The 15% rate applies for accounting periods beginning on or after 1 January 2004.

³ The reduced rate applies for currently listed companies for 5 accounting periods beginning on or after 6 September 2001.

⁴ The reduced rate applies for newly listed companies (registered within 6 September 2001- 5 September 2005) for 5 accounting periods beginning on or after 6 September 2001.

1.4 Withholding Tax

Certain types of income paid to companies are subject to withholding tax at source. The withholding tax rates depend on the types of income and the tax status of the recipient. The payer of income is required to file the return (Form CIT 53) and submit the amount of tax withheld to the District Revenue Offices within seven days of the following month in which the payment is made. The tax withheld will be credited against final tax liability of the taxpayer. The following are the withholding tax rates on some important types of income.

Type of Income	Withholding Tax Rate (%)
Dividends	10
Interest <ul style="list-style-type: none"> • If paid to associations or foundations • In other cases 	10 1
Royalties <ul style="list-style-type: none"> • If paid to associations or foundations • In other cases 	10 3
Advertising Fees	2
Service and professional fees <ul style="list-style-type: none"> • If paid to Thai company or foreign company having permanent branch in Thailand • If paid to foreign company not having permanent branch in Thailand 	3 5
Prizes	5

Government agencies are required to withhold tax at the rate of 1% on all types of income paid to companies.

1.5 Tax Return and Payment

Thai and foreign companies carrying on business in Thailand are required to file their tax returns (Form CIT 50) within 150 days from the closing date of their accounting periods. Tax payment must be submitted together with the tax returns. Any company disposing funds representing profits out of Thailand is also required to pay tax on the sum so disposed within seven days from the disposal date (Form CIT 54).

In addition to the annual tax payment, any company subject to CIT on net profit is also required to make tax prepayment (Form CIT 51). A company is obliged to estimate its annual net profit as well as its tax liability and pay half of the estimated tax amount within two months after the end of the first six months of its accounting period. The prepaid tax is creditable against its annual tax liability. Failure to pay the estimated tax or underpayment by more than 25 percent may subject the taxpayer to a fine amounting to 20 percent of the amount in deficit.

For income paid to foreign companies not carrying on business in Thailand, the foreign company is subject to tax at a flat rate that the payer shall withhold at source at the time of payment. The payer must file the return (Form CIT 54) and make the payment to the Area Revenue Branch Office within seven days of the following month in which the payment is made.

Failure to file a tax return, late filing or filing a return containing false or inadequate information may subject the taxpayer to various penalties. Failure to file a return, and subsequent non-compliance with an order to pay the tax assessed, may result in a penalty equal to twice the amount of tax due. Penalties are due within 30 days of assessment.

1.6 Losses

Net losses may be carried forward for five accounting periods for offset against future profits from all sources. There is no provision for loss carry-back.

Each company's losses are dealt with separately. There is no form of group relief or relief by consolidation. A change in shareholding does not affect its tax losses.

1.7 Tax Credits

Thai companies can use foreign tax paid on business income or dividend received as a credit against the corporate income tax liability. The credit cannot exceed the amount of Thai tax on the income had the income been derived in Thailand.

Credit is also given for any Thai corporate income tax that has been deducted at source (as mentioned above) and for the half-year tax paid.

1.8 Remittance Taxes

There are two types of final withholding taxes imposed on the remittance of income or profits to foreign companies:

- Remittance of income in the form of:
 - Brokerage, fees for services 15%
 - Royalties 15%
 - Interest 15%
 - Dividends 10%
 - Capital gains 15%
 - Rental of property 15%
 - Liberal professionals 15%
- Remittance of profits after corporate income tax, a sum representing profits, or a sum set aside out of profits or regarded as profits is subject to 10% withholding tax.

1.9 Double Taxation Treaties

Countries that have concluded double tax treaties with Thailand and the applicable rates of withholding taxes are as follows:

Country	Date of Signing	Date of Ratification / Exchange of Note	Date of Entry into Force
1. Armania	7 Nov 2001	12 Nov 2002	12 Nov 2002
2. Australia	31 Aug 1989	27 Dec 1989	27 Dec 1989
3. Austria	8 May 1985	22 Apr 1986	1 Jul 1986
4. Bahrain	3 Nov 2001	27 Dec 2003	27 Dec 2003
5. Bangladesh	20 Apr 1997	9 Jul 1998	9 Jul 1998
6. Belarus	15 Dec 2005	-	-
7. Belgium	16 Oct 1978	28 Nov 1980	29 Dec 1980
8. Bulgaria	16 Jun 2000	13 Feb 2001	13 Feb 2001
9. Canada	11 Apr 1984	16 Jul 1985	16 Jul 1985
10. Cyprus	29 Oct 1998	4 Apr 2000	4 Apr 2000

11.	Czech Republic	12 Feb 1994	13 Aug 1995	14 Aug 1995
12.	Denmark	23 Feb 1998	12 Jan 1999	12 Jan 1999
13.	Egypt	29 Jan 2006	-	-
14.	Finland	25 Apr 1985	26 Feb 1986	26 Feb 1986
15.	France	27 Dec 1974	29 Aug 1975	29 Aug 1975
16.	Germany	10 Jul 1967	4 Nov 1968	4 Dec 1968
17.	Hungary	18 May 1989	16 Oct 1989	16 Oct 1989
18.	India	22 Mar 1985	13 Mar 1986	13 Mar 1986
19.	Indonesia	15 Jun 2001	23 Sep 2003	23 Oct 2003
20.	Israel	12 Feb 1996	24 Dec 1996	24 Dec 1996
21.	Italy	20 Dec 1979	31 Dec 1980	31 May 1980
22.	Japan	7 Apr 1990	1 Aug 1999	30 Aug 1990
23.	Kuwait	29 Jul 2003	-	-
24.	Laos	20 Mar 1997	23 Dec 1997	23 Dec 1997
25.	Luxembourg	7 May 1996	22 Jun 1998	22 Jun 1998
26.	Malaysia	29 Mar 1982	2 Feb 1983	2 Feb 1983
27.	Mauritius	1 Oct 1997	10 Jun 1998	10 Jun 1998
28.	Mongolia	17 Aug 2006	-	-
29.	Myanmar	7 Feb 2002	-	-
30.	Nepal	2 Feb 1998	14 Jul 1998	14 Jul 1998
31.	Netherlands	11 Sep 1975	9 Jun 1976	9 Jun 1976
32.	New Zealand	22 Oct 1998	22 Oct 1998	14 Dec 1998
33.	Norway	31 Jul 2003	29 Dec 2003	29 Dec 2003
34.	Oman	13 Oct 2003	27 Feb 2004	27 Feb 2004
35.	Pakistan	14 Aug 1980	7 Jan 1981	7 Jan 1981
36.	People's Republic of China	27 Oct 1986	29 Nov 1986	29 Dec 1986
37.	Poland	8 Dec 1978	13 May 1983	13 May 1983
38.	Republic of Korea	7 Sep 2005	12 Sep 1977	30 Sep 1977
39.	Romania	26 Jun 1996	13 Apr 1997	13 Apr 1997
40.	Russian Federation	23 Sep 1999	-	-
41.	Seychelles	26 Apr 2001	13 Mar 2006	13 Mar 2006
42.	Singapore	15 Sep 1975	27 Apr 1976	27 Apr 1976
43.	Slovenia	11 Jul 2003	4 May 2004	4 May 2004
44.	South Africa	12 Feb 1996	27 Aug 1996	27 Aug 1996

45.	Spain	14 Oct 1997	16 Sep 1998	16 Sep 1998
46.	Sri Lanka	14 Dec 1988	12 Mar 1990	12 Mar 1999
47.	Sweden	19 Oct 1988	26 Sep 1989	26 Sep 1989
48.	Switzerland	27 Jan 1996	19 Dec 1996	19 Dec 1996
49.	The Philippines	14 Jul 1982	11 Apr 1983	11 Apr 1983
50.	Turkey	11 Apr 2002	13 Jan 2005	13 Jan 2005
51.	Ukraine	10 Mar 2004	24 Nov 2004	24 Nov 2004
52.	United Arab Emirates	1 Mar 2000	28 Dec 2000	28 Dec 2000
53.	United Kingdom	18 Feb 1981	20 Oct 1981	20 Nov 1981
54.	United States of America	26 Nov 1996	15 Dec 1997	15 Dec 1997
55.	Uzbekistan	23 Apr 1999	21 Jul 1999	21 Jul 1999
56.	Vietnam	23 Dec 1992	31 Dec 1992	31 Dec 1992

Note.

In addition, Thailand has agreements with Hong Kong and Taiwan.

Region	Date of Signing	Date of Ratification/ Exchange of Note	Date of Entry into Force
1. Hong Kong SAR	7 Sep 2005	7 Dec 2005	7 Dec 2005
2. Taiwan	9 Jul 1999		-

Source: Ministry of Foreign Affairs, as of 17 September 2007

The treaties generally place taxpayers in a more favorable position for Thai income than they would be under the Revenue Code, as profits will only be taxable if the taxpayer has a permanent establishment in Thailand.

1.10 Transfer Pricing Rules

Thailand has no detailed transfer pricing legislation. However, transfer pricing guidelines issued by the Thai Revenue Department on 16 May 2002 define the term “market price,” detail the permitted pricing methods, describe the transfer pricing documentation requirements and provide for advance pricing agreements.

2: Value Added Tax

Value added tax (VAT) is a non-cumulative broad-based consumption tax levied on the supply of goods or provision of services in Thailand by VAT operators. VAT is calculated on the total price of the goods delivered or services provided. A provision of services is deemed to have been made in Thailand if the service is performed in Thailand, regardless of where the service is used, or if the service is performed abroad but is used in Thailand. In principle, the input VAT on purchases of goods or services related to the business of a registered VAT operator may be credited against output VAT.

Under this tax regime, value added at every stage of the production process is subject to a seven percent tax rate. This tax affects producers, providers of services, wholesalers, retailers, exporters and importers.

2.1 Registration

Persons who have annual turnover in excess of 1,800,000 Baht are required to register as VAT operators. Only registered VAT operators are entitled to the credit or refund of input VAT.

2.2 Exemptions from VAT

Certain persons and businesses are exempt from VAT, for example, leasing an immovable property, or sale of newspapers, magazines, or textbooks, etc.

2.3 Tax Rates

The current VAT rate is 7%.

A zero percent rate is applied to the following items:

- Exported goods
- Services provided in Thailand but totally used in a foreign country
- Sales of goods or services to government agencies or state enterprises under foreign aid programs
- Sales of goods or services to the United Nations or its specialized agencies, as embassies, and consulate generals
- Sales of goods and services between bonded warehouses or between enterprises located in a Duty Free Zone

2.4 VAT Calculation

VAT must be paid on a monthly basis, calculated as:

$$\text{Output tax} - \text{Input tax} = \text{Tax paid}$$

where output tax is the VAT which the operator collects from the purchaser when a sale is made, and input tax is the VAT which an operator pays to the seller of a goods or service which is then used in the operator's business.

If the result of this calculation is a positive figure, the operator must submit the remaining tax to the Revenue Department not later than 15 days after the end of each month. However, for a negative balance, the operator is entitled to a refund in the form of cash or a tax credit, which must be paid in the following month.

2.5 Tax Invoices

VAT operators are required to issue tax invoices indicating the amount of goods or services provided together with VAT charges. All significant particulars in tax invoices must be completed as prescribed by law. Substantially incomplete or incorrect information in tax invoices may result in a VAT operator being unable to claim input tax.

2.6 Tax Return and Payment

VAT taxable period is a calendar month. VAT return therefore must be filed on a monthly basis. VAT return (Form VAT 30) together with tax payment, if any, must be submitted to the Area Revenue Branch Office within 15 days of the following month. If taxpayer has more

than one place of business, each place of business must file the return and make a payment separately unless there is an approval from the Director-General of the Revenue Department. Services utilized in Thailand supplied by service providers in other countries are also subject to VAT in Thailand. In such a case, service recipient in Thailand is obliged to file VAT return (Form VAT 36) and pay tax, if any, on behalf of the service providers.

In the case where supply of goods or services is also subject to Excise tax, VAT return and tax payment, if any, must be submitted to the Excise Department together with Excise tax return and tax payment within 15 days of the following month. In case of imported goods, VAT return and tax payment must be submitted to the Customs Department at the point of import.

3: Personal Income Tax

Personal Income Tax (PIT) is a direct tax levied on income of a person. A person means an individual, an ordinary partnership, a non-juristic body of person, a deceased person and an undivided estate. In general, a person liable to PIT has to compute his tax liability, file tax return and pay tax, if any, accordingly on a calendar year basis.

3.1 Taxable Persons

Taxpayers are classified into “resident” and “non-resident.” “Resident” means any person residing in Thailand for a period or periods aggregating more than 180 days in any tax (calendar) year. A resident of Thailand is liable to pay tax on income from sources in Thailand on a cash basis, regardless where the money is paid, as well as on the portion of income from foreign sources that is brought into Thailand. A non-resident is, however, subject to tax only on income from sources in Thailand.

3.2 Assessable Income

Income chargeable to the PIT is called "assessable income". The term covers income both in cash and in kind. Therefore, any benefits provided by an employer or other persons, such as a rent-free house or the amount of tax paid by the employer on behalf of the employee, are also treated as assessable income of the employee for the purpose of PIT.

Assessable income is divided into eight categories:

- Salaries and wages
- Hire of work, office of employment or services rendered
- Goodwill, copyright, franchise, other rights, annuity, etc.
- Interest (including interest derived on bank deposits in Thailand), dividends, bonuses for investors, gains from amalgamation, acquisition or dissolution of juristic companies or partnerships, and gains from transferring of shares or partnership holdings, etc.
- Leasing Income of property, breach of installment sales or hire-purchase contracts;
- Income from liberal professions (*e.g.* law, medicine, engineering, architecture, accountancy and fine arts)
- Income from construction and other contracts of work;
- Income from business, commerce, agriculture, industry, transport or any other activity not specified earlier.

3.3 Capital Gains

Most types of capital gains are taxable as ordinary income with the following exemptions:

- Capital gains from the sale of shares in a company listed on the Stock Exchange of Thailand, provided that the sale is made on the Stock Exchange of Thailand, and from the sale of investment units in a mutual fund.
- Gains from the sale of non-interest bearing government bonds, debentures, bills, or debt instruments issued by a corporate entity or other juristic entities, except in the case where the bonds or debt instruments were sold for the first time at the price lower than their redemption price to an individual and the tax has been withheld from the difference between the redemption price earned and the selling price and the instrument has been stamped to the effect that tax has been so withheld.
- Gains from the sale of government bonds.

3.4 Exemptions

Certain types of income are exempt from personal income tax. In relation to income from employment, money derived in the form of per diem, traveling expenses, and certain fringe benefits (such as medical treatment) are tax exempt. The exemptions also cover the share of profits obtained from a non-juristic body of persons, maintenance income, derived under moral obligation, corpus of a legacy or inheritance, income of a mutual fund or from the sale of investment units in a mutual fund, interest from government bonds earned by a non-resident, etc.

In addition, to support low-income earners and the aged, an income exemption is granted to taxpayers. Net income of the first 100,000 Baht is tax exempt. A Thai resident who is 65 years of age or older is also granted personal income tax exemption on income received up to an amount not exceeding 190,000 Baht.

3.5 Computation

Thailand uses a self-assessment system in collecting taxes. Taxpayers are required to declare their tax liabilities in the specified tax returns (PND 90, PND 91) and pay the tax due at the time of filing.

Certain deductions and allowances are allowed in the calculation of the taxable income. Taxpayers shall make deductions from assessable income before the allowances are granted. Therefore, taxable income is calculated by:

$$\text{TAXABLE INCOME} = \text{assessable income} - \text{deductions} - \text{allowances}$$

3.6 Deductions and Allowances

Deductions allowed for the calculation of PIT

Type of Income	Deduction
Income from employment	40% but not exceeding 60,000 Baht
Income received from copyright	40% but not exceeding 60,000 Baht
Income from letting out of property on hire	
➤ Building and wharves	30%
➤ Agricultural land	20%
➤ All other types of land	15%
➤ Vehicles	30%
➤ Any other type of property	10%
Income from liberal professions	30% except for the medical profession where 60% is allowed
Income derived from contract of work	Actual expense or 70%

whereby the contractor provides essential materials besides tools	
Income derived from business, commerce, agriculture, industry, transport, or any other activities not specified earlier	Actual expense or 65-85% depending on the types of income

Special Allowances

Personal allowance ➤ Single taxpayer ➤ Undivided estate ➤ Non-juristic partnership or body of persons	30,000 Baht for the taxpayer 30,000 Baht for the taxpayer's spouse 30,000 Baht for each partner but not exceeding 60,000 Baht in total
Spouse allowance	30,000 Baht
Child allowance (child under 25 years of age and studying at educational institution, or a minor, or an adjusted incompetent or quasi-incompetent person)	15,000 Baht each (limited to three children)
Parents allowance (parents over 60 years of age with income less than 30,000 Baht)	30,000 Baht each
Old age allowance (over 65 years of age)	190,000 Baht income exemption each
Education (additional allowance for child studying in educational institution in Thailand)	2,000 Baht each child
Life insurance premium paid by taxpayer or spouse	Amount actually paid but not exceeding 50,000 Baht each
Approved provident fund contributions and/or retirement mutual fund contributions	Maximum allowance (exemption) of 300,000 Baht, but not exceeding 15% of income
Long term equity fund	Maximum allowance (exemption) of 300,000 Baht, but not exceeding 15% of income
Home mortgage interest	Amount actually paid but not exceeding 100,000 Baht
Social insurance contributions paid by taxpayer or spouse	Amount actually paid each
Charitable contributions	Amount actually donated but not exceeding 10% of income after standard deductions and allowances

3.7 Tax Credits

Any taxpayer who domiciles in Thailand and receives dividends from a juristic company or partnership incorporated in Thailand is entitled to a tax credit. In computing assessable income, a taxpayer shall gross up his dividends by the amount of the tax credit received. The amount of tax credit is then creditable against his tax liability.

$$\text{Tax credit} = \text{dividend} \times \text{corporate tax rate} / (100 - \text{corporate tax rate})$$

3.8 Tax Rates

Personal income tax rates applicable to taxable income are as follows.

Individual tax rates are shown below:

Taxable Income	Tax Rate (%)	Tax Amount	Accumulated Tax
0 - 100,000	Exempt	-	-
100,001 - 500,000	10	40,000	40,000
500,001 - 1,000,000	20	100,000	140,000
1,000,001 - 4,000,000	30	900,000	1,040,000
4,000,001 and over	37		

3.9 Withholding Tax for Personal Income Tax

All persons paying assessable income are required to deduct income tax at source on each payment.

4. Other Taxes

4.1 Specific Business Tax (SBT)

Due to the difficulty in determining the value added of certain businesses for the purpose of VAT imposition, an alternative tax levy on services, especially in the financial services sectors, was introduced in tandem with the VAT regime. Specific business tax (SBT) is collected on gross revenue at fixed rates.

