

The E-Book on East Asia Investment Practice

-Thailand

The background features a complex arrangement of overlapping geometric shapes, including triangles and polygons, in various shades of blue, grey, and white. Some shapes contain diagonal hatching patterns. A prominent white diagonal line runs from the top left towards the center.

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Preface

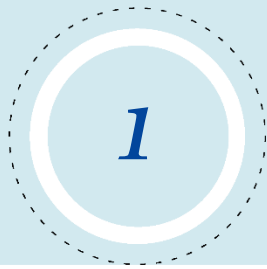
Thailand is a newly industrialized country and the second largest economy in Southeast Asia. It is located in the center of Southeast Asia and has strong market radiation capabilities. Thailand is rich in minerals, forests and water resources, and the state of public security is relatively stable. In recent years, Thailand has been adhering to an independent foreign policy, actively developing good-neighborly and friendly relations, and attaching importance to regional cooperation. Thailand has successively introduced a series of incentives to encourage foreign investment, and successfully developed many industrial parks, free trade zones and other economic zones. Thailand is committed to creating a more convenient business environment for domestic and foreign investors.

In this E-book, Chapter I briefs on Thailand's national features including geography, politics, society features and cultural environment, etc.; Chapter II introduces Thailand's overall business environment; Chapter III gives an introduction about Thailand's economy and trade policies; Chapter IV outlines Thailand's industry development and foreign investment conditions; Chapter V gives an account of startup procedures and provisions in Thailand; Chapter VI introduces relevant laws and regulations for business operation in Thailand; Chapter VII introduces the ways and approaches for settlement of economic and trade disputes; Chapter VIII demonstrates multi-lateral and bilateral free trade agreements such as the Regional Comprehensive Economic Partnership; Chapter IX introduces Thailand's economic security and support policies amid the COVID-19 pandemic; Chapter X includes enterprise-related government departments, chambers of commerce & associations, intermediary organs, and relevant contact information.

We hope that the basic information of the Thailand's economy and trade displayed in this E-book can provide valuable guidance for enterprises and investors, contributing to the investment

facilitation and healthy development of economic globalization.

Time constraints and competence deficiency might lead to inaccuracies in this E-book. We sincerely hope that you can put forward your valuable comments and suggestions so that we can improve them.



General Information

1.1 Geography

Geographical Location

The Kingdom of Thailand (hereinafter referred to as “Thailand”) is in the central part of the Indochina Peninsula, bordering the Pacific Gulf of Thailand in the southeast, the Indian Ocean and the Andaman Sea in the southwest, Myanmar in the west and northwest, Laos in the northeast, Cambodia in the east, and Malaysia in the south. The total area is 513,000 m², and more than 50% are plains and lowlands. The terrain is high in the north and low in the south, sloping from the northwest to the southeast.

Natural Resources

Thailand is rich in natural resources, including potash, tin, lignite, oil shale, natural gas, tungsten, antimony, lead, iron, zinc, copper, molybdenum, nickel, chromium, uranium, barite, gems, petroleum, etc. Among them, potash reserves rank first in the world (reserves of approximately 43.67 million tons); petroleum reserves of 25.59 million tons; lignite reserves of approximately 2 billion tons; natural gas reserves of approximately 365.95 billion cubic meter; and forest coverage of approximately 20%. With vast sea areas, 2,705 km of coastline and rich fish resources, it is

one of the world's fish product suppliers.

Climate

Most parts of Thailand have a tropical monsoon climate, and it is clearly divided into hot season (February-mid-May), rainy season (June-mid-October) and cool season (November-February of the following year) throughout the whole year. The annual average temperature is 27.7°C, and the highest temperature is above 40°C. The average annual precipitation is 1,100 mm.

Administrative Division

Thailand is divided into 5 regions: the northern, central, southern, eastern, and northeastern regions. There are 77 prefectures, under which there are counties, towns, and villages.

Bangkok, the capital of Thailand, is located on the Chao Phraya River. It is the largest city in Thailand and the second largest city in Southeast Asia. It is also the political, economic, cultural and transportation center of Thailand.

1.2 Politics

Constitution

Thailand's current constitution is the 20th Constitution of Thailand, which takes effect on April 6, 2017 upon approval by King Maha Vajiralongkorn. According to the *Constitution of the Kingdom of Thailand*, Thailand implements a constitutional monarchy. As the head of state and the supreme commander of the army, the king is a symbol of national sovereignty and unity.

Parliament

The Thai parliament consists of the upper and lower houses. According to the *Thailand's*

Constitution, the Upper House has 250 members; the Lower House has 500 members, of which 350 are directly elected by the people, and 150 are elected by various political parties in proportion to their votes. The current Parliament was established in May 2019. The Chairman of the Parliament and Speaker of the Lower House is Chuan Leekpai, and the Vice-Chairman and Speaker of the Upper House is Pornpetch Wichitcholchai.

Chief of State

The current King Maha Vajiralongkorn succeeded to the throne in October 2016 and is honored as “Rama X”.

Government

The Thai government is composed of a total of 36 people including 1 prime minister, 5 deputy prime ministers, and ministers and deputy ministers of the Ministry of Foreign Affairs, Ministry of Finance, Ministry of Transport, etc. The Prime Minister is the head of government, elected by the Parliament and appointed by the King for a term of 4 years. The current prime minister is General Prayuth Chan-ocha. Government ministers and cabinet members are nominated and appointed by the president, and the new cabinet took office in March 2019.

Political Parties

Thailand’s current ruling party is the National Power Party, which was formed in 2018 by the current Thai military government and people advocating conservatism disputes. The current Prime Minister Prayuth Chan-ocha was one of the party’s cabinet members. Other major political parties registered in Thailand include Democratic Party (founded in 1946), Thai Rak Thai Party (1998), Puea Thai Party (2008), New Future Party (2018), New Political Party (2009), etc.

1.3 Economy

Macro Economy

In recent years, Thailand's macro economy has shown a continuous upward trend, and the economic growth rate has remained above 2% from 2016 to 2019. Affected by the COVID-19 epidemic, the nominal gross domestic product (GDP) in 2020 was Thai Baht 15,264,184 million (approximately US\$ 489.98 billion), a year-on-year decrease of 6.21%; and per capita GDP was Thai Baht 230,611.63, a year-on-year decrease of approximately 4.86%. From the perspective of industry segments, the development of different industries in 2020 will be different. Among them, the food and lodging service industry fell by 38.3% year-on-year, the logistics and warehousing industry fell by 22.2%, and the mining and quarrying industry fell by 20.3%; and the public service industry, information communication industry and education industry grew by 3.5%, 3.6% and 3.3% respectively.^①

Table 1-1 Macroeconomic Data of Thailand, 2016-2020^②

Index	2016	2017	2018	2019	2020
Nominal GDP (Unit: THB Billion)	13,904.97	14,794.81	15,575.60	16,275.57	15,264.18
GDP per capita (Unit: THB)	211,574.79	223,762.21	235,718.28	242,380.61	230,611.63
Growth rate of real GDP (%)	3.43	4.07	4.15	2.35	-6.10

Trade Scale

Commodity Trade.^③ From 2016 to 2020, Thailand's merchandise trade volume increased first and then decreased. Affected by the epidemic, Thailand's merchandise trade volume was Thai Baht 13.68 trillion 2020, a year-on-year decrease of 9.12%; of which exports were Thai Baht 7.18 trillion, a year-on-year decrease of 5.90%; imports were Thai Baht 6.50 trillion, a year-on-year decrease of 12.43%; and the trade surplus was Thai Baht 676.09 billion.

① National Economic and Social Development Council of Thailand: www.nesdc.go