The SBT is computed on the monthly gross receipts at the following rates:

Business Subject to SBT	Applicable Rate
Banking, Finance and Credit Foncier Businesses	3.0%
Life Insurance	2.5%
Pawnshop Brokerage	2.5%
Sale of Securities in the Stock Exchange	0.1%
Sale of Immovable Property, Real Estate	3.0%
Businesses with Regular Transactions Similar to Commercial Banking	3.0%

Remark : Local tax at the rate of 10 % is imposed on top of SBT.

4.2 Stamp Duty

Certain documents mentioned in the Stamp Duty Schedule of the Revenue Code (e.g. power of attorney, letter of credit, check, bill of lading, service contracts, etc.) must contain documentary stamps of various specified denominations. While the stamp duty is generally at nominal rates, failure to affix such stamps may be subject to a surcharge of up to 600 percent.

4.3 Petroleum Income Tax

The Petroleum Income Tax Act replaces the Revenue Code in imposing a tax on income from firms which own an interest in a petroleum concession granted by the Thai government or which purchase oil from a concession holder for export. Net income from petroleum operations includes revenue from production, transport or sale of oil and gas, the value of gas delivered to the government as a royalty and the proceeds of a transfer of interest in a

concession. The tax rate for most operators is not less than 50 percent and not more than 60 percent of net profits.

4.4 Excise Tax

Excise tax is currently levied on the following commodities:

- Fuel oil and petroleum products
- Beverages
- Electrical appliances
- Crystal glassware
- Motor vehicles
- Boats
- Perfume products and cosmetics
- Entertainment services
- Liquor and beer
- Cigarettes containing tobacco
- Woolen carpets
- Motor bicycles
- Batteries
- Playing cards

The manufacturer of these products must file a return and remit the tax due prior to taking the goods from the factory or bonded warehouse. If a VAT liability arises before the goods are taken out of such locations, the manufacturer must file a return and remit the tax to the Excise Department within 15 days from the end of the month.

4.5 Property Tax

There are two kinds of property tax in Thailand, namely, house and land tax, and local development tax.

House and land tax is imposed on the owners of a house, building structure or land, which is rented or otherwise put to commercial use. The tax rate is 12.5 percent of actual or assessed annual rental value of the property.

A local development tax is imposed on any person who either owns land or is in possession of land. The tax rates vary according to the appraised value of the property, as assessed by the local authorities, usually ranging from 0.25%-0.95% annually. There is an allowance granted for land utilized for personal dwellings, the raising of livestock and the cultivation of crops by the owner. Cultivated land in excess of the exempt are is subject to one-half the statutory rate, while idle land is subject to twice the statutory rate.

5: Customs duties

Customs duties are governed by the Customs Tariff Decree of 1987, an amendment of previous tariff codes, to conform to the Harmonized System of the Customs Cooperation Council. Tariff duties on goods are levied on an ad valorem or a specific rate basis. The majority of goods imported by businesses are subject to rates of between 0 percent and 80 percent.

The majority of imported articles are subject to two different taxes: tariff duty and VAT. Tariff duty is computed by multiplying the CIF value of the goods by the duty rate. The duty thus determined is added to the value of the goods determined with reference to the CIP price.

VAT is then levied on the total sum of the CIF value, duty, and excise tax, if any. Goods imported for re-export are generally exempted from import duty and VAT. Export duties are imposed on only a few items including rice; hides, skins, and leather; scrap iron and steel; rubber, including latex, rubber waste, tree and lump scraps, earth rubber, and bark shavings from rubber trees; teak and other kinds of wood.

Tariff duties may be lowered at the discretion of the Minister of Finance with the approval of the Cabinet. Two exceptions to the obligation to pay customs duties apply to the importation of machinery, equipment, and materials for use by oil and gas concessionaires, their contractors, and certain companies promoted by the Board of Investment.

As a part of the BOI's Investment Promotion Program, BOI-promoted companies are eligible to receive exemptions or reductions from import duties on raw and essential materials as well as machinery.

Further, companies that belong to the BOI's Investor Club Association (IC) are eligible to use the IC's Raw Materials Tracking System (RMTS) and Machinery Tracking System (MCTS). For companies that take advantage of this service, release of raw materials and machinery can be done in three hours or less. For more information, please contact the Investor Club at: Rasa Tower 2, 16th Floor, 555 Phaholyothin Road, Chatuchak, Bangkok 10900. The telephone number is (662) 937-1155.

All exported goods are exempt from export duties except raw hides and skins, wood and sawn (including lumber) items. Interested persons can receive advice and additional information from the Export Promotion and Privileges Group, Customs Department at Tel: 02 240 2513-6 or 02 240 2513.

5.1 Electronic Data Interchange (EDI)

The Customs Department has improved its services by computerizing procedures with the Electronic Data Interchange system. EDI allows for customs entry information to be transferred via an on-line system. The trader may link to the system or may use a licensed customs broker. The EDI system helps entrepreneurs save costs and time because they can rapidly submit entry data for preliminary verification by customs officers, which takes no more than five minutes. Entrepreneurs will only need to meet customs officers for document verification; the rest will be processed through the EDI system.

The Customs Department has selected "UN/EDIFACT" as the standard format for the exchange of information between it and trading partners as well as other related organizations; The Federation of Thai Electronic Data Interchange (FTEDI) and Thai Industrial Standards Institute (TISI) have duly approved the internationally accepted UN/EDIFACT as the EDI standard for Thailand. For technical queries, telephone 671-7151

Procedures

Exporters or customs brokers submit export entry data via the EDI system. Upon verification, the exporter/broker will be notified and will then print export entries for submission at any customs office, together with other documents.

Goods not subject to tariff and value verification can pass through green channels, whereas the goods subject to tariff and value verification must proceed through red channels for verification at the Export Procedure Sub-Division and for duty payment (if any).

5.2 Export privileges

Among various measures of the Thai Customs Department to promote exports, tax privileges are most extensively used to decrease cost of production and enhance competitive advantages for exporters. There are five programs that provide relief from import duties:

- Duty Drawback or Refund under Section 19 bis of Customs Law
- Duty Relief for goods placed under the Customs Bonded Warehouse scheme
- Duty Exemption for goods taken into the Free Zones established by Customs
- Duty Exemption for goods taken into the Export Processing Zones (EPZ)

- Duty Exemption for goods under the Board of Investment (BOI) scheme.

The above five measures vary in responsible agencies and tax privileges (see the comparison table below). The first three measures are directly under responsibility of the Thai Customs Department to grant duty drawback, and duty exemption. However, measures 4 and 5 are under the control of the Industrial Estate Authority of BOI, respectively. The Customs Department is involved in only providing Customs-related services such as formalities for importation and exportation.

5.2.1 Duty Drawback under Section 19 bis of the Customs Act

Drawback under Section 19 bis of the Customs Act (No.9) B.E. 2482 means the refund of import duty already paid on imported goods which have undergone production, mixing, assembling, or packing and then exported within one year from the date of importation. The importer may place a bank guarantee or a guarantee issued by the Ministry of Finance in lieu of the payment of import duty. The refund is administered after the exportation or destruction of either the imported/substituted product or article that has been manufactured from the imported/substituted product.

5.2.2 Bonded Warehouses under Customs Act

It is in the nature of international trade practice that in many cases it is not known at the time of importation how imported goods will finally be disposed of. This means that the importers are obliged to store the goods for more or less long period. It is, therefore, in the importers' interest to place these goods under a Customs procedure which obviates the need to pay import taxes and duties or delay the payment of taxes and duties.

Recognizing the need of the importers, the Thai Customs Department has provided in its national legislations for Customs warehousing procedures allowing the importers to store the goods for more or less long period without payment of taxes and duties until the goods are actually taken for domestic consumption.

Under a bonded warehouse scheme, the imported goods stored in a bonded warehouse for the purpose of re-exportation shall be exempted from payment of import/export taxes and duties, regardless of being exported in the same nature as imported or in the nature of having been produced, mixed or assembled as other goods.

Various types of bonded warehouses under the Customs Act include:

- For manufacturing
- For vessel repair or construction
- General
- General for distribution of goods
- General for oil storage
- Duty-free shops
- Free trade

5.2.3 Customs Free Zones

The Free Zone Program was developed to stimulate economic growth and development in Thailand. In an expanding global marketplace there is increased competition among nations for jobs, industry, and capital. The Free Zone Program was designed to promote competitiveness by encouraging companies to maintain and expand their operations in Thailand.

The Free Zone Program encourages Thailand-based operations by removing certain disincentives associated with manufacturing in Thailand. The duty on a product manufactured abroad and imported into Thailand is assessed on the finished product rather than on its individual parts, materials, or components. The Thailand-based manufacturer finds itself at a disadvantage compared with its foreign competitor when it must pay a higher rate on parts, materials, or components imported for use in a manufacturing process.

The Free Zone program corrects this imbalance by treating products made in the Zone, for the purpose of tariff assessment, as if it were manufactured abroad. At the same time, this country benefits because a Zone manufacturer uses Thai labor, services, and inputs.

5.2.4 Industrial Estate Export Processing Zones (EPZ)

Industrial estate export processing zones are areas within an industrial estate that are designated for industrial activities, trading or services or other activities beneficial to or connected with industrial activities, trading or services for the purpose of exporting products.

The Industrial Estate EPZ Program offers numerous benefits through the Industrial Estate Authority of Thailand, including:

- Relief from special surcharges and import/internal taxes/duties
- Relief from export duty, excise taxes and VAT
- Entitled for export tax refund/exemption schemes
- Zero tax rate

There are currently 9 EPZs in Thailand:

- Bangpoo Industrial Estate (Samut Prakarn)
- Northern Region Industrial Estate (Lamphun)
- Leam Chabang Industrial Estate (Chonburi)
- Bo-Win Industrial Estate (Chonburi)
- Lard Krabang Industrial Estate (Bangkok)
- Baan Wa High-Tech Industrial Estate (Ayudthaya)
- Bangpa-In Industrial Estate (Ayudthaya)
- Plang Yaow Industrial Estate (Gate Way City, Chachoengsao)
- Southern Region Industrial Estate (Chalung, Songkla).

5.2.5 BOI Investment Incentives

Investment privileges have long been one of various measures applied by the Thai Government to attract foreign investment in Thailand and to support the Government goals in decentralizing Thailand's industrial base. One key investment incentive set up by the Board of Investment (BOI), the agency directly responsible for investment promotion, is tax and duty privileges for promoted projects.

In this context, the Thai Customs Department, which is responsible for national revenue collection and promotion of exports, has set up regulations on importation of machinery and raw materials for entrepreneurs granted import tax and duty privileges from the BOI. To facilitate the entrepreneurs, Customs also provides advice on tax and duty privileges.

The BOI's Investment Promotion Scheme assists investors by offering:

- Relief from/reduction of import taxes/duties on both machinery and raw or essential materials
- Deduction of transportation, electricity and water costs
- Deduction of project's infrastructure installation

For answers to specific questions contact the Customs Privilege Bureau at:
 Thai Customs Department Sunthornkosa Road Klong Toey Bangkok, 10110
 Tel: (662) 2402514-6
 Fax: (662) 6728121
 E-Mail: customs@customs.go.th

5.2.6 Comparison of Privileges Available through Customs, IEAT and BOI

Measures	Responsible Organization	Privileges
Duty Drawback under Section 19 bis of The Customs Law	Customs Department	The refund of import duty already paid to importers who imported raw materials which have undergone production, mixing, assembling or packing of exported goods.
Manufacturing Bonded Warehouse Under Section 8 bis (2) of the Customs law	Customs Department	Importers do not have to pay import duties and taxes for imported goods placed under Customs warehousing procedure to be stored and used in the process of producing, mixing or assembling in manufacturing bonded warehouses. Such goods shall be granted import and export duties exemption if released from the bonded warehouse for export.
Free Zone under chapter x bis of the Customs Act	Customs Department	Entrepreneurs in a Free Zone established by Customs shall be granted exemption from payment of import duties and taxes on machinery and new materials used for production of goods in the Zone,
Export Processing Zone (EPZ) Under the Industrial Estate Authority Law	Industrial Estate Authority of Thailand	Entrepreneurs in an Export Processing Zone shall be granted exemption from payment of import duties and taxes on machinery and raw materials used for production of exports.
Duty Exemption Under Investment Promotion Act	Office of the Board of Investment	Exemption of import duties on the raw and essential materials imported for use specifically in producing, mixing or assembling products or commodities for export, including items which the eligible person imports for re-export.

5.3 Smart Cards

Customs Smart Cards are a credit-card-sized plastic card embedded with an integrated circuit chip. They are designed to prove an identity of Customs' clients e.g. importers, exporters, owners of companies, etc. in processing Customs formalities.

Chapter 3 - Industrial Licensing and Regulations

1: The Factory Act

The Factory Act of 1969 (amended in 1972, 1975, 1979, and 1992) stipulates regulations for factory construction and operation, factory expansion, and safety requirements. The latest revision of the Act also imposes strict controls on industrial pollution. The Act is administered by the Department of Industrial Works of the Ministry of Industry.

A factory is defined as any premise that uses machinery equivalent to five horsepower or more, or that employs seven or more workers for manufacturing, producing, assembling, packing, repairing, maintaining, testing, improving, processing, conveying, storing or destroying anything included in the classes or types of factories presently listed in the Ministerial Regulations.

The Act does not apply to factories owned or operated by government agencies for the purpose of national security or safety, except that such factories must use the procedures of the Act as guidelines for their operations.

2: Factory Licenses

Factories are divided into three categories:

- Factories that do not require licensing
- Factories that only require notification to officials in advance of the start of operations. Operators may commence operations as soon as they receive a receipt form from the Ministry stating their report has been received.
- Factories that require licenses from the Department of Industrial Works, Ministry of Industry, prior to operation. Subject to the Ministry's discretion, operators may be granted, prior to the license, a certificate allowing them to build parts of the factory.

The operator or a group three factory must notify the competent authorities at least 15 days before a factory test-run commences, and again 15 days before actual manufacturing begins.

Note: In general, the degree of government control required is dependent on the degree of environmental protection deemed necessary. The more likely a factory, based on its output, is to cause pollution, the more that type of factory is regulated.

The Ministry of Industry has the power to issue regulations for all of the categories regarding:

- Description, category, or type of machinery and equipment to be used in the operation of the factory business
- Location, environment, interior and description of the factory
- Requirements for workers who have specific knowledge to carry out any duties in the factory

- Process of manufacture and provision of equipment to prevent, stop, or alleviate danger, damage or disturbances that may occur to the public or property in the factory or nearby premises
- Standards and procedures for the control or release of waste, pollution or anything else arising from factory operations which may affect the environment
- Provision of necessary data and documents by the factory operators to ensure compliance with the law
- Provision of anything that may affect the safety of work operations.
If there is an inspection of a factory or machinery to ensure compliance with the Act, a private body may carry out the inspection and report in place of government officials, provided the private persons follow the regulations concerning the Act as per the Government Gazette.

Licenses granted are valid until the end of the fifth calendar year from the year in which the business started operations, except when the factory is transferred, leased or subject to hire purchase, or if operations stop. In these cases, the license is regarded as having expired on the date of issuance of a license to the factory's new operators, or on the date of cessation of operations.

Applications for renewal of licenses must be submitted prior to the date of expiration, along with a fee of 100,000 baht. Following submission, renewal is considered to have been extended unless there is a specific order otherwise. If the application is submitted within 60 days of the expiration date, it will be processed normally, but an additional fee of 20,000 baht will be levied. Once the expiry date is reached, an application for a renewal must be made within 60 days.

3: Factory Operations

The Ministry of Industry has the power to designate:

- The size and quantity of the type of factory in each category which should not be established or expanded in any locality in the Kingdom
- The type, quality, source of origin and ratio of raw materials to be used in a factory
- The type or quality of products to be manufactured in a factory
- The type of energy to be used in a factory

The Ministry may also prescribe that a factory's products be used in certain industries or be wholly or partly exported.

If a factory in category 2 or 3 (See Section A above) stops operation for more than one year, the operator must notify the Ministry in writing within seven days of the date the one-year period has lapsed, and must inform the Ministry before restarting operations. If the operator's factory is in category 3, he must receive written permission from the Ministry before restarting operations.

If there is an accident that causes death, injury or sickness that incapacitates a worker beyond a 72-hour period, the operator must inform the Ministry within three days from the date of the death or the lapse of the 72-hour period. If there is an accident

that causes the factory to stop operations for more than seven days, the operator must notify the Ministry within 10 days from the date of the accident.

Factory operators must obtain permission to remove machinery from its original place of installation to another site for temporary operations, or to move a factory to another site. Permission must also be obtained to transfer, rent, offer for hire purchase or sell a licensed factory. In these cases, the prior license is considered to have expired, and a new license must be applied for within seven days, although no fee is required. If the licensee dies, the heir or administrator of the estate must submit an application for the transfer of the license within 90 days of the date of death.

4: Factory Expansion

An application must be filed, and granted, prior to factory expansion. A fee of 100,000 baht is charged. As defined in the Act, the following undertakings constitute factory expansion:

- An increase in the number of machines, or change or modification of machinery to increase its power by 50 percent or more
- The addition to, or alteration of, any part of the factory building which causes any part of the foundation of the factory to bear a load of an additional 500 kilograms or more

When a licensee:

- Increases the quantity of machinery
- Changes or modifies machinery used for production or generation of power, but by less than 50 percent
- Constructs or increases factory space by more than 100 square meters

application must be filed within seven days of the date of the change.

5: Other Provisions

Any factory that is seriously endangering the public may be ordered to cease operations or to make specified improvements. The Minister has the authority to order removal of all or part of the plant to a location where the public will not be threatened. Officers of the Ministry of Industry have broad powers of inspection, and are authorized to issue written orders requiring a factory to cease operations, modify or repair machinery, or to undertake other remedial measures.

Issuance of either a factory establishment license or a factory operator's license does not exempt the licensee from compliance with other central or local government requirements for carrying out a proposed industrial activity. Licenses may be suspended for violations of the Act or for failure to carry out orders issued under the Act by competent officials.

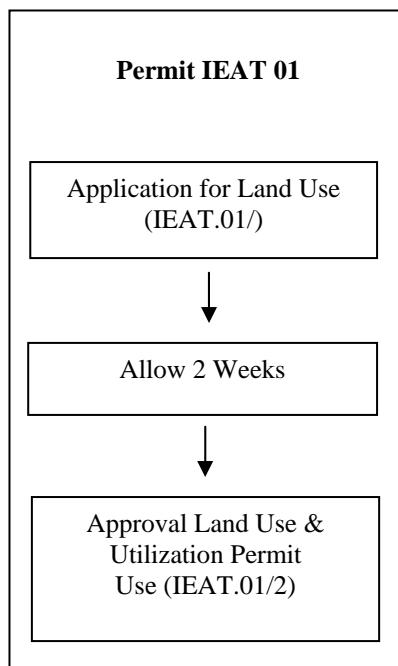
Factories established to produce and sell food and drugs must also apply for production licenses from the Ministry of Health.

Violation of certain provisions of the Act may incur penalties in the nature of a fine or imprisonment not exceeding four years. A Case Settlement Committee of three experts is appointed by the Ministry to carry out penalties for violations of the Act. If the offender is a partnership, company or other juristic entity, the directors, managers or other persons responsible for committing the offense are subject to the same punishment unless it can be proved that the offense was committed without their knowledge or consent.

Procedures and Timetable for Factory Permits/Licenses

STEP 1

Authorization to use land



Related authorities/comments

- Applicant/User
 - Industrial Estate Authority of Thailand (IEAT)
- OR

- Ministry of Industry (MOI) › Provincial Office
- (3) copies of application submitted
- 10,000 Thai baht permit fee (excluding VAT)

Supporting documentation required

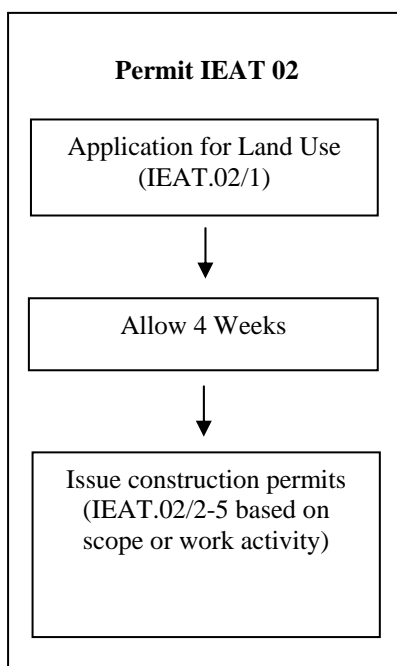
- If natural person; Copy of house registration, ID card of the operator/landowner
- Layout of the land plot according to the master plan
- Copy of land title or right to utilize the land (Ref IEAT !5Sor1)

If juristic person;

- Copy of company registration (dated not over 6 months)
- Shareholder list (dated not over 6 months)
- Copy of land title or document indication right to use the land
- Copy of passport or authorized person, or ID card and house registration if local
- All the above with company seal, signatures and/or authorized documents

STEP 2

Authorization for new factory construction or rental factory renovations



Related authorities/comments

- Applicant/User
 - Industrial Estate Authority of Thailand (IEAT)
- OR

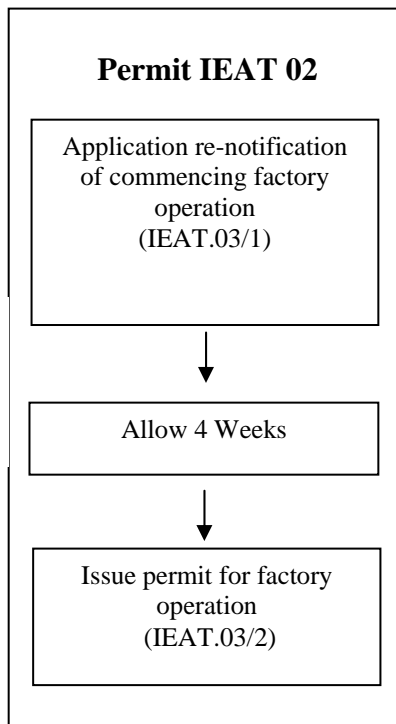
- Ministry of Industry (MOI) › Provincial Office
- (3) copies of application submitted
- Permit fees will be set according to land and buildings size

Supporting documentation required

- (3) A1 size copies of plant layout (in correct scale ratio) and (2) in A3 size
- Copy of company registration (aged not over 6 months)
- Shareholder list (aged not over 6 months)
- Copy of land title or document indicating right to use the land
- Copy of passport or authorized person, or ID card and house registration if local
- All the above with company seal, signatures and/or authorized documents

STEP 3

Authorization to begin factory operations



Related authorities/comments

- Applicant/User
- Industrial Estate Authority of Thailand (IEAT)
- OR
- Ministry of Industry (MOI) > Provincial Office
- (3) copies of application submitted
- Permit fees will be set according to land and buildings size
- **Supporting documentation required**
- (3) Copies of machine list with rated horsepower (obtain form)
- (3) Copies of factory layout (to correct ratio scale)
- Including machinery and equipment placement

NOTES

1. If the project within an "Export Processing Zone, Customs Free Zone", then ask the zone operator for additional customs forms.
2. If the project is food or pharmaceutical related, inquire at the Thai Food and Drug Administration regarding related additional forms. required

Source: Source Thai Co.Ltd.

Chapter 4 - Patents, Trademarks, Consumer Protection

Thailand recognizes three broad categories of property rights:

1: Patents 2: Copyrights 3: Trademarks

1: Patents

Thailand promulgated its first patent law, the Patent Act, in 1979, with significant amendments added in 1992. The Act protects both inventions and product designs and pharmaceuticals. Thailand has numerous bilateral agreements enabling citizens of other countries to file patent applications in Thailand. However, Thailand is not a signatory to the Paris Convention for the Protection of Industrial Property nor a signatory of any other international convention for reciprocal protection of patents.

In December 1997 a new intellectual property and international trade court began operations, which has significantly improved enforcement. Appeals procedures at the trademark and patent offices have also been streamlined.

1.1 Invention Patents

For an invention to be patentable, it must

- Have novelty
- Involve an inventive step
- Be capable of being made or used for some kind of production activity

Therefore, the following would not qualify for patents:

- An invention widely known or used by others in Thailand before the filing of the patent application
- An invention, the subject matter of which was described in a document or printed publication, displayed or otherwise disclosed to the public, in any manner, whether inside or outside Thailand, and whenever the disclosure is by document, printed matter, exhibition or public disclosure by any means whatsoever *
- An invention that has been granted a patent inside or outside Thailand prior to the date of the patent application
- An invention that is the subject of an abandoned application in Thailand. This provision does not affect the rights of co-inventors and others who did not apply for such patent shall not be affected
- An invention for which an application for a patent was filed in a foreign country more than 12 months prior to the date of the patent application, the foreign patent not having been issued

The revised Patents Act provides that the following are not patentable:

- Microbes and any components thereof which exist naturally; animal, plant and extracted substances from animals or plants
- Scientific or mathematical rules or theories
- Computer programs
- Methods of diagnoses, treatment and care of human and animal diseases
- Inventions that are contrary to public order or morality, public health or welfare

1.2 Patentable Product Designs

A product design must be novel in order to be patented: i.e., it must not fall under any of the following conditions:

- A design widely known or used in Thailand before the filing of the patent application

- A design picture, the subject matter or details of which have been displayed or disclosed in a document or printed publication inside or outside of Thailand before the filing of the application
- A design that has been published in the patent journal under Section 65 and 28 before the filing of the patent application
- A design that so nearly resembles any of the product designs indicated in the points described above that it is apparently an imitation

1.3 Product Designs Which

Are Not Patentable

- Product designs which are contrary to public order and good morals
- Product designs prescribed by Royal Decree

1.4. Eligibility

An inventor or product designer has the right to apply for a patent, as does a successor or assignee of the right. An assignment must be made in writing, signed by both the assignor and the assignee.

If, during the course of employment, an employee or contractor creates an invention or product design, the right to apply for a patent belongs to the employer unless otherwise provided by agreement.

The Patent Act requires that an applicant for a patent must be a Thai national or a national of a country which allows persons of Thai nationality to apply for patents in that country.

The patent holder or applicant is entitled to the following rights:

- A patent for an invention is valid for a period of 20 years from the date of filing the application; a patent for a product design is valid for a period of 10 years from the date of filing the application. The time during which court proceedings regarding the issuance of the patent are in process may be excluded
- During the period of the validity of the patent, the patent holder has the exclusive right to produce, use, sell, have for sale, offer for sale and import the patented invention or design. Any act performed before the patent is granted, that would otherwise constitute an infringement of the patent, is not deemed an infringement
- A patent holder has an exclusive right to use the words “Thai Patent”, or an abbreviation or translation thereof
- A patent holder may assign the patent to another holder
- A patent holder may grant a license to another person, subject to restrictions:
 - The patentee shall not impose upon the licensee any condition or restriction or any royalty covenant which is an unfair restraint of competition. Conditions, restrictions or covenants that unfairly restrain competition shall be prescribed by a Ministerial Regulation
 - A patent holder may not require a licensee to pay a royalty or royalties after the validity of the patent has expired
 - Conditions, restrictions, or royalties which are contrary to the above two points are null and void
- Any assignment or license must be in writing and officially registered

** Disclosure of the essentials or specifications due to or in consequence of an unlawful act, or disclosure of essentials or specifications by the inventor, including display of the inventor’s work at an international exhibition or an official public exhibition provided such disclosure occurred within the period of 12 months prior to the date of filing the patent application shall not be deemed to be disclosure under subsection 2.*

1.5 Compulsory Licenses

To discourage monopolies and the acquisition of patents simply to prevent other persons from manufacturing or producing the patented inventions or product designs, Section 46 of the Patent Act provides that:

- At any time after the expiration of three years from the grant of a patent or four years from the date of filing an application for a patent, any person may apply to the Director-General for a compulsory license if, at the time of the application, it appears that:
 - For no legitimate reason, there is no production of the patented product nor application of the patented process in the country
 - For no legitimate reason, there is no sale of the product produced under the patented process or there are sales of the same at unreasonably high prices or in quantity insufficient to domestic public demand

1.6 Cancellation of Patents

A patent may be canceled under the following conditions:

- Although a patent has been granted, any person who has an interest in the patent or the public prosecutor may challenge its validity by petitioning the Court for cancellation
- The Director-General may ask the Board of Patents to cancel a patent in the following cases:
 - If it appears that two years after the issue of a license under Section 50, the licensing has been unable to prevent or alleviate the condition for which a license was issued under Section 46 or 46 bis; or
 - The patentee has licensed another person to exercise the patent rights in violation of Section 41

Before requesting the Board to cancel a patent, the Director-General shall order an inquiry and notify the patentee and licensees to submit their briefs within 60 days from the date of receipt of notification. The Director-General may summon any person to make statement or deliver any additional documents or items.

1.7 Foreign Patents

A foreign patent that has not been granted a separate patent in Thailand receives no protection under the Patent Act. However, foreign patent holders or owners of rights to inventions or designs in foreign countries may enter into business transactions with parties in Thailand and seek equivalent protection through contractual obligations in the form of a licensing agreement.

Since foreign patents, inventions and designs receive no protection under the Patent Act, no civil or criminal action can be taken against a third party who produces products or sells a patented product in Thailand without paying fees to the holder of the foreign patent or who applies in Thailand for a patent on an invention or design already patented in other countries. Nevertheless, legal solutions to such conflicts may be available under separate legislation.

2: Copyrights ©

The Copyright Act of 1994 protects literary, artistic works and performance rights by making it unlawful to reproduce or publish such works without the owner's permission.

2.1 Works Subject to Copyright

The Copyright Act protects works in the categories of literary work, including computer programs; dramatic, artistic and musical work; audiovisual material, cinematic film, recorded material; disseminated pictures or disseminated sound; or any other works in the fields of literature, science or fine arts.

The Copyright Act protects computer software against reproduction or adaptation, publicity and rental of such software. Algorithms are not, however, protected.

The “copyright” as defined by the Act means “the exclusive right to take any action concerning the work created or made by the creator”. The Act also defines the word “creator” as meaning the person who does the work or creates the work, as defined by the Copyright Act.

A copyright belongs to the creator of a work, subject to the following conditions:

- In the case of unpublished work, the creator must be of Thai nationality or reside in Thailand or be a national of or reside in a country which is a member of the Convention on the Protection of Copyright, of which Thailand is a member, provided that the residence at all times or most of the time is spent on the creation of the work
- In the case of published work, the first publication must be made in Thailand or in a country that is a member of the Convention on the Protection of Copyright. In the case where the first publication was made outside Thailand or in a country which is not a member of the Convention, the work created must have been published in Thailand or in a country which is a member of the Convention within 30 days from the first publication, or the creator must have the qualification as prescribed above at the time of the first publication.

In cases where the creator is required to be a person of Thai nationality, and the creator is a juristic person, such juristic person must be established under the Civil and Commercial Code of Thailand.

2.2 Copyright Infringement ©

The Copyright Act includes a comprehensive list of the types of infringement covered by law:

Infringement by reproduction. The Act defines the word “reproduction” as follows: “Reproduction includes copying by whatever means, imitating, duplicating, making printing blocks for, recording the sound of, taking pictures of, or recording the sound and taking pictures in substantial parts of the originals, from copies or from the publication, regardless of whether made in whole or in part.”

Infringement by adaptation. Adaptation, as defined by the Act, means reproduction by conversion. This involves substantial modification or emulation of the original work without creating a new character.

- With regard to a literary work, it shall include a translation, a transformation or a collection by means of selection and arrangement
- With regard to a computer program, it shall include a reproduction by means of transformation, modification of the program for the substantial part without the appearance of creating a new work
- With regard to dramatic work it shall include the transformation of a non-dramatic work into a dramatic work or dramatic work to a non-dramatic work, whether in the original language or in another language
- With regard to artistic work, it shall include the transformation of a two-dimensional work or a three-dimensional work into a three-dimensional work or a two-dimensional work respectively, or the making of a model from the original work
- With regard to musical work, it shall include an arrangement of tunes or an alteration of lyrics and rhythm

Infringement by publicizing without permission. It is an infringement of copyright to publicize a work without the consent of the copyright owner. "Publicize" means "present to the public by showing, lecturing, praying, playing, presenting with by sound and/or picture, constructing, distributing, selling, or by other means, the works done or created." The word "public" refers to the person or persons who are present, and not to the place where the performance occurs. A performance will not be regarded as being carried on in public if it is restricted to family and friends of the performer or whoever is responsible for the performance

Infringement by producing audiovisual material, cinematic film, recorded material or dissemination of sound or picture or by rebroadcasting of sounds and visual images, wholly or in part, or arranging for dissemination of sound or picture in public with commercial purposes

2.3 Exceptions

Under the Act, any act that might ordinarily be deemed copyright infringement may not be so deemed if done for the following purposes:

- Research or education, without any commercial purposes
- For one's own benefit or for the benefit of a member of one's own family, or close relatives
- Comment, criticism or recommendation of the work, with recognition of the copyright ownership of such work
- Presenting news or otherwise reporting through the mass media, with recognition of the copyright ownership of the work
- Reproduction, adaptation, performance or presentation for a court hearing or consideration by competent and authorized officers or for reporting on the outcome of such hearing or consideration
- Copying, duplicating or adapting parts of the work, or making extracts or summaries, by teachers or by educational institutions for the purpose of distributing or selling to students in school classes or in educational institutions, provided that such activities are not for commercial purposes
- Using the work as parts of questions and answers in examinations

In addition, citing, copying or imitating certain parts of the copyrighted works under the Act, with recognition of the copyright ownership of the work, shall not be deemed to be copyright infringement.

The Act also entitles librarians to reproduce works copyrighted under the Act, provided that complete reproduction is not done for commercial purposes.

2.4 Works Not Subject to Copyright under the Copyright Act

The Act specifically provides that the following are not deemed eligible for copyright protection:

- Daily news and facts that are, by nature, merely news items
- The Constitution and laws
- Announcements, orders and regulations of ministries, bureaus, departments or any other agency of the state or local jurisdiction
- Court judgments, orders, rulings and official reports
- Translations and collections of those items specified as above which are prepared by government agencies or local administrations

2.5 International Copyrights ©

The Copyright Act of 1994 protects copyright works of a creator and the rights of a performer of a country party to conventions on copyright protection or conventions on performance

rights protection to which Thailand is a party, or for works copyrighted under international organizations of which Thailand is a member.

2.6 Licensing and Assignment of Copyrights

The 1994 Act provides that a copyright owner is entitled to grant licenses to another person to use or exercise rights with respect to his copyrighted work. The Act requires that an assignment of copyright by means other than inheritance must be made in writing and signed by the copyright owner and the assignee. In the event the assignment is made without specifying the assignment period, the assignment shall be valid for 10 years.

In the event of an assignment of a copyright, the creator of the copyrighted work retains the right to forbid the assignee to distort, delete from, adapt, or act otherwise in any manner against the work if such act would cause damage or injury to the reputation or prestige of the creator.

2.7 Copyright Protection Period

A copyright in literature, drama, artistry or music is valid throughout the lifetime of the creator, and for an additional 50 years thereafter. In the event the creator is a juristic person, the copyright will be valid for a period of 50 years following the creation of the work. The copyright for applied artistic work is valid for a period of 25 years following the creation of the work.

2.8 Penal Provisions

Persons who commit copyright infringement by means of reproduction without permission from the copyright owner may be fined 20,000 to 200,000 baht. If the copyright infringement was committed for business purposes, the offender may face punishment of imprisonment for a term from six months to four years, or a fine from 100,000 to 400,000 baht, or both.

3: Trademarks TM

The Trademark Act of Thailand of 1991 governs registration of and provides protection for trademarks. The Act defines a trademark as a symbol used in connection with goods for the purpose of indicating that they are the goods of the owner of the trademark. The trademark must be “distinctive” and not identical or similar to those registered by others, and must not be prohibited by section 8 of the Trademark Act of 1991.

3.1 Registration Procedure

A trademark application must be completed by the proprietor or his agent, in Thai, and filed with the Trademark Office on official forms. The proprietor or his agent must have a place of business or address in Thailand at which he can be contacted by the Trademark Office.

If the Trademark Office deems the trademark registrable, and provided that no opposition to the trademark arises within 90 days of its publication in the official journal, the Trademark Registrar will grant a trademark registration.

3.2 Trademark Registration Period

Trademark registration is effective for a period of 10 years. Owners of trademarks must file an application for renewal at least 90 days prior to the expiration of their current trademark registration. A renewed trademark will be effective for an additional 10 years.

A trademark may be registered even if it is not being actively used. However, failure to utilize the trademark entitles third parties to challenge the rights of the trademark owner.

3.3. Penal Provisions for Trademark Infringement

The owner of a registered trademark has the exclusive right to use the trademark, and may initiate legal action against violators. It is a criminal offense to represent a trademark as registered when it has not been legally registered, or to sell, possess for sale, or bring into the Kingdom objects under such a pretense. This offense is punishable by imprisonment of up to one year or a fine of up to 20,000 baht, or both. Presenting false evidence while registering a trademark is liable to a term of imprisonment not exceeding six months or a fine not exceeding 10,000 baht, or both.

Anyone who forges another person's trademark, registered in the Kingdom, or who sells, possesses for sale, or brings into the Kingdom objects with a forged trademark, shall be punishable by imprisonment not exceeding four years or a fine not exceeding 400,000 baht, or both.

Anyone who imitates another person's registered trademark in order to mislead the public into believing the imitation mark is that of the registered owner, or who sells, possesses for sale, or brings into the Kingdom objects with an imitated trademark, will be punishable by imprisonment not exceeding two years or a fine not exceeding 200,000 baht, or both. Whoever repeats these offenses within a five-year period is liable to double punishment.

3.4 The Board of Trademark Committee

In 1991, the Board of Trademarks was established to have the power and duties specified hereunder:

- To decide an appeal, order, or decisions of the Registrar under Trademark Act
- To order a withdrawal of the registration of a Trademark, service mark or certification mark
- To give advice to the Minister in the issuance of the Ministerial Regulations on Notifications
- To consider other matters assigned by the Minister

3.5 Service Marks, Certification Marks and Collective Marks

As of February 1992, these variations on trademarks are covered under all the provisions the Act and, hence, receive the same protection as trademarks under the law. In the case of service marks, all the words "goods" mentioned in the Act's provisions shall mean "services".

Certification Marks

Applicants for certification marks must forward a copy of the regulations concerning the use of the certification mark together with the application for registration and demonstrate that they are well qualified to certify the merits of the goods or services.

The owner of a registered certification mark shall not use it for his own goods or services and shall not license any third person to grant certifications to use the mark, although they may license a third person to use the certification mark themselves. If they violate this rule, they are subject to a fine not exceeding 20,000 baht.

The regulations concerning the use of the certification marks must:

- Specify the origin, composition, manufacturing process, quality and other characteristics of the goods and services to be certified
- Include the rules, procedures and conditions in the granting of a license to use the certification mark

Chapter 5 - Legal Issues for Foreign Investors

1. Foreign Business Act of 1999 and Activities Restricted to Thai Nationals

Thai law regulates the activities in which companies designated as “foreign” may engage in. While some activities are completely prohibited, some may be engaged in with prior approval from a designated government agency, and some do not require any special approval at all.

1.1 Definition of a Foreign Company

According to Thai law, a company is foreign if it is registered under the laws of:

- Another country (including all branches, representative offices, and regional offices of overseas companies operating in Thailand)
- Thailand, and 50 percent or more of its shares are held by non-Thais (individuals or business entities)

The Foreign Business Act of 1999 has identified three lists of activities in which foreign participation may be prohibited or restricted.

Activities stated in List 1 are designated as “businesses not permitted for foreigners to operate due to special reasons”. Foreign companies are completely restricted from engaging in the activities contained in List 1.

Activities stated in List 2 are designated as “businesses related to national safety or security, or affecting arts and culture, traditional and folk handicraft, or natural resources and environment”. Foreign companies may only engage in the activities stated in List 2 with prior Cabinet approval.

Activities stated in List 3 are designated as “businesses [in] which Thai nationals are not yet ready to compete with foreigners”. To engage in activities stated in List 3, the foreign company must apply for and obtain a Foreign Business License prior to commencing the activity.

There are two common exceptions to the above stated rules:

- If the foreign company obtains an exemption from the above stated rule from the Board of Investment or the Industrial Estates Authority of Thailand
- If the foreign company is a US company which qualifies for Treaty of Amity protection

1.2. Restricted Business Activities Under the Foreign Business Act of 2000

List 1 – Businesses that foreigners are not permitted to engage in for special reasons:

- Newspaper business, radio broadcasting station or radio/television business
- Farming, cultivation or horticulture
- Animal husbandry
- Forestry and timber conversion from natural forests
- Fisheries, especially fishing in Thai territorial waters and in specific economic areas of Thailand
- Extracting Thai herbs
- Trade and auction sale of Thai antiques or objects of historical value
- Making or casting Buddha images and alms bowls
- Trading in land

List 2 – Businesses concerning national security or safety that could have an adverse effect on art and culture, customs, or native manufacture/handicrafts, or with an impact on natural resources and the environment:

Group 1 – Businesses concerning national security or safety

- Manufacturing, distribution, repair or maintenance of:
- Firearms, ammunition, gunpowder, and explosive materials
- Components of firearms, ammunition, and explosive materials
- Armaments, ships, aircraft, or vehicles
- Equipment, or parts of any type of military equipment
- Domestic land transport, water transport, and air transport; including domestic aviation.

Group 2 – Businesses that could have an adverse effect on arts and culture, customs, and native manufacturing/handicrafts

- Trading of antiques or artifacts that are Thai works of art or Thai handicrafts
- Wood carving
- Silkworm rearing, manufacture of Thai silk, Thai silk weaving, or Thai silk printing
- Manufacturing of Thai musical instruments
- Manufacturing of gold-ware, silverware, nielloware, bronzeware, or lacquerware
- Making bowls or earthenware which are of Thai art and culture

Group 3 – Businesses concerning natural resources and the environment

- Manufacturing of sugar from cane
- Salt farming, including rock salt farming
- Mining of rock salt
- Mining, including stone quarrying or crushing
- Timber processing for making furniture and utilities

List 3 – Businesses in which Thais are not ready to compete in undertakings with foreigners:

- Rice milling and flour production from rice and plants
- Fisheries, specifically breeding of aquatic creatures
- Forestry from re-planting
- Production of plywood, veneer, chipboard or hardboard
- Production of lime
- Accountancy
- Legal services
- Architecture
- Engineering
- Construction, except:
- Construction of infrastructure in public utilities or communications requiring tools, technology or special expertise in such construction, except where the minimum foreign capital is 500 million baht
- Other construction, as prescribed in regulations
- Agency or brokerage, except:
- Brokerage or agency of securities or service related to agricultural commodities futures or financial instruments or securities
- Brokerage or agency for the purchase/sale or procurement of goods or services necessary to production or providing services to affiliated enterprises
- Brokerage or agency for the purchase or sale, distribution or procurement of markets, both domestic and overseas for the distribution of products made in Thailand, or imported from overseas in the category of international business, with minimum foreign capital of not less than 100 million baht
- Other brokerage or agency activities, as stipulated in regulations.

- Auctioneering, except
- Auctioneering by international bidding, not being auctions of antiques, ancient objects or artifacts that are Thai works of art, Thai handicrafts or antique objects, or with Thai historical value
- Other types of auctioneering, as stipulated in regulations
- Domestic trade in local agricultural products not prohibited by law
- Retailing, unless not less than 100 million baht capital is invested, or having minimum capital for each shop of not less than 20 million baht
- Wholesaling, unless the capital is not less than 100 million baht
- Advertising
- Hotel operation, excluding hotel management
- Tourism
- Sale of food and beverages
- Planting and culture of plants
- Other services, except those exempted under ministerial regulations

“Other service businesses” stated in List 3 effectively serves as a “catch-all” service category. If the foreign company is to provide a service, not otherwise contained in List 3, the company must still apply for and obtain a Foreign Business License prior to commencing operation. This category includes the business activity of leasing both fixed and non-fixed assets. Also, the activities in which representative offices and regional offices are allowed to engage in are all services that fall under this category.

Also, note that special rules apply if the foreign company plans to engage in the activities of “retail sale of goods” or “wholesale sale of goods”. Both of these activities are contained in List 3; therefore, in order for a foreign company to engage in either of these activities the company must first apply for and obtain a Foreign Business License.

Thai law, however, grants narrow exceptions to the Foreign Business License requirement for those foreign companies seeking to engage in retail selling and/or wholesale selling.

For a foreign company to engage in the activity of retail selling, the exception is that if the company has a registered capital of 100 million baht (fully paid up) or more or capital for each retail store of 20 million baht or more, the company is exempt from the Foreign Business License requirement.

For a foreign company to engage in wholesale selling, the exception is that if the company has 100 million baht capital or more for each of its wholesale stores, the company is exempt from the Foreign Business License requirement.

1.2.1 Foreign Business License Application

As stated above, foreign companies seeking to engage in List 3 activities are required to apply for and obtain a Foreign Business License prior to commencing operations.

The Foreign Business Act sets forth the process by which the Foreign Business Committee (“Committee”) reviews the application. It states that the Committee is required to rule on the application within 60 days of submission. However, practically speaking, the application process has two distinct steps. The first is the process by which the presiding official at the Ministry of Commerce (MOC) accepts the application for review by the Committee, and the second is the Committee’s actual review of the application.

Acceptance by the MOC Official

An application for a Foreign Business License is submitted to the MOC together with all required documents and information. The presiding MOC official charged with accepting the application normally will not do so until he is satisfied that all documents are in order. Sometimes the official will perform the preliminary inspection upon presentation, but usually he will require the person submitting the application to leave it for later inspection. The time frame for the official's review of the application is not specified by statute.

In order to avoid these delays, make sure that the person designated to submit the application is familiar with the intended operations of the company to respond on the spot to the official's questions regarding the application. Also, when the official requests additional documents and/or information, make sure that the designated person supplies those documents in a timely fashion.

Review by the Board

Once the official accepts the application and issues a receipt, the 60-day consideration period begins. Factors considered by the Committee when reviewing applications are:

- The advantages and disadvantages to the nation's safety and security
- Economic and social development
- Public order, good morals, art, culture and traditions of the country
- Natural resources, conservation, energy and environment, consumer protection, size of the enterprises, employment
- Technology transfer and research and development

Technology transfer and research and development (R&D) are probably the most important. In 2004, the Ministry issued a document advising foreign investors on how they should describe technology transfer in the license application. Technology here is not just limited to R&D and use of sophisticated equipment, but also specifically includes "administration, management and marketing". Also, any planned programs the company has with Thai universities are taken under consideration by the committee.

In the event the Foreign Business License application is rejected, the law requires that the MOC inform the applicant within 15 days of the decision. The notification of rejection must be in writing and expressly state the reasons why the application was rejected.

If the application is rejected, the applicant has the right to appeal the decision. The appeal must be submitted within thirty days of the date on which the applicant received the rejection notice. The Minister of Commerce is required to rule on the appeal within thirty days of receipt.

In January 2007, the Cabinet approved in principle amendments to the Foreign Business Act. For the latest information about the proposed amendments, please go to the Ministry of Commerce website at http://www.dbd.go.th/index_en3.phtml

2: Work Permits

The Alien Occupation Law, adopted in 1973, requires all aliens working in Thailand to obtain a work permit prior to starting work in the Kingdom. An updated version of the Act, adopted in 1978, describes the procedures for issuance and maintenance of work permits and lists certain occupations from which foreigners may be excluded.

2.1. Exemptions

The Act grants exemptions from the work permit requirement to persons occupying the following professions:

- Members of the diplomatic corps
- Members of consular missions
- Representatives of member countries and officials of the United Nations and its specialized agencies
- Personal servants coming from abroad to work exclusively for persons listed under the above items
- Persons who perform duties on missions in the Kingdom under an agreement between the government of Thailand and a foreign government or international organization
- Persons who enter the Kingdom for the performance of any duty or mission for the benefit of education, culture, arts, or sports
- Persons who are specially permitted by the Thai Government to enter and perform any duty or mission in the Kingdom.

2.2 Special Cases

While most foreigners must apply for a work permit, and may not begin work until the permit is issued, the Alien Employment Act does provide special treatment in the following circumstances:

Urgent and Essential Work

Exemption from work permit requirements is granted to foreigners who enter the Kingdom temporarily, but in accordance with the immigration law, to perform any work of any “urgent and essential nature” for a period not exceeding 15 days. However, such aliens may engage in work only after a written notification on a prescribed form, signed by the foreigner and endorsed by his employer, has been submitted to and accepted by the Director-General or his designee.

Foreigners entitled to this treatment may enter Thailand with any kind of visa, including a transit visa. The term “urgent and essential work” is not explicitly defined and consequently, the issuance of this sort of exemption is a matter of administrative discretion.

Investment Promotion

An alien seeking permission to work in the Kingdom under the Investment Promotion Law must submit an application for a work permit within 30 days of notification by the BOI that the position has been approved. An alien in this category may engage in authorized work while the application is being processed.

2.3 Procedures

The Act requires that any alien working in Thailand must obtain a work permit before beginning work. Section 8 of the Act stipulates that while a prospective employer may file an application on the alien’s behalf in advance of his commencing work, the actual work permit will not be issued until the alien has entered Thailand in accordance with the immigration laws and has presented him or herself to receive the work permit.

The permit initially will be valid only for the period the alien’s Non-Immigrant visa gives permission to remain in Thailand under the immigration law. The work permit will be subject to renewal in accordance with the renewed or extended visa. For aliens who are holders of a Thai Certificate of Residence, the work permit can be renewed annually. The Labor Department, subject to subsequent renewal, will in principle grant an initial duration of one year for the work permit. A work permit must be renewed before its expiry date or it will lapse.

Applicants for work permits may not enter the Kingdom as tourists or transients.

2.4 Required Documentation

The following documents must be attached to a work permit application:

- For non-permanent residents: A valid passport containing a Non-Immigrant visa (except for WP 3 applications)
- For permanent residents: A valid passport, residence permit and foreigner book (except for WP 3 applications)
- Evidence of applicant's educational qualifications and letter(s) of recommendation from the former employer, describing in detail the applicant's past position, duties, performance and place and length of employment. If the documents are in a language other than English, a Thai translation certified as correct by a Thai Embassy (if abroad) or Ministry of Foreign Affairs (if in Thailand) must be attached
- A recent medical certificate from a first-class licensed physician in Thailand stating that the applicant is not of unsound mind and not suffering from leprosy, acute tuberculosis, elephantiasis, narcotic addiction or habitual alcoholism (except for WP 7 applications).
- Three 5x6 cm. full-faced, bareheaded, black and white or color photographs, taken no more than six months prior to the filing of the application
- If the application is to be filed by another person, a valid power of attorney in the prescribed form must be attached with a 10 baht duty stamp
- On the application form, the "job description" entry must be completed with a detailed statement as to what job is expected to be performed, how it is related to other people, and what materials will be used in the work (additional paper to be used if necessary)
- If the job applied for is subject to a license under a particular law, in addition to the Alien Occupation Law, a photocopy of such license, (e.g. teacher's license, physician's license, press card from the Public Relations Department, certificate of missionary status from the Office of Religious Affairs, etc.) shall be attached
- If the applicant is married to a Thai national, the original and photocopies of the following must be presented:
 - Marriage certificate, spouse's identity card, birth certificates of children, household registration, and photocopy of every page of applicant's passport
- If the job being applied for is not in Bangkok, the application should be filed at the relevant province's Department of Employment, or in the absence of such an office, at the province's city hall
- Additional evidence as requested. It may be necessary to translate any or all documents into Thai

2.5 Permitted Activities

Thai law prohibits employers from allowing foreigners to perform any function other than that described in the foreigner's work permit. Employers must report changes in employment, transfers and termination of all foreigners in their organization within 15 days of any such action. In cases of dismissal, foreigners must return their work permit to labor authorities in Bangkok at the Alien Occupation division or, if they are in a provincial area, to the province's Department of Employment. Failure to do so will result in a fine of up to 1,000 baht.

Any foreigner engaging in work without a work permit, or in violation of the conditions of his work as stipulated in his permit, may be punished by a term of imprisonment not exceeding three months or a fine of up to 5,000 baht, or both. Foreigners engaged in work prohibited to them by Royal Decree (see below) shall be liable to imprisonment for a term not exceeding five years or to a fine ranging from 2,000 to 100,000 baht, or both. An employer who permits a foreigner to work in his organization without a work permit or to act in violation of the

nature of the work specified in the permit may be punished with imprisonment not exceeding three years or fined up to 60,000 baht or both.

Permit holders must obtain prior permission to change their occupation and/or place of work. Change of employer location or the residential address of the permit holder must be properly endorsed in the work permit by the labor authorities. The Alien Employment Act does not prevent an foreigner from engaging in work in more than one field or for more than one employer.

2.6 Restricted Occupations

A Royal Decree in 1973 listed 39 occupations and professions that were then prohibited to foreigners. This list has been amended on several occasions by subsequent Royal Decrees, the latest one in 1979.

- Labor
- Work in agriculture, animal breeding, forestry, fishery or general farm supervision
- Masonry, carpentry, or other construction work
- Wood carving
- Driving motor vehicles or non-motorized carriers, except for piloting international aircraft
- Shop attendant
- Auctioneering
- Supervising, auditing or giving services in accounting, except occasional international auditing
- Gem cutting and polishing
- Hair cutting, hair dressing and beautician work
- Hand weaving
- Mat weaving or making of wares from reed, rattan, kenaf, straw or bamboo pulp
- Manufacture of manual fibrous paper
- Manufacture of lacquerware
- Thai musical instrument production
- Manufacture of nielloware
- Goldsmith, silversmith and other precious metal work
- Manufacture of bronzeware
- Thai doll making
- Manufacture of mattresses and padded blankets
- Alms bowl making
- Manual silk product making
- Buddha image making
- Manufacture of knives
- Paper and cloth umbrella fabrication
- Shoemaking
- Hat making
- Brokerage or agency work, except in international business
- Dressmaking
- Pottery or ceramics
- Manual cigarette rolling
- Legal or litigation service
- Clerical or secretarial work
- Manual silk reeling and weaving
- Thai character type-setting
- Hawking business
- Tourist guide or tour organizing agency
- Architectural work
- Civil engineering work

3: Visas and Immigration Law

All persons, other than those in transit and citizens of certain countries, are required to obtain a visa in order to enter Thailand. Foreign nationals who intend to remain in Thailand to work or conduct business must comply with visa requirements in addition to obtaining a work permit.

3.1 Visa Categories

The Immigration Act of 1979 as amended in 1980 establishes the following visa categories:

- Tourist
- Visitor transit
- Immigrant
- Non-quota immigrant
- Non-immigrant

Note: Transit, visitor transit and tourist visa holders are not authorized to work in Thailand.

Tourist: Tourist visas are initially valid for 60 days and are renewable at the discretion of the Immigration Department. Renewals are normally granted for periods up to 30 days at a time.

Visitor Transit: Foreigners who have obtained a transit visa from a Thai Embassy or consulate will be granted a 30-day stay in the Kingdom. Extensions of stay are normally granted for periods of 7-10 days.

In addition, nationals of 40 countries and 1 special administrative region – Hong Kong SAR – will be able to enter Thailand without a visa and may remain for 30 days per visit. Foreigners who enter the Kingdom under the Tourist Visa Exemption category may re-enter and stay in Thailand for a cumulative duration of stay of not exceeding 90 days within any 6-month period from the date of first entry. A list of the 40 countries can be found at <http://www.mfa.go.th/web/2482.php?id=2490>

Non-quota immigrant: This category includes former residents who have lost their resident status but who have reapplied to resume their residency and who have been able to demonstrate a convincing reason to support the granting of this type of visa.

Non-Immigrant Visa

Foreigners seeking a prolonged stay, or those coming to work in Thailand, should obtain non-immigrant visas for all family members prior to entering the Kingdom. There are several categories of Non-Immigrant visas which include, among others, business visa category (B); dependent visa category (O); investment subject to the provision of the laws on investment promotion (BOI IB); diplomatic and consular visa category (D); performance of duties with the mass media (M); performance of skilled or expert work (EX); investment (with concurrence of ministries and departments concerned)-(capital investment IM); study or observation (ED).

Advantages of a Non-Immigrant visa include:

- Entitlement of the holder to apply for a multiple re-entry visa to Thailand from the Immigration Division in Bangkok
- Subject to the regulations of the Immigration Authorities, entitlement of the holder to apply for permanent residence in Thailand
- Eligibility for issuance of a work permit to the holder
- Eligibility for temporary visa renewal while processing issuance of a long-term annual visa.

Foreigners are advised to strictly adhere to the rules governing each visa category. They should report any changes of address or status to local police within 24 hours.

In addition, foreigners residing in Thailand for more than 90 consecutive days are required to register their address with the Immigration Bureau every 90 days. This requirement applies to all foreigners, including holders of work permits and long-term visas. Failure to do so can result in substantial penalties.

Transit, Visitor Transit, Tourist and Non-Immigrant Visas are issued only for the following purposes and duration:

- Diplomats or consular missions (duration as necessary)
- Official missions (duration as necessary)
- Tourism (90 days)
- Sports (30 days)
- Business purposes (one year)
- An investment which has received authorization from the appropriate government authorities (two years)
- Investment or other business in connection with investment under the Investment Promotion Act (as determined by the BOI)
- Transit (30 days)
- The controller or crew of a conveyance entering a port or other locality in the Kingdom (30 days)
- Work as a skilled laborer or specialist (one year).

In response to feedback from investors, the BOI coordinated the establishment of a One-Stop Service Center for Visas and Work Permits. Through joint cooperation with the Immigration Bureau and the Ministry of Labor, the center can process applications or renewals of visas and work permits within three hours, upon receipt of proper and complete documentation.

In addition, the center handles other transactions, including the issuance of multiple reentry stamps, changes in class of visa (to non-immigrant from tourist or transit), and payment of fines.

The One-Stop Service Center is located at Rasa Tower 2, 555 Phaholyothin Road, 16th Floor, Bangkok, and it may be reached by phone at (66) 2937 1155 or by fax at (66) 2937 1191.

Work permits, which are valid for the period of the visa, have to be renewed every year. When an individual applies for a renewal of visa, he or she has to show that taxes for the previous year have been paid.

Foreigners may also apply for permanent residence permits for Thailand under certain conditions, such as investment in a business, or a condominium. Application can either be made to the BOI or the Immigration Department.

Members of the diplomatic or consular corps, foreigners coming to perform their duties in Thailand with the approval of the Thai Government, foreigners performing their duties in Thailand under an agreement between the Thai Government and a foreign government, heads of international organizations or agencies operating in Thailand, and dependents of all the aforementioned persons, including private servants of members of the diplomatic corps, are exempted by the Act from the normal visa requirements.

4: International Banking Facilities

4.1 International Banking Facilities (IBF)

On September 16, 1992 the Ministry of Finance and the Bank of Thailand established rules and conditions for commercial banks to establish international banking facilities in Thailand. The annual fee is 500,000 baht. A commercial bank that receives a license will be able to undertake international banking facilities (IBF) business for:

- *Offshore Lending*
 - Accepting deposits or borrowing from abroad in foreign currencies from foreign natural or juristic persons who have no establishment in or business with Thailand. An exception is made for receiving money from foreign banks that have a branch or representative office in Thailand, from foreign branches of Thai commercial banks, and from the Ministry of Finance, the Bank of Thailand, or the Exchange Equalization Funds. These foreign currencies may be lent abroad, to other IBF businesses, and to the Ministry of Finance, the Bank of Thailand and the Exchange Equalization Funds.
 - Acceptance of deposits or borrowing of offshore baht funds from offshore banks, foreign branches of Thai commercial banks and other IBF. These funds may be lent to foreign banks, foreign branches of Thai commercial banks, or other IBF businesses.

Local Lending

- Acceptance of deposits, or borrowing from abroad in foreign currencies from foreign natural or juristic persons who have no establishment in or business with Thailand, foreign branches of Thai commercial banks, and other IBFs to lend foreign currencies in Thailand. However, each withdrawal and disbursement must be of an amount not less than US\$2,000,000 except in one of the following two cases, where the minimum disbursement is US\$500,000:
 - An exporter who has income from exports in excess of 50 percent of all income during the last accounting period
 - An exporter who has goods and services that are sold to an exporter who meets the above condition

Other Related Business

- Cross-currency transactions with overseas customers, other IBF businesses, the Bank of Thailand, the Ministry of Finance, the Foreign Equalization Funds, banks licensed under the foreign exchange control laws, or local customers to whom such IBF businesses have lent foreign currencies
- Giving acceptance or guarantee against any debts in foreign currencies when either:
 - The bank is licensed under the foreign exchange control laws; or
 - The parties involved reside outside of Thailand
- All matters dealing with letters of credit in cases where the buyer and the seller of goods involved with the letter of credit purchasing agreement both reside abroad and the goods involved in the agreement have not been either exported out of or imported into Thailand.
- Procuring, or managing the loan syndication procurement of foreign currency loans from foreign sources to those requiring loans in foreign currencies

Other Unrelated Business

Commercial banks licensed to undertake IBF businesses may also:

- Invest directly or indirectly in common stocks, preferred stocks or warrants of juristic persons registered abroad that are made according to debt restructuring in accordance with Bank of Thailand regulations.
- Provide news, financial and general economic information
- Prepare or analyze investment projects
- Advise in the purchase, merger or amalgamation of businesses

- Give financial advice
- Arrange or underwrite debt instruments issued for sale abroad. If the debt instruments are issued from Thailand, this must be undertaken in conjunction with the IBF business of a commercial bank registered in Thailand.

However, these activities must be separated from the accounts of the IBF business – as if the commercial bank were a separate juristic person.

4.1.1 Revocation of Tax Incentives of Bangkok International Banking Facilities (BIBF)

Previously, corporate income tax reductions and exemptions were granted to BIBF businesses. However, in view of the improved economy, tax privileges have been revoked. Thus, there will be no BIBF business for commercial banking.

Nevertheless the law still provides tax privileges to the out-out business, which will operate under normal commercial banking business. The tax privileges are as follows:

- A reduction of corporate income tax to 10% of net profit
- Tax exemption on personal income tax and corporate income tax on interest on loans and interest on deposit received for out-out business to non-Thai individuals who are not residents of Thailand, juristic companies organized under foreign laws and not carrying on business in Thailand and foreign banks
- Tax exemption on profit remittance under Section 70 bis
- CIT exemption for arrangement fees received for the arrangement of a syndicated loan. However, the exemption will be granted only if it meets the criteria, methods and procedures under a notification of the Director-General of the Revenue Department. (Currently, no notification has been issued by the Director-General)
- SBT and stamp duty exemption

Although the tax incentives for BIBF have been revoked, the law provides for an extension period for a further three years for tax incentives previously granted to a lender or depositor who has provided funding to the BIBF.

4.2. Conditions for Participating in IBF

The Bank of Thailand stipulates that IBF must be separate from other banking business – as if it were a separate juristic person. Also, the IBF business in offshore lending must be separate from the IBF business in local lending, and the IBF business in local lending cannot transfer or raise funds to the IBF for offshore accounts. Customers of IBF must provide their actual names, addresses and information for correspondence, and the names on the accounts must be the actual names of customers.

5: Exchange Control

The Exchange Control Act, B.E. 2485 (A.D. 1942), as amended, governs all matters involving foreign exchange. As a general rule, all matters involving foreign currency are regulated by, and require the permission of, the Bank of Thailand. Since May 22, 1990, however, foreign exchange control has been considerably relaxed by the Bank of Thailand. At present, certain transactions in Thai baht or foreign currency can be performed virtually without restriction, and only a few require approval from the Bank of Thailand.

5.1 Importation of Funds

- *Non-residents*
Individuals in transit may normally bring foreign currency and negotiable instruments into Thailand without limit. They may also freely take out of the country all foreign

currency they had brought in, without limit. Individuals in transit, however, may not take out Thai currency exceeding 50,000 baht per person except for trips to Myanmar, Laos, Cambodia, Malaysia and Vietnam, where an amount of up to 500,000 is allowed. There is no restriction on the amount of Thai currency that can be brought into the country.

Residents

There is no restriction on the amount of foreign currency a resident may bring into Thailand. However, all such currency must be sold to, or deposited into a foreign currency account in, a commercial bank within seven days of receipt or entry into the country.

Investors

There is no restriction on the import of foreign currency, such as investment funds, offshore loans, etc. Such foreign currency, however, must be sold or exchanged into Thai Baht, or deposited into a foreign currency account with an authorized bank, within seven days from the date of receipt or entry into the country. An application form F.T. 3 or F.T. 4 must be submitted to an authorized bank for each transaction involving the sale, exchange, or deposit such funds in an amount exceeding US\$5,000 or its equivalent.

5.1.1 Reserve Requirement on Short-Term Capital Inflows

To discourage short-term inflows of capital in late 2006, the Bank of Thailand introduced a 30% reserve requirement on short-term capital inflows in excess of US\$20,000. The objective of this measure was to reduce the volatility of the Thai Baht, which had appreciated rapidly in 2006 and affected the export sector. By providing a disincentive for speculative inflows of capital, the Bank of Thailand believed the reserve requirements would help sustain long-run growth for the Thai economy.

Under this announcement, financial institutions are required to withhold 30 percent of foreign currencies bought or exchanged against the Thai Baht, except those related to certain transactions (*e.g.* Foreign Direct Investment; transactions relating to trade and services; equity investments in companies listed on the SET, MAI, NVDR, TFEX, and AFET; investments in immovable objects, etc.). In exempt cases, upon examination of relevant documents, there is no reserve requirement.

Assuming the funds remain in Thailand for at least one year, the customer will receive a refund in the full amount of the reserve requirement withheld. If the funds remain in Thailand for less than one year, the customer will receive a refund of only two-thirds of the reserve requirement withheld.

To obtain a refund of the reserve requirement, a customer must submit a request together with related documentation to the commercial bank, which will examine and certify the evidence submitted by the customer and submit the request to the Bank of Thailand within five days. The Bank of Thailand will notify the commercial bank within two days and will transfer “the reserve” to the commercial bank within three days of the notification date. The commercial bank shall then transfer “the reserve” to the customer within the same day.

The latest information about the reserve requirement can be found at <http://www.bot.or.th/bothomepage/notification/fsupv/EFipcs.asp>.

5.2 Repatriation of Funds

Foreign Currency Accounts of Thai Residents

Thai individuals and juristic person in Thailand may maintain foreign currency accounts under the following conditions:

- The accounts are opened with authorized banks in Thailand and deposited with funds that originate from abroad or from foreign currency borrowing.
- The depositor must submit evidence showing obligations to pay in foreign currency to persons abroad, authorized banks, the Export and Import Bank of Thailand or the Industrial Finance Corporation of Thailand within three months from the date of deposit. The depositor can deposit no more than the amount of the above obligations..
- The deposit of foreign currency notes and coins must not exceed US\$2,000 per day.
- Debits to the accounts are permitted for payment of any external obligations upon submission of supporting evidence or for conversion into baht at authorized banks.
- The total daily outstanding balances in all accounts must not exceed US\$5,000,000 for a juristic person and US\$500,000 for an individual.

Foreign Currency Accounts for Non-Thai Residents

Non-residents can open and maintain foreign currency accounts with authorized banks in Thailand. The deposits must come from funds originating abroad. Balances on such accounts may be transferred without restrictions.

Non-Resident Baht Account

Non-residents may open an account with any authorized bank in Thailand provided they show proof of identity, such as a valid passport. They may freely credit the account with:

- Proceeds from the sale of foreign currency that originated from abroad or foreign currencies from non-residents' foreign currency accounts
- Amounts transferred from other non-resident baht accounts
- Obligations between residents and non-residents.

Imports

Importers may freely purchase or draw foreign exchange from their own foreign currency accounts for import payments.

Exports

Exports are free from any foreign exchange restrictions. However, proceeds of exports valued at more than 500,000 Baht or its equivalent per transaction must be received within 120 days from the date of export and must be surrendered to an authorized bank or deposited in a foreign currency account with an authorized local bank within seven days of receipt.

Free restrictions are permitted for items of a non-capital nature, such as service fees, interest, dividends, profits and royalties, provided supporting documents are presented to an authorized bank. Travelling expenses or educational expenses of residents are also freely permitted on submission of supporting evidence. Proceeds from invisibles must be surrendered to an authorized bank or deposited in a foreign currency account with an authorized bank in Thailand within seven days of receipt.

6. Stock Exchange of Thailand

The Stock Exchange of Thailand (SET) is Thailand's stock exchange in Thailand. It was established in 1974, and is supervised by a Board of Governors. The Board consists of 11 Governors, with five appointed by the Securities and Exchange Commission (SEC), five elected by the SET members companies, and a full time president, who is appointed by the Board and serves as an ex-officio Board member.

The SET considers applications from companies requesting listing on the Exchange, including ensuring applicants meet requirements as well as submit the correct documentation. It has also established information disclosure requirements for listed companies and monitors all trading activities involving listed securities. The Exchange's regulations strictly prohibit insider trading and price manipulation of listed securities.

Net Clearing and book entry settlement are services handled by the Thailand Securities Depository Co., Ltd. (TSD), a subsidiary of the SET. The SET lists a wide range of equity and debt instruments. Listed securities include ordinary shares, preferred shares, bonds and debentures, warrants, covered warrants, derivative warrants and unit trusts.

6.1 SET Members

Currently, the SET has 28 broker seats. Member companies must be securities companies permitted by the Ministry of Finance to conduct securities business in the category of securities brokerage.

6.2 SET Listed Companies

All listed companies are publicly limited firms. Becoming a listed company not only allows a firm to gain access to development capital, but also allows shareholders to benefit from investment liquidity and enjoy dividend income as a result of revenue or profit growth at the companies they invest in.

6.3 Foreign Shareholding Limits

On 3 March 2000 the Alien Business operations Act B.E. 2542 (1999) came into effect to relax foreign ownership limits in certain industries, including securities industries. As a result, a securities company with foreign investors holding up to 100 percent shareholding may engage in the security brokerage business without any restrictions. However, if the securities company operates any other type of securities business, such as dealing, underwriting, investment advisory services, mutual fund or private fund management and securities lending and borrowing, such company must seek approval from the Director General of Commercial Registration Department, Ministry of Commerce.

6.4 The Securities and Exchange Commission (SEC)

The SEC was established on the promulgation of the Securities and Exchange Act B.E. 2535 in 1992 with the objective of developing and supervising the Thai capital market in a fair, efficient and transparent manner. This includes the primary market, the secondary market, securities businesses, market participants and the prevention of unfair securities trading practices. Further information about the SEC is available on its website at www.sec.or.th

7. Land Ownership

In general, non-Thai businesses and citizens are not permitted to own land in Thailand unless the land is on government-approved industrial estates. However, companies that are more than 50% Thai-owned may legally own land.

An exception to the rule relates to projects approved by the Board of Investment. A promoted company with 50 percent or more of its shares held by foreigners may apply for land ownership by submitting the appropriate forms to the Office of the Board of Investment (OBOI). Once the land acquisition is approved, the OBOI will send a letter of approval to the applicant and will notify the Department of Land or the provincial governor.

In addition to projects approved by the Board of Investment, petroleum concessionaires may own land necessary for their activities.

Under the 1999 amendment to the Land Code, foreigners who invest a minimum of 40 million baht are permitted to buy up to 1,600 square meters of land for residential use, with the permission of the Ministry of Interior.

Foreigners are also permitted to own buildings on land that is leased, because there are no restrictions on building ownership. Foreigners can, thus, lease land and build on it and are permitted to own the structure.

Foreign individuals and foreign companies are allowed to hold title to condominium units in buildings that qualify. The general rule is that foreigners may own no more than 49% of the total units in the building at any one time. If the proposed transfer would cause the building to exceed 49% foreign ownership it would violate the above rule, and the official would reject the transfer. There are exceptions to this rule for condominium buildings in Bangkok and Pattaya. Condominium buildings in those cities, if they satisfy certain requirements, are not subject to the 49% rule stated above.

Chapter 6

Labor Issues and Important Addresses

1. Labor Regulations

Employment legislation has a direct bearing on labor practices for each type of business. Investors should seek appropriate advice to determine which legislation applies to their line of business.

1.1. Labor Protection

In August 1998, the Labor Protection Act (1998) went into effect. It applies to all businesses with at least one employee. Under the law, employers who disregard the law are subject to fines ranging from 5,000 baht to 200,000 baht and imprisonment of up to one year. It should be noted that domestic workers (household staff) are not included in the definition of “employee” and are not covered by the Labor Act. All other employees, whether full or part time, seasonal, casual, occasional or contract, are covered.

Important protections contained in the law are:

– **Work Hours and Holidays:** The maximum number of hours for non-hazardous work is eight hours a day or 48 hours a week in total. In some types of work as stipulated by law, the employer and the employee may agree to arrange the period of working hours, but it still must not exceed 48 hours a week. Hazardous work may not exceed seven hours a day, or 42 hours per week. Employees are entitled to no fewer than 13 national holidays a year, and a minimum of six days of annual vacation after working consecutively for one full year. Employees have the choice of whether they wish to work overtime or on holidays. A female employee is entitled to maternity leave for a period of 90 days including holidays, but paid leave shall not exceed 45 days

All employees are entitled to a daily rest period of at least one hour after working five consecutive hours. The employer and the employee may arrange the daily rest period to be shorter than one hour at each time, but it must not be less than one hour a day in total. A weekly holiday of at least one day a week at intervals of a six-day period must be arranged by the employer.

For work performed in excess of the maximum number or working hours fixed either by law or by specific agreement (if the latter is lower), employees must be paid overtime compensation. The rates for overtime vary and range from 1-1/2 times to three times the normal hourly wage rate for the actual overtime worked. The maximum number of overtime working hours is limited to not more than 36 hours a week.

– The minimum age for employment is 15 years, and workers below the age of 18 are banned from dangerous and hazardous jobs. They are also prohibited from working overtime, on holidays, or between the hours of 10 p.m. and six a.m. Pregnant employees are also prohibited from working overtime, on holidays, or between the hours of 10 p.m. and 6 a.m.

– **Sick Leave:** Employees can take as many days of sick leave as necessary, but if an employee takes three months of sick leave, the employer is required to pay only one month's wages. The employer may require the employee to produce a certificate from a qualified doctor for a sick leave of three days or more.

– **Severance Pay:** Employees who have worked more than 120 days, but less than one year, are entitled to 30 days severance pay. For personnel employed between one and three years, the severance pay is not less than 90 days pay. Employees with three to six years of service will receive six months salary, those with more than six to 10 years service will receive eight months salary, and employees with more than 10 years service will receive 10 months salary

– **Termination of employment:** Conditions for termination of employment are laid out in the Act, and a code governs unfair practices and unfair dismissals, which often are the result of the failure to follow correct legal procedures. Employee associations and labor unions must be registered at the Labor Department, and require a license for operation. Finally, a Labor Court specifically settles employment disputes. If an employment contract does not specify any duration, either party can terminate the contract by giving notice at or before any time of payment, to have effect in the next pay period.

– **Employee Welfare Fund:** For companies with at least 10 employees that do not have a provident fund, an Employee Welfare Fund will be established to compensate employees who resign, are laid off, or die in service. Employers and employees will be required to contribute to this fund.

In addition to these provisions, there are restrictions on the kind of work women and children can perform. Guidelines are set for wages and overtime, as well as resolution of labor-management disputes. Employers are required to pay workers compensation if an employee suffers injury, sickness or death in the course of work. Thai law also requires employers to provide welfare facilities, including medical and sanitary facilities.

1.1.1 Workmen's compensation

The Compensation Act prescribes that an employer must provide the necessary compensation benefits for employees who suffer injury or illness or who die as a result or in the performance of their work at the rates prescribed by law. The compensation benefits can be grouped into four categories: The compensation amount, the medical expenses, work rehabilitation expenses, and funeral expenses.

The payment of compensation benefits is made in accordance with the criteria and rates prescribed by law depending on the seriousness of the case. In general, the compensation amount must be paid monthly at the rate of 60 percent of the monthly wages of the employee but not lower than 2,000 baht and not exceeding 9,000 baht a month.

Actual and necessary medical expenses must be paid but not exceeding 35,000 baht for normal cases and 50,000 baht for serious injury. The work rehabilitation expenses must be paid as necessary according to the criteria procedures and rates prescribed by law but not

exceeding 20,000 baht. In the case of death, funeral expenses will be paid at a maximum amount equal to 100 times of the minimum daily wage rate prescribed by law.

1.1.2 Social Security

The Social Security Act requires that all employers withhold social security contributions from the monthly wages of each employee. The prescribed rate is currently 5 percent for the first 15,000 baht of salary. The employer is required to match the contribution from the employee. Both contributions must be remitted to the Social Security Office within the 15th day of the following month.

Employees with social security registration may file claims for compensation in case of injury, illness, disability or death that is not due to the performance of their work, and for cases of child delivery, child welfare, old age pension and unemployment.

1.1.3 Termination of Employment

If an employment contract does not specify any duration, either party can terminate the contract by giving notice at or before any time of payment, to take effect in the next pay period. An employee may be dismissed without due notice and severance pay if the employee:

- Intentionally commits a crime or act of dishonesty against the employer
- Intentionally or negligently causes the employer to suffer damage
- Violates the employer's work rules, regulations or lawful orders and a written warning has been given (except that such warning is not required for serious offences)
- Has been absent for three consecutive working days without a reasonable excuse
- Is adjudged to serve a prison sentence (except where such sentence arose due to negligence or petty offense)

An employee terminated without a valid cause as stipulated by law is entitled to receive severance pay as specified above.

In the event that the employer relocates its place of business in a way that essentially affects the normal living of an employee, the employer must notify the employee of the relocation at least 30 days in advance or pay an amount in lieu of the advance warning of 30 days' wages. If the employee refuses to move and work in the new location, the employee has the right to terminate the employment contract and is entitled to receive a special severance pay of not less than 50 percent of the prescribed severance pay.

In the event the employer terminates the employment of an employee as a consequence of streamlining the work units, production process and distribution service, due to the introduction or change of machinery or technology that reduces the number of employees, the employer must notify the Labor Inspector and the employee concerned at least 60 days in advance of the date of termination of the employee or pay, in lieu of the advance notice, an amount equal to 60 days' wages. The terminated employee will be entitled to the prescribed severance pay. Moreover, if the terminated employee has worked consecutively for more than six years, the employee would be entitled to an additional special severance pay at the rate of 15 days' wages for each full year of service, calculated from the start of year seven onwards. However, the total amount of this additional special severance pay is limited to the equivalent of 360 days' wages.

1.1.4 Minimum Daily Wages

2008 Minimum Daily Wage		
Province	Baht	US\$
Bangkok, Nakhon Phathom, Nonthaburi, Pathum Thani, Samut Prakan and Samut Sakhon	194	5.78
Phuket	193	5.75
Chonburi	175	5.21
Saraburi	170	5.06
Chachoengsao, Nakhon Ratchasima, Phra Nakhon Sri Ayutthaya and Rayong	165	4.91
Ranong	163	4.85
Phang-na	162	4.82
Krabi and Phetchaburi	160	4.77
Chiang Mai	159	4.74
Chanthaburi and Lop Buri	158	4.71
Kanchanaburi	157	4.68
Ratchaburi and Sing Buri	156	4.65
Prachin Buri, Samut Songkram and Sa Kaeo	155	4.62
Trang, Loei and Ang Thong	154	4.59
Prachuap Khiri Khan, Lomphu and Songkhla	152	4.53
Khon Kaen, Chumphon, Trat, Nakhon Nayok, Nakhon Si Thammarat, Nakhon Sawan, Buri Ram, Phattalung, Phetchabun, Satun, Surat Thani, Nong Khai, Udon Thani and Uthai Thani,	150	4.47
Kamphaeng Phet, Chai Nat, Lampang, Sukhothai and Suphan Buri	149	4.44
Kalasin, Nakhon Phanom, Narathiwat, Pattani, Phitsanulok, Mukdahan, Yala, Sakhon Nakhon, and Nong Bua Lamphun	148	4.41
Tak, Maha Sarakham, Mae Hong Son, Yasothon, Roi Et, Surin, and Uttaradit	147	4.38
Chaiyaphom, Chiang Rai, Phichit, Phrae and Srisaket	146	4.35
Amnat Charoen and Ubon Ratchathani	145	4.32
Nan and Phayao	144	4.29

1.2 Legal Implications of Labor Management

In general, Thai labor laws provide for considerable freedom in managing labor. In many countries, it is not legal to discriminate on the basis of age or sex. Perusal of personnel ads in Thai newspapers finds employers narrowly defining their needs: "The successful candidate will be male, under 35 years of age, not a member of a labor union, and at least 150 cm in height, etc."

Further, the government does not interfere with a company's retrenchment policies when economic conditions necessitate cutbacks. There is no "first in, last out" requirement in

Thailand. Similarly, Thai employers have the right to transfer employees to other work locations, provided the transfer is not ordered with the exclusive intent to create hardship on them. Refusal to transfer is legal cause for dismissal.

1.2.1 Employee records

An employer with 10 or more regular employees is required to establish written rules and regulations in Thai language governing work performance. The regulations must be displayed on the work premises within 15 days of the date from which the number of employees reached 10 or more. A copy of these rules and regulations must be submitted to the Department of Labor within seven days of the date that the employer announces or displays the working regulations. An employer with 10 or more regular employees is also required to maintain an employee register in Thai language with documents pertaining to the payment of wages, overtime, holiday work, etc. The employee register must be maintained for at least two years after the date of termination of employment of each employee, together with the supporting source documents.

1.3 Tips on Recruiting and Developing Staff

The ability of a company to attract and retain staff is considerably enhanced by tailoring compensation packages to meet individual employee needs. Increasingly, factors such as work environment, organizational policies, relationships with superiors, and career path influence decisions whether to join, or remain with, a company. In a challenging living environment such as Bangkok, these “quality of life” issues take on even more importance.

Organizing training programs to upgrade skills helps to motivate staff and demonstrates a company’s commitment to its employees. Admission to such programs can be seen both as a reward for good performance and as part of the total compensation package.

1.4 Recruiting Technically-skilled Manpower

There are two main English language daily newspapers that contain significant numbers of advertisements, both in English and in Thai. Both the Bangkok Post and The Nation boast circulation figures of close to 60,000 copies per day, and advertising rates of the two newspapers are similar. In addition to reaching prospective employees through the print editions of these newspapers, it should be noted that the newspapers have classified advertisements on-line through their Home Pages.

In addition, the Department of Employment, Ministry of Labor and Social Welfare, has a web site listing both job fairs and employment opportunities. It can be found at: www.doe.go.th.

Several domestic and international personnel recruitment services operate in Bangkok. In addition to securing personnel, these companies offer services such as advice on issues of organizational structure, labor relations, and the cultural implications of managing labor in Thailand.

Developing contacts with educational institutes to identify and court potential candidates as early as possible is also recommended. For firms with ongoing manpower needs, establishing a network of contacts can be especially valuable.

In addition to tailoring compensation packages to individual need and emphasizing long-term and organizational benefits, high-end technical employees, such as scientists and engineers, need to be given work commensurate with their skills. By allowing them greater challenges, and less narrowly defining their role so that it may include responsibilities in systems design and possibly management, technical personnel become more productive and are more likely to view themselves as integral to the company as a whole.

Concrete, long-term benefits are an effective retention tool. Long-term benefits motivate personnel to work through problems and to identify self-interest with company interest. Committing resources to long-term benefits also insures that companies realize increased production levels from staff as they gain experience.

2. Important Addresses

INTERNATIONAL ORGANIZATIONS

Asian Development Bank (ADB)

Thailand Resident Mission
23rd Floor, Central World, 999/9 Rama I Road, Wangmai, Pathumwan, Bangkok 10330
Tel: (66) 2263-5300
Fax: (66) 2263-5301
Website: <http://www.adb.org/thailand>, <http://www.adb.org/trm>

Asian Institute of Technology (AIT)

58 Moo 9, km. 42, Paholyothin Highway, Klong Luang, Pathumthani 12120
(or P.O. Box 4, Klong Luang, Pathumthani 12120)
Tel: (66) 2516-0110
Fax: (66) 2516-2126
Website: <http://www.ait.ac.th>

European Commission Delegation in Bangkok

19th Floor, Kian Gwan House II, 140/1 Wireless Road, Bangkok 10330
Tel: (66) 2305-2600, 2305-2700
Fax: (66) 2255-9113
Website: <http://www.deltha.ec.europa.eu>

International Bank for Reconstruction and Development (IBRD)

The World Bank Office Bangkok
30th Floor, Siam Tower, 989 Rama I Road, Pathumwan, Bangkok 10330
Tel: (66) 2686-8300
Fax: (66) 2686-8301

United Nations Development Programme (UNDP)

12th Floor, UN Building, Ratchadamnern Nok Avenue, Bangkok 10200
Tel: (66) 2288-2138
Fax: (66) 2280-0556
Website: <http://www.undp.or.th>

United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP)

United Nations Building, Rajadamnern Nok Avenue, Bangkok 10200
Tel: (66) 2288-1234
Fax: (66) 2288-1000
Website: <http://www.unescap.org>

United Nations Industrial Development Organization (UNIDO)

5th Floor, Department of Industrial Works Building
57 Phrasumen Road, Banglamphoo, Pranakorn, Bangkok 10200
Tel: (66) 2280-8691
Fax: (66) 2280-8695
Website: <http://www.unido.org>

World Bank Group

The World Bank Office, Bangkok
30th Floor, Siam Tower, 989 Rama 1 Road, Pathumwan, Bangkok 10330
Tel: (66) 2686-8300
Fax: (66) 2686-8301
Website: <http://www.worldbank.or.th>

World Health Organization (WHO)

4th Floor, Permanent Secretary Building 3, Tiwanon Road, Nonthaburi 11000
Tel: (66) 2590-1524, 2591-8198

Fax: (66) 2591-8199
Website: <http://www.whothai.org>

PUBLIC SECTOR INSTITUTIONS

Government House

Government House, Thanon Nakhon Pathom, Bangkok 10300
Tel: (66) 2280-3000
Website: <http://www.thaigov.go.th>

Ministry of Foreign Affairs

443 Sri Ayudhaya Road, Tungphayathai, Rajthewi, Bangkok 10400
Tel: (66) 2643-5000
Fax: (66) 2643-5180
Website: <http://www.mfa.go.th>

INVESTMENT

Office of the Board of Investment (BOI)

555 Vibhavadi-Rangsit Road, Chatuchak, Bangkok 10900
Tel: (66) 2537-8111-55
Fax: (66) 2537-8177
Website: <http://www.boi.go.th>

Office of the National Economic and Social Development

962 Krung Kasem Road, Watsomanas, Pom Prab Sattru Phai, Bangkok 10100
Tel: (66) 2280-4085
Fax: (66) 2281-3938
Website: <http://www.nesdb.go.th>

One-Stop Service Center for Visas and Work Permits

16th Floor, Rasa Tower 2, 555 Phaholyothin Road, Chatuchak, Bangkok 19000
Tel: (66) 2937-1155-66 ext. 220 (Visa), ext. 303, 318 (Work Permit)
Fax: (66) 2937-1191

Securities and Exchange Commission (SEC)

15th Floor, GPF Wittayu, 93/1 Wireless Road, Lumpini, Pathumwan, Bangkok 10330
Tel: (66) 2263-6499
Fax: (66) 2256-7755
Website: <http://www.sec.or.th>

The Stock Exchange of Thailand (SET)

The Stock Exchange of Thailand Building
62 Ratchadapisek Road, Klongtoey, Bangkok 10110, Thailand
Tel: (66) 2229-2222
Website: <http://www.set.or.th>

INDUSTRY

Department of Industrial Promotion

Rama VI Road, Rajathevee, Bangkok 10400
Tel: (66) 2202-4414-18, 2202-4511
Fax: (66) 2246-0031
Website: <http://www.dip.go.th>

Industrial Estate Authority of Thailand (IEAT)

618 Nikom Makkason Road, Rajathevee, Bangkok 10400

Tel: (66) 2253-0561
Fax: (66) 2253-4086
Website: <http://www.ieat.go.th>

Ministry of Industry (MOI)

Rama VI Road, Rajathevee, Bangkok, 10400
Tel: (66) 2202-3000
Fax: (66) 2202-3048
Website: <http://www.m-industry.go.th>

Office of Industrial Economics (OIE)

75/6 Rama VI Road, Rajathevee, Bangkok 10400
Tel: (66) 2202-4274, 2202-4276
Fax: (66) 2644-7023
Website: <http://www.oie.go.th>

Thai Industrial Standards Institute (TISI)

Rama VI Road, Rajathevee, Bangkok 10400
Tel: (66) 2202-3301-4
Fax: (66) 2202-3415
Website: <http://www.tisi.go.th>

TRADE

Department of Export Promotion

Rachadapisek office:

22/77 Rachadapisek Road, Bangkok 10900
Tel: (66) 2511-5066-77
Fax: (66) 2512-2670

Nonthaburi office:

44/100 Nonthaburi 1 Road, Bang Krasor, Muang, Nonthaburi 11000
Tel: (66) 2507-7999
Website: <http://www.thaitrade.com>, <http://www.depthai.go.th>, <http://www.thaitradefair.com>

Department of Foreign Trade (DFT)

44/100 Nonthaburi 1 Road, Bang Krasor, Muang, Nonthaburi 11000
Tel: (66) 2547-4771-86
Fax: (66) 2547-4791-2
Website: <http://www.dft.moc.go.th>

Ministry of Commerce (MOC)

44/100 Nonthaburi 1 Road, Bang Krasor, Muang, Nonthaburi 11000
Tel: (66) 2507-8000
Fax: (66) 2507-7717
Website: <http://www.moc.go.th>

TOURISM

Airport of Thailand Public Company Limited (AOT)

333 Moo 7 Cherdwutagard Road, Srikan, Don Muang, Bangkok 10210
Tel: (66) 2535-1111
Fax: (66) 2535-4061
Website: <http://www.airportthai.co.th>, <http://www.airportthai.com>

Immigration Bureau

507 Soi SuanPlu, Sathorn Tai Road, Bangkok 10120
Tel: (66) 2287-3101-10
Fax: (66) 2287-1310, 287-1516

Website: <http://www.immigration.go.th>

Ministry of Tourism and Sports

4 Ratchadamnoen Nok Road, Pom Prab Sattru Phai, Bangkok 10100

Tel: (66) 2283-1555

Fax: (66) 2356-0746

Website: <http://www.mots.go.th/tourism/index.php>

Suvarnabhumi International Airport

999 Moo 7 Racha Thewa, Bang Phli, Samut Prakan 10540

Tel: (66) 2723-0000, 2132-1888

Fax: (66) 2723-0010, 2132-1889

Website: <http://www.suvarnabhumiairport.com>

Thai Airways International Public Company Limited

89 Vibhavadi-Rangsit Road, Bangkok 10900

Tel: (66) 2545-1000

Website: <http://www.thaiair.com>

Tourism Authority of Thailand (TAT)

1600 New Phetchaburi Road, Makkasan, Rajatheevee, Bangkok 10400

Tel: (66) 2250-5500

Fax: (66) 2250-5511

Website: <http://www.tourismthailand.org>

FINANCE

Bank of Thailand (BOT)

273 Samsen Road, Bangkokprom, Bangkok, 10200

Tel: (66) 2283-5353

Fax: (66) 2280-0449

Website: <http://www.bot.or.th>

Excise Department of Thailand

1488 Nakornchaisri Road, Dusit, Bangkok 10300

Tel: (66) 2241-5600-19, 2668-6560-89 Ext. 54232 and 54233

Fax: (66) 2668-6398

Website: <http://www.excise.go.th>

Ministry of Finance (MOF)

Rama VI Road, Samsen-Nai, Phayathai, Bangkok 10400

Tel: (66) 2273-9021

Fax: (66) 2293-9408

Website: <http://www.mof.go.th>

Small and Medium Enterprise Development Bank of Thailand (SME Bank)

SME BANK Tower, 310 Phaholyothin Road, Samsen-Nai, Phayathai, Bangkok 10400

Tel: (66) 2265-3000

Fax: (66) 2265-4000

Website: <http://www.smebank.co.th>

The Customs Department, Ministry of Finance

1 Sunthon Kosa Road, Klongtoey, Bangkok 10110

Tel: (66) 2249-0431-40, 2249-9017

Website: <http://www.customs.go.th>

The Revenue Department

90 Revenue Department Building, Soi Paholyothin 7, Bangkok 10400

Tel: (66) 2272-8018, 2617-3605-13

Fax: (66) 2617-3616

Call Center: (66) 2272-8000
Website: <http://www.rd.go.th>

COMMUNICATIONS

Communications Authority of Thailand (CAT)

99 Moo 3, Chaengwattana Road, Paholyothin, Bangkok 10002
Tel: (66) 2573-0099
Fax: (66) 2574-6054
Website: <http://www.cattелеcom.com>

Ministry of Transport

38 Ratchadanoen Nok Road, Pom Prab Sattru Phai, Bangkok 10100
Tel: (66) 2283-3000, 2281-3871
Fax: (66) 2281-3049
Website: <http://www.mot.go.th>

Telephone Organization of Thailand (TOT)

89/2 Moo 3 Chaengwattana, Tung Song Honk, Laksi, Bangkok 10210
Tel: (66) 2505-4500
Fax: (66) 2574-9533
Website: <http://www.tot.co.th>

UTILITIES

Electricity Generating Authority of Thailand (EGAT)

53 Charan Sanit Wong Road, Bang Kruai, Nonthaburi 11130
Tel: (66) 2436-0000
Fax: (66) 2436-4723
Website: <http://www.egat.co.th>, <http://www.egat.com>

Metropolitan Electrical Authority (MEA)

30 Soi Chidlom, Ploenchit Road, Pathumwan, Bangkok 10330
Tel: (66) 2254-9550, 2251-9586
Fax: (66) 2253-1424
Website: <http://www.mea.or.th>

Metropolitan Waterworks Authority (MWA)

400 Moo 4, Prachachuen Road, Laksi, Bangkok 10210
Tel: (66) 2504-0123
Website: <http://www.mwa.co.th>

Provincial Electrical Authority (PEA)

200 Ngam Wongwan Road, Chatuchak, Bangkok 10900
Tel: (66) 2589-0100-1
Fax: (66) 2589-4850-1
Website: <http://www.pea.co.th>

Provincial Waterworks Authority (PWA)

72 Chaeng Wattana Road, Laksi, Bangkok 10210
Tel: (66) 2551-1020
Fax: (66) 2551-1239, 2552-1547
Website: <http://www.pwa.co.th>

ASSOCIATIONS

The Federation of Thai Industries

4th Floor Zone C Queen Sirikit National Convention Centre

60 New Ratchadapisek Road, Klongtoey, Bangkok 10110
Tel: (66) 2345-1000
Fax: (66) 2345-1296-99
Website: <http://www.fti.or.th>

The Lawyers Council of Thailand

7/89 Mansion 10, Rajdamnoen Avenue, Pranakorn District, Bangkok 10200
Tel: (66) 2629-1430
Fax: (66) 2282-9907-8
Website: <http://www.lawyerscouncil.or.th>

The Thai Bankers' Association

4th Floor, Lake Rajada Office Complex (Building 2), CDF House
195/5 Ratchadaphisek Road, Klongtoey, Bangkok 10110
Tel: (66) 2264-0883-6
Fax: (66) 2264-0888
Website: <http://www.tba.or.th>

The Foreign Bankers' Association

19th Floor Sathorn Thani Building 2, 92/55 North Sathorn Road, Bangkok 10500
Tel: (66) 2236-6070-2
Fax: (66) 2236-6069
Website: <http://www.fba.or.th>

Thai Hotels Association

203-209/3 Ratchadamnoen Klang Avenue, Bowonniwet, Bangkok 10200
Tel: (66) 2281-9496
Fax: (66) 2281-4188
Website: <http://www.thaihotels.org>

Thai Auto-Parts Manufacturers Association (TAPMA)

1st Floor, Bureau of Supporting Industries Development (BSID)
86/6 Soi Trimit, Rama IV Road, Klongtoey, Bangkok 10110
Tel: (66) 2712-2246-7 , 2712-2971 , 2712-3594-6
Fax: (66) 2712-2970, 2712-3597
Website: <http://www.thaiautoparts.or.th>

Thai Airfreight Forwarders Association

874 Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330
Tel: (66) 2254-5780-3
Fax: (66) 2254-5784
Website: <http://www.tafathai.org>

Thailand Textile Institute

Soi Trimitr, Kluaynamtai, Rama IV Road, Klongtoey, Bangkok 10110
Tel: (66) 2713-5492-9
Fax: (66) 2712-1592-3
Website: <http://www.thaitextile.org>

The Thai Synthetic Fiber Manufacturers' Association (TSMA)

9th Floor, Suite M, Phayatai Plaza Building
128/111 Phayathai Road, Rajthavee, Bangkok 10400
Tel: (66) 2216-5739-40
Fax: (66) 2216-5722
Website: <http://www.thaitextile.org/TSMA>

The Thai Textile Manufacturing Association (TTMA)

454-460 Sukhumvit Road 22, Klongton, Klongtoey, Bangkok 10110
Tel: (66) 2258-2023, 2258-2044
Fax: (66) 2260-1525

Website: <http://www.thaitextile.org/TTMA>

The Thai Weaving Industry Association (TWIA)

54/87-88 Moo 5, Rama II Road, Jomthong, Bangkok 10150

Tel: (66) 2427-6668-9

Fax: (66) 2427-6669

Website: <http://www.thaitextile.org/TWIA>

The Association of Thai Textile Bleaching, Dyeing, Printing and Finishing Industries (ATDP)

Queen Sirikit National Convention Center, Zone D

3rd Floor, Room D301/3, 60 New Rachadapisek Road, Klongtoey, Bangkok 10110

Tel: (66) 2229-3431-2

Fax: (66) 2229-3431-2

Website: <http://www.thaitextile.org/ATDP>

The Thai Garment Manufacturers Association (TGMA)

31st Floor, Panjathani Tower, 127/36, Nonsee Road, Chongnonsee, Yannawa, Bangkok 10120

Tel: (66) 2681-2222

Fax: (66) 2681-0231-2

Website: <http://www.thaigarment.org>

The Thai Silk Association (TSA)

Textile Industry Division, Soi Trimitr, Rama IV Road, Klong Toey, Bangkok 10110

Tel: (66) 2712-4328

Fax: (66) 2258-8769

Website: <http://www.thaitextile.org/TSA>

The Textile Merchants Association (TMA)

4th Floor, Espreme Building

562 Soi Watgunmatuyalarm, Rajchawong Road, Samphantawong, Bangkok 10100

Tel: (66) 2622-6711-3

Fax: (66) 2622-6714

Website: <http://www.thaitextile.org/TMA>

The Bobae Garment Association (BOBAE)

94/24 Trok Thamma Rongmuang, Pathumwan, Bangkok 10330

Tel: (66) 2221-8050

Fax: (66) 2221-4996

Website: <http://www.thaitextile.org/BOBAE>

BANKS IN THAILAND

ABN-AMRO Bank N.V

3rd-4th Floor, Bangkok City Tower, 179/3 South Sathorn Road, Bangkok 10120

Tel: (66) 2679-5900

Website: <http://www.abnamro.com>

ACL Bank PCL

11th-13th Floor, Emporium Tower, 622 Sukhumvit Road, Klongton, Klongtoey, Bangkok 10110

Tel: (66) 2663-9999

Fax: (66) 2633-9888

Website: <http://www.aclbank.com>

AIG Retail Bank PCL

7th Floor, Abdulrahim Building, 990 Rama IV Road, Bangrak, Bangkok 10500

Customer Service: (66) 2697-8222

Website: <http://www.aigretailbank.co.th>

Bangkok Bank PCL

333 Silom Road, Bangkok, 10500

Tel: (66) 2231-4333
Fax: (66) 2231-4742
Bualuang Phone: 1333
Website: <http://www.bbl.co.th>, <http://www.bangkokbank.com>

Bank for Agriculture and Agricultural Cooperatives (BAAC)

469 Nakhon Sawan Road, Dusit, Bangkok 10300
Tel: (66) 2289-0180
Fax: (66) 2280-0442
Website: <http://www.baac.or.th>

Bank of America N.A.

33rd Floor CRC Tower, All Seasons Place, 87/2 Wireless Road, Pathumwan, Bangkok 10330
Tel: (66) 2305-2900
Fax: (66) 2305-2999
Website: <http://www.bankofamerica.com.th>

Bank of Ayudhaya PCL

1222 Rama III Road, Bang Phongphang, Yannawa, Bangkok 10120
Tel: (66) 2296-3000
Fax: (66) 2683-1484
Krungsri Call Center: 1572
Website: <http://www.krungsri.com>

Bank of Borada

3rd Floor, Mahatun Plaza Building
888/198 Ploenjit Road, Lumpini, Patumwan, Bangkok 10330
Tel: (66) 2253-1101, 2255-5211
Fax: (66) 2255-4911
Website: <http://www.bankofborada.com>

Bank of China

Bangkok City Tower
179/4 South Sathorn Road, Tungmahamek, Sathorn, Bangkok 10120
Tel: (66) 2286-1010
Fax: (66) 2286-1020
Website: <http://www.boc.cn>

Bank of Nova Scotia

Ground Floor, Ploenchit Tower, 898 Ploenchit Road, Bangkok 10330
Tel: (66) 2263-0303
Fax: (66) 2263-0150-1
Website: <http://www.scotiabank.com>

Bank of Tokyo-Mitsubishi UFJ, Ltd.

Harindhorn Tower, 54 North Sathorn Road, Silom, Bangrak, Bangkok 10500
Tel: (66) 2266-3011
Fax: (66) 2266-3055
Website: <http://www.btmu.co.th>

Bank Thai Public Co., Ltd.

44 North Sathorn Road, Silom, Bangrak, Bangkok 10500
Tel: (66) 2638-8000, 2633-9000-3
Fax: (66) 2633-9026
BT Care Center: (66) 2626-7777
Website: <http://www.bankthai.co.th>

BNP Paribas

29th Floor, Abdulrahim Place, 990 Rama IV Road, Silom, Bangrak, Bangkok 10500
Tel: (66) 2636-1900

Fax: (66) 2636-1935
Website: <http://www.bnpparibas.co.th>

Calyon Corporate and Investment Bank

152 Wireless Road, Bangkok 10330
Tel: (66) 2624-8000
Fax: (66) 2651-4586
Website: <http://www.calyon.com>

CitiBank, N.A

82 North Sathorn Road, Silom, Bangrak, Bangkok 10500
CitiPhone Banking: 1588
Website: <http://www.citibank.com>

Deutsche Bank AG

208 Wireless Road, Lumpini, Pathumwan, Bangkok 10330
GPO Box 1237 Bangkok 10501
Tel: (66) 2651-5000
Fax: (66) 2651-5151
Website: <http://www.db.com/thailand>

Export-Import Bank of Thailand (EXIM Bank)

EXIM Building, 1193 Phaholyothin Road, Phayathai, Bangkok 10400
Tel: (66) 2271-3700, 2278-0047, 2617-2111
Fax: (66) 2271-3204
Website: <http://www.exim.go.th>

GE Money Retail Bank PCL

87/1 Capital Tower and 87/2 CRC Tower,
All Season Place, Wireless Road, Lumpini, Pathumwan, Bangkok 10330
Tel: (66) 2627-6200
Fax: (66) 2627-8959
Website: <http://www.gemoneybank.co.th>

Government Savings Bank (GSB)

470 Phaholyothin Road, Phayathai, Bangkok 10400
Tel: (66) 2299-8000
GSB Hotline: 1115
Website: <http://www.gsb.co.th>

Islamic Bank of Thailand

M, 21st, 22nd Floor, Q House Building,
66 Sukhumvit 21, Klongtoey Nua, Wattana, Bangkok 10110
Tel: (66) 2650-6999
Fax: (66) 2664-3345
Website: <http://www.isbt.co.th>

JPMorgan Chase Bank N.A.

20 North Sathorn Road, Silom, Bangrak, Bangkok 10500
Tel: (66) 2684-2000
Fax: (66) 2684-2020
Website: <http://www.th.jpmorgan.com>

Kasikornbank PCL

1 Soi Kasikornthai, Ratburana Road, Bangkok 10140
Tel: (66) 2888-8888
Fax: (66) 2888-8882
Call Center: (66) 2888-8888
Website: <http://www.kasikornbank.com>

Kiatnakin Bank

500 Amarin Tower, Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330

Tel: (66) 2680-3333

Fax: (66) 2256-9933

Website: <http://www.kiatnakin.co.th>

Krung Thai Bank Public Co., Ltd. (KTB)

35 Sukhumvit Road, Klongtoey Nua, Wattana, Bangkok 10110

Tel: (66) 2255-2222

Fax: (66) 2255-9391-3

Krung Thai Phone: 1551

Website: <http://www.ktb.co.th>

Land and Houses Retail Bank PCL (LH Bank)

1 Q House Building, Lumpini, South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120

Tel: (66) 2359-0000

Fax: (66) 2677-7223

Website: <http://www.lhbank.co.th>

Mega International Commercial Bank PCL

36/12, P.S Tower, Asoke, Sukhumvit 21, Klongtoey Nua, Wattana, Bangkok 10110

Tel: (66) 2259-2000-9

Fax: (66) 2259-1330, 2261-3660

Website: <http://www.icbc.co.th>

Mizuho Corporate Bank

18th Floor, TISCO Tower, 48 North Sathorn Road, Silom, Bangrak, Bangkok 10500

Tel: (66) 2638-0200-5

Fax: (66) 2638-0218

Website: <http://www.mizuhocbk.co.jp>

Oversea-Chinese Banking Corp., Ltd. (OCBC)

15th Floor Q House Lumpini, Unit 1502,

1 South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120

Tel: (66) 2287-9888

Fax: (66) 2287-9898

Website: <http://www.ocbc.com.sg>

RHB Bank Berhad

Level 10, Liberty Square Building, 287 Silom Road, Bangrak, Bangkok 10500

Tel: (66) 2631-2000

Fax: (66) 2631-2018

Website: <http://www.rhbbank.com.my>

Siam City Bank Public Co., Ltd. (SCIB)

1101 New Phetchaburi Road, Makkasan, Rajthevi, Bangkok 10400

Tel: (66) 2208-5000, 2253-0200-43

SCIB Contact Center: (66) 2828-8000

Website: <http://www.scib.co.th>

Siam Commercial Bank PCL (SCB)

9 Ratchadapisek Road, SCB Park, Ladyao, Chatuchak, Bangkok, 10900

Tel: (66) 2544-1000

Easy Call Center: (66) 2777-7777

Website: <http://www.scb.co.th>

Standard Chartered Bank (Thai) PCL

90 Sathorn Thani Building, North Sathorn Road, Silom, Bangrak, Bangkok 10500

Tel: (66) 2724-4000

Fax: (66) 2724-4444

Website: <http://www.standardchartered.co.th>

Thanachart Bank Public Company Limited

Tonson Tower , 900 Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330

Tel: (66) 2655-9000

Fax: (66) 2655-9585

Contact Center: 1770

Website: <http://www.thanachartbank.co.th>

The Hong Kong and Shanghai Banking Corporation Limited (HSBC)

HSBC Building, 968 Rama IV Road, Silom, Bangrak, Bangkok 10500

Tel: (66) 2614-4000

Fax: (66) 2632-4818

Website: <http://www.hsbc.co.th>

The Sumitomo Mitsui Banking Corporation

8th-10th Floor, Q House Lumpini Building

1 South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120

Tel: (66) 2353-8000

Fax: (66) 2353-8282

Website: <http://www.smbc.co.jp>

TISCO Bank Public Company Limited

TISCO Tower, 48/2 North Sathorn Road, Bangrak, Bangkok 10500

Tel: (66) 2633-6000

Fax: (66) 2633-6800

Website: <http://www.tisco.co.th>

TMB Bank Public Co., Ltd. (TMB)

3000 Phaholyothin Road, Chomphon, Chatuchak, Bangkok 10900

Tel: (66) 2299-1111

TMB Phone Banking: 1558

Website: <http://www.tmb.co.th>, <http://www.tmbbank.com>

United Overseas Bank (Thai) Public Co., Ltd. (UOB)

191 South Sathorn Road, Bangkok 10120

Tel: (66) 2343-3000

Fax: (66) 2287-2973

UOB Call Center: (66) 2285-1555 Fax: (66) 2213-2679

Website: <http://www.uob.co.th>

REGIONAL EXPORT PROMOTION CENTERS IN THAILAND

Export Promotion Center, Chiang Mai

29/19 Singharaj Road, Chiang Mai 50200

Tel: (66 053) 216-350-1, 221-376

Fax: (66 053) 215-307

Export Promotion Center, Khon Kaen

68/4 Kiang Muang Road,

Khon Kaen, 40000

Tel: (66 043) 221-472

Fax: (66 043) 221-476

Export Promotion Center, Surat Thani

148/59 Surat-Nakornsri Road, Bang Kung , Surat Thani, Bangkok 84000

Tel: (66 077) 286-916, 287-108

Fax: (66 077) 288-632

Export Promotion Center, Hat Yai

7-15 Jootee-Uthit 1 Road, Hat Yai, Songkla 90110

Tel: (66 074) 234-349, 231-744

Fax: (66 074) 234-329

Export Promotion Center, Chanthaburi

30/31-32 Trirat Road, Chanthaburi, 22000

Tel: (66 039) 325-962-3

Fax: (66 039) 325-962

THAILAND'S TRADE PROMOTION IN OVERSEAS

North America

Thai Trade Center, Chicago

Royal Thai Consulate General

700 North Rush St. 2nd Floor

Chicago, IL 60611 USA

Tel: (1) 312-787-3388

Fax: (1) 312-787-9733

Thai Trade Center, Los Angeles

611 North Larchmont Blvd. 3rd Floor

Los Angeles, CA 90004 USA

Tel: (1) 323-466-9645

Fax: (1) 323-466-1559

Thai Trade Center, New York

61 Broadway, Suite# 2810

New York, NY 10006 USA

Tel: (1) 212-482-0077

Fax: (1) 212-482-1177

Thai Trade Center, Miami

6100 Blue Lagoon Drive, Suite# 100

Miami, FL 33126 USA

Tel: (1) 786-388-7888

Fax: (1) 786-388-7999

Thai Trade Center, Toronto

80 Bloor Street West, Suite# 401,

Toronto, Ontario, M5S 2V1 Canada

Tel: (1) 416-921-5400

Fax: (1) 416-921-7545

Thai Trade Center, Vancouver

The Royal Thai Consulate-General

1009-1166 Alberni Street,

Vancouver, BC. V6E 3Z3 Canada

Tel: (1) 604-687-6400

Fax: (1) 604-683-6775

Thai Trade Center, Mexico

Plaza Polanco AV. Jaime Blames# 11

Edificio B, Piso 2, Numero 201-B 'C'

Col. Los Morales Polanco, Mexico, D.F. 11510

Tel: (1) 5255-5557-5418, 5255-5557-9960

Fax: (1) 5255-5580-4214

South America

Thai Trade Center, Sao Paulo, SP-Brazil

Rue Gomes de Cavalho 1356 sala 112, Vila Olimpia
04547-005, Sao Paulo, SP-Brazil
Tel: (5511) 3044-7301, 3044-7347, 3045-4563
Fax: (5511) 3045-1913

Thai Trade Center, Santiago, Chile

EI Arcangel 4916, Vitacura, Santiago, CHILE
Tel: (562) 263-4186, 208-9325
Fax: (562) 263-4214

Europe

Thai Trade Center, Vienna, Austria

Kopalgasse 47, A-1110 Vienna, AUSTRIA
Tel: (431) 748-5020
Fax: (431) 748-502012

Thai Trade Center, Copenhagen, Denmark

76 Hellerupvej 2900 Hellerup, Copenhagen, DENMARK
Tel: (45) 39-62 69 99
Fax: (45) 39-62 60 99
Website: <http://www.thaicom.dk/>

Thai Trade Center, Paris, France

8 Rue Greuze, 75116 Paris, FRANCE
Tel: (33) 1-56 901212
Fax: (33) 1-56 901213

Thai Trade Center, Frankfurt, Germany

Bethmannstrasse 58 60311 Frankfurt am Main GERMANY
Tel: (49) 69-254-9464-0, 254-9464-11, 254-9464-12
Fax: (49) 69-254-9464-20

Thai Trade Center, Berlin, Germany

Petzower Str. 1, 14109 Berlin, GERMANY
Tel: (49) 30-805-0040
Fax: (49) 30-805-00451

Thai Trade Center, Rome, Italy

Viale Erminio Spalla 41, 00142 Rome, ITALY
Tel: (39) 6-503-0804-5
Fax: (39) 6-503-5225

Thai Trade Center, Milan, Italy

Via A. Albricci, 8, 20122 Milano, ITALY
Tel: (39) 2-89 01 14 67
Fax: (39) 2-89 01 14 78

Thai Trade Center, Hague, Netherlands

Laan van Meerdervoort 51 2517 AE The Hague, THE NETHERLANDS
Tel: (31) 70-345-5444
Fax: (31) 70-346-1005

Thai Trade Center, Madrid, Spain

Embajada Real de Tailandia Segre, 29/2A, 28002 Madrid, SPAIN
Tel: (34) 91-563-0190, 563-0196
Fax: (34) 91-563-8090

Thai Trade Center, London, UK

11 Hertford Street, Mayfair London, W1J 7RN, UNITED KINGDOM
Tel: (44) 207-493-5749
Fax: (44) 207-493-7416

Thai Trade Center, Prague, Czech Republic

Holeckova 29, 150 95 Praha 5 - Smichov Prague, CZECH REPUBLIC
Tel: (420) 2-5732-3030, 5732-5867, 5732-5882
Fax: (420) 2-5732-7555

Thai Trade Center, Budapest, Hungary

1st Floor, Harangvirag UTCA 5, 1026 Budapest, HUNGARY
Tel: (36) 1-212-2738, 225-1369
Fax: (36) 1-212-2736

Thai Trade Center, Warsaw, Republic of Poland

9th Floor, Warsaw Financial Center Building, ul. Emilii Plater 53,
00-113 Warsaw, REPUBLIC OF POLAND
Tel (48) 22-540-7098
Fax: (48) 22-540-7095

Thai Trade Center, Moscow, Russia

9 Bolshaya Spasskaya Street, Moscow 129090, RUSSIAN FEDERATION
Tel: (001) or (007) 74-95 974-1501, 974-1543
Fax: (001) or (007) 74-95 974-1531

Africa

Thai Trade Center, Pretoria, South Africa

248 Hill Street, Arcadia Pretoria,
P.O.Box 95459, Waterkloof 0145,
REPUBLIC OF SOUTH AFRICA
Tel: (27) 12-342-0835, 0850, 0856, 0859
Fax: (27) 12-342-0855

Thai Trade Center, Accra, Ghana

No. 4 Alema Avenue Airport Residential Area
P.O. Box P.M.B. CT 105 Cantonments, Accra, Ghana
Tel: (233) 21-780442, 781228
Fax: (233) 21-769941

Thai Trade Center, Cairo, Egypt

59 Mosadak Street, 4th Floor Apt# 10
Dokki, Giza, Greater Cairo, EGYPT
Tel: (202) 3762-0901, 3338-7292
Fax: (202) 3336-3062

Asia

Thai Trade Center, Phnom Penh, Cambodia

196 M.V. Preah Norodom Blvd.,
Sangkat Tonle Bassac, Khan Chamcar Mon, Phnom Penh, CAMBODIA
Tel: (855) 2372-6304, 2575-0506-8 ext. 210, 209, 208
Fax: (855) 2372-6305

Thai Trade Center, Jakarta, Indonesia

Jl. Imam Bonjol, No.74 Jakarta 10310, INDONESIA
Tel: (62) 21 3190-1363 (hunting)
Fax: (62) 21 3190-1360

Thai Trade Center, Vientiane, Lao P.D.R

Phonkeng Road, Sayasettha District, P.O. Box 128 Vientiane Capital, LAO P.D.R.
Tel: (85) 621-413-704, 413-706
Fax: (85) 621-412-089

Thai Trade Center, Kuala Lumpur, Malaysia
206 Jalan Ampang, 50450 Kuala Lumpur, MALAYSIA
Tel: (603) 2142-4601, 2145-8545
Fax: (603) 2148-9818

Thai Trade Center, Yangon, Myanmar
24-26 Kaba Aye Pagoda Road (Golden Hill Tower), Bahan Township Yangon, UNION OF MYANMAR
Tel: (951)558-628, 558-556 ext. 7041
Fax: (951) 553-644

Thai Trade Center, Manila, the Philippines
107 Rada Street, Legaspi Village, Makati City 1229, Metro Manila, THE PHILIPPINES
Tel: (632) 894-0403, 894-0406
Fax: (632) 816-0698
Website: <http://www.worldtelphil.com/>

Thai Trade Center, Singapore
370 Orchard Road, Royal Thai Embassy, SINGAPORE 238870
Tel: (656) 737-3060, 732-7769
Fax: (656) 732-2458
Website: <http://www.thaitrade.org.sg>

Thai Trade Center, Hanoi, S.R. Vietnam
No. 801, 8th Floor, Hanoi Central Office Building
44B Ly Thoung Kiet Str. Hanoi, S.R. VIETNAM
Tel: (844) 936-5226, 936-5227
Fax: (844) 936-5228

Thai Trade Center, Ho Chi Minh City, S.R. Vietnam
8th Floor, Unit 4, Saigon Centre Building, 65 Le Loi Boulevard, District 1
Ho Chi Minh City - S.R. VIETNAM
Tel: (848) 914 1838
Fax: (848) 914 1864

Thai Trade Center, Guangzhou, China
Royal Thai Consulate-General
Garden Tower, Room No. 1255-1257
386 Huanshi Dong Road, Guangzhou, 510064, PEOPLE'S REPUBLIC OF CHINA
Tel: (86) 20-8384 9453, 8333 8999 ext 1255, 1256
Fax: (86) 20-8384 9760

Thai Trade Center, Xiamen, China
Rosewood Lakeview Plaza, Room 2603 #3
Jianye Road, Hubin Bei, Xiamen 362012, Fujian, PEOPLE'S REPUBLIC OF CHINA
Tel: (86) 592-511 2323 ext. Room 2603
Fax: (86) 592-536 8818, 506 1356 ext. 2603

Thai Trade Center, Kunming, China
Commercial Section, Royal Thai Consulate-General, Thai Trade Center
Kunming Hotel, 1st Floor, Commercial Building
52 Dongfeng East Road, Kunming, Yunnan 650051, PEOPLE'S REPUBLIC OF CHINA
Tel: (86) 871 316 5006, 316 5019
Fax: (86) 871-316-5026

Thai Trade Center, Shanghai, China

Commercial Section, Royal Thai Consulate-General, Thai Trade Center,
2nd Floor, No.7 Zhongshan Road, East 1, Shanghai 200002

PEOPLE'S REPUBLIC OF CHINA

Tel: (86) 21-6321 9473, 6323 5269, 6321 9686

Fax: (86) 21-6321 9656

Thai Trade Center, Hong Kong, China

Commercial Section, Royal Thai Consulate-General, Thai Trade Center

8th Floor, Fairmont House, 8 Cotton Tree Drive, HONG KONG

Tel: (85) 2 2525 9716

Fax: (85) 2 2868 4927

Thai Trade Center, Chengdu, China

Commercial Section, Royal Thai Consulate-General in Chengdu

42 Renmin Nan Road, 4th Section C210-212, Office Building, Kempinski Hotel, Chengdu, Sichuan

610041 PEOPLE'S REPUBLIC OF CHINA

Tel: (86) 28-8512 5928, 28-8519 2668

Fax: (86) 28-8515 9222, 28-8512 5938

Thai Trade Center, Tokyo, Japan

Office of Commercial Affairs, Royal Thai Embassy (Thai Trade Center)

Setani Building, 6th Floor, 5-4 Kojimachi Chiyoda-ku, Tokyo, 102-0083 JAPAN

Tel: (81) 3 3221 9482-3, 3221 9463

Fax: (81) 3 3221 9484

Thai Trade Center, Fukuoka, Japan

Thai Trade Center

Kogin Building, 8F, 1-13-2 Tenjin Chuo-ku, Fukuoka, 810-0001 JAPAN

IP Phone: (81) 50-3531-7769

Tel: (81) 9 2751-6311

Fax: (81) 9 2751-6522

Thai Trade Center, Osaka, Japan

Thai Trade Center

Bangkok Bank Building, 8F, 1-9-16, Kyutaromachi, Chuo-ku, Osaka 541-0056 JAPAN

Tel: (81) 6-6262-4418

Fax: (81) 6-6271-1053

Thai Trade Center, Seoul, Korea

738-20 Hannam-Dong, Yongsan-Ku, Seoul 140-210, REPUBLIC OF KOREA

Tel: (822) 795 2431, 795 4446

Fax: (822) 795 2998

Thai Trade Center, Taipei, Taiwan

Taipei World Trade Center

Room 7E10, No.5, Hsin-Yi Road, Sec. 5, Taipei 110, TAIWAN

Tel: (8862) 2723 1800-2, 2722 4041

Fax: (8862) 2723 1821

Thai Trade Center, New Delhi, India

Thai Trade Center

56-N, Nyaya Marg, Chanakyapuri, New Delhi, 1120021, INDIA

Tel: (9111) 2410 5608, 2410 5610

Fax: (9111) 2410 5609

Thai Trade Center, Mumbai, India

Royal Thai Consulate - General CC

Commercial Section, Dalamal House, 1st Floor, Jammalal Bajaj Marg, Nariman Point,

Mumbai 400 021, India

Tel: (9122) 2215 4159

Fax: (9122) 2215 4168

Thai Trade Center, Chennai, India

Commercial Section Royal Thai Consulate
No. 21/22 Arunachalam Road, Kotturpuram, Chennai - 600 085
Tel: (9144) 4230-0790, 4230-0730 ext. 102
Fax: (9144) 4202-0900, 4230-0790

Thai Trade Center, Dhaka, Bangladesh

Thai Trade Center
17 Mohakhali C/A 3rd Floor, Red Crescent Concord Tower Dhaka-1212, BANGLADESH
Tel: (8802) 885 0056, 885 0057-8
Fax: (8802) 885 0059

Thai Trade Center, Sydney, Australia

Level 21, Suite 2102, the Royal Exchange Building,
56 Pitt Street, Sydney, NSW 2000 AUSTRALIA
Tel: (61) 2 9241 1075
Fax: (61) 2 9251 5981

SME Bank, Ministry of Industry Coordinate Office Branch

Ministry of Industry, Rama VI Rd., Ratchathewi, Bangkok 10400
Tel. 0-2354-3073, 0-2202-3265
Fax 0-2354-3074

Industrial Finance Corporation in Thailand (IFC)

C/O World Bank Office
30th Floor, Siam Tower, 989 Rama I Road, Pathumwan, Bangkok 10330
Tel: (66) 2686-8300
Fax: (66) 2686-8379
Website: <http://www.ifc.org>

Chapter 7

Frequently Asked Questions

1. Why is Thailand a good destination for foreign direct investment (FDI)?

In 2005, Thailand was ranked the 3rd most attractive in Asia investment site in a survey conducted by the UN Commission for Trade and Development (UNCTAD). There is good reason for that ranking, for Thailand offers investors many advantages.

The investment environment is one of the most enabling in the region. Success administrations have been committed to letting the private sector be the driver while government plays a supporting role. This remains the cornerstone of Thai policy.

In addition, sustained emphasis on macroeconomic stability, and policies of liberalization, privatization, and decentralization, have created an environment in which the private sector has been able to flourish and grow. Indeed, while there are several government agencies that support and facilitate the efforts of investors, Thailand's main lure is the freedom that enables entrepreneurs to seize opportunities.

The Thai government has established resources to support and assist investors. Through the Board of Investment (BOI), the government offers a range of tax incentives, support services and import duty concessions available to an extensive list of businesses that are regarded as priority or promoted industries. Other government organizations, like the Department of Export Promotion and international chambers of commerce, provide invaluable support.

The country's well-defined investment policies focus on liberalization and encourage free trade. Foreign investments, especially those that aim to promote skills enhancement, technology and innovation are highly encouraged by the government.

Thailand has 64 million people and abundant natural resources and a large pool of cost-effective labor that can make products competitive in the global marketplace that characterizes the 21st century. It has a good infrastructure for foreign investors, with modern transport facilities, as well as upgraded communications and IT networks, ensure optimum business and living conditions. State-of-the-art industrial estates boast sophisticated facilities and superior services.

In addition, Thailand enjoys a strategic location right at the heart of Asia – home to what is regarded today as the largest growing economic market. It serves as a gateway to Southeast Asia and the Greater Mekong sub-region, where newly emerging markets offer great business potential. Thailand has long supported economic integration with neighboring countries and has encouraged the development of free trade in the region.

2. What incentives does Thailand offer to facilitate foreign business establishment?

To attract foreign investment, the BOI offers a wide range of fiscal and non-tax incentives.

To reduce risks, the BOI offers guarantees against nationalization or competition from new state enterprises. It also grants permission to bring in foreign nationals to perform investment feasibility studies or to work under promoted projects, and grants permission for foreign entities to own land for carrying out promoted activities or for residences of workers and management.

To help reduce the initial investment costs and improve the overall rate of return, the BOI offers an attractive range of tax incentives, including exemption or reduction of import duties on imported machinery, exemption or reduction of import duty on imported materials and components, and a corporate income tax holiday of up to eight years, etc.

The BOI also offers investors a wide range of services, before, during and after the application process. For example, BOI can help find joint venture partners, promotes industrial subcontracting, offers business facilitation services to help resolve issues involving other government agencies, and operates a One-Stop Service Center for Visas and Work Permits, which enables investors to obtain long-term visas and work permits in three hours or less.

More information about the incentives offered by the Board of Investment can be found in the publication, A Guide to the BOI, which is available through the BOI website: www.boi.go.th

3. What are the estimated monthly overhead costs and other business expenses for foreign companies in Thailand?

There is no simple formula for calculating this as there are numerous variables, such as size of business, type of activity, industrial or service sector, percentage of expatriate staff, industry, etc. However, to assist foreign companies, the Board of Investment annually publishes a Costs of Doing Business in Thailand report.

4. What are Thailand's major business associations?

There are numerous business organizations, including the Federation of Thai Industries, the Thai Chamber of Commerce, the Board of Trade and foreign chambers of commerce. In addition, there are a large number of industry specific organizations. Chapter 6 of this guide contains contact information for many of the major business organizations.

5. Where can I obtain the schedule of trade exhibitions and trade fairs in Thailand?

There are many major trade fairs held in Thailand each year. The website www.thaitradefair.com lists many of them, complete with application forms for exhibitors.

6. Where can I find contact details of freight forwarders, shipping companies, trading companies and buying agents in Thailand?

There are many ways to obtain information about these service providers. The Department of Export Promotion (DEP) (www.thaitrade.com) is an excellent source of information. For example, it publishes an online exporters directory that provides a platform through which buyers can obtain information about more than 10,000 exporters, including trading companies.

For freight forwarding and shipping, there are also good resources available through the Internet. The website (www.tiffathai.org) of the Thai International Freight Forwarders Association (TIFFA) contains a list of freight forwarders and shippers and provides details about each of its member companies. The Thai Airfreight Forwarders Association website (www.tafathai.org) also provides detailed information about its members.

Other good resources for contact information would be the websites of the Federation of Thai Industries (www.fti.or.th) and the Board of Trade (www.thaiechamber.com), foreign embassies and chambers of commerce.

7. Where can I obtain a list of Thai importers and exporters, with contact information?

The Department of Export Promotion provides an extensive list of exporters through their website www.depthai.go.th and both the Federation of Thai Industries and Thai Chamber of Commerce publish directories that can be purchased for around 1,200 Baht (US\$30).

8. Where can I get the latest list of import tariffs, customs duties and excise tax rates for all product categories from each country?

Information on import tariffs/customs duties are available from the Customs Department (www.customs.go.th), while information pertaining to excise tax can be obtained from the Excise Department (www.excise.go.th).

9. Who can help resolve trade disputes with Thai companies in the case of a breach of a trading contract or export of defective products?

Thailand has a civil and commercial code, including a Bankruptcy Act. Monetary judgments are calculated at the market exchange rate. Decisions of foreign courts are not accepted or enforceable in Thai courts. Disputes such as the enforcement of property or contract rights have generally been resolved through the Thai courts. Thailand has an independent judiciary that generally is effective in enforcing property and contractual rights.

In addition, companies may establish their own arbitration agreements. Thailand signed the Convention on the Settlement of Investment Disputes Between States and Nationals of Other States in 1985, but has not yet ratified the Convention. Thailand is a member of the New York Convention, however, and enacted its own rules on conciliation and arbitration in the Arbitration Act of 1987. The Arbitration Office of the Ministry of Justice administers these procedures.

10. How do I obtain contact information for specialized associations in each area of professions, such as doctors, lawyers, architects, engineers, bankers, consultants, real estate brokers, etc?

Contact information for the Thai Lawyer's Association, Thai Banker's Association, and Foreign Banker's Association can be found in Chapter 6. Foreign embassies and chambers of commerce in Thailand can recommend consultants, real estate brokers, etc.

11. Where can I find a list of law firms that specialize in the establishment of foreign businesses?

The Lawyer's Council of Thailand can provide a list on request. They can be contacted at legaid@lawyerscouncil.or.th or by phone at (662) 629-1430.

12. What are the modes of transportation for shipping imported commodities to upcountry locations? What are the costs?

Goods can be shipped by rail or road. Examples of costs for each can be found the BOI publications, Costs of Doing Business in Thailand.

13. What are the rules and regulations relating to the transportation of commodities across the Thai border to neighboring countries?

When a shipment arrives or leaves Thailand, importers or exporters are required to file a goods Declaration with supporting documents to the Customs for cargo clearance. To speed up and facilitate the flow and movement of legitimate cargo, the Customs Department provides two clearance systems: manual and Electronic Data Interchange (EDI).

Procedures

1. File an Export Declaration: The first stage of export clearance procedures is to file an Export Declaration (Customs Form No. 101 or No. 101/1) as prescribed by the Customs manually or through the EDI system
2. Prepare Supporting Documents; The second stage is to prepare the following supporting documents:
 - Invoice
 - Packing List
 - Foreign Transaction Form if the FOB value exceeds Baht 500,000
 - Export License (if applicable)
 - Other relevant documents (if applicable)
3. Check the Declaration and Supporting Documents: The third stage is to submit the Declaration and all supporting documents for examination by Customs at the point of export (in case of EDI Red Line or manual system). The Customs officials will check whether the Declaration is properly made out, and the supporting documents required are attached.
4. Collect Export Duties and Taxes (if any): The fourth stage is to pay applicable taxes and duties.
5. Inspect and Release Cargo: The last stage is to inspect and finally release cargo from Customs custody. The exporters submit the verified Declaration together with

the payment receipt (if any) at appropriate warehouses. Customs inspectors then inspect the exported cargo against the Declaration made. If the goods inspected corresponds to the Declaration made, the Customs inspectors will record the inspection result to the computer and release the cargo.

In case the exporters utilize the EDI green line process, they will electronically submit the Declaration as mentioned above to the Customs Department. The Customs Department then reviews the electronic Declaration through its EDI system. If the Declaration is properly made out and classified as Green Line, the Customs Department will assign Declaration Number to the exporters who will directly proceed to warehouses for cargo inspection and release.

14. Where can I obtain a list of all Thai hotels?

Two good sources of information would be the Thai Hotel Association (www.thaihotels.org) and the Tourism Authority of Thailand (www.tourismthailand.org)

15. Can a foreigner apply for a Permanent Residence Permit? How?

Yes.

Eligibility

- A foreign national qualifies to apply for a residence permit if he or she has been permitted to stay in the Kingdom for a total of at least three years up until the date of application
- A foreign national whose purpose of stay in Thailand is for business or employment purpose; investment purpose; experts or academician purpose; supporting a family who are Thai citizens; being dependent of a husband or father who is a Thai citizen; being accompanied a husband, father, or son/daughter who already has a residence permit; and retirement (aged 60 years old or over and net monthly income no less than 30,000 Baht)
- Foreign investors who invest in a private/public company, purchase condominium, buy government bonds or state enterprise bonds, deposit in one or more Thai banks, and other investments in accordance with the specification of the Immigration Commission for the sum of not less than 10 million baht
- Foreign Investors who made direct investment (over 10 million Baht) or indirect investment (government bonds, State Enterprise bonds, condominium for the amount of eight million Baht for investor, six million baht for a spouse and two million baht for per unmarried child under the age of 20)
- Foreign Experts who have annual income of not less than US\$ 10,000
- Thai Nationals who have changed their citizenship

16. If a foreigner wishes to drive in Thailand, can he use a driver's license from my home country?

In general, foreign driving licenses are not recognized in Thailand; however international driving licenses are recognized and legal for up to 12 months. A foreigner wishing to drive in Thailand may wish to obtain a Thai driving license,

which is relatively easy to obtain. The relevant agency is the Department of Land Transport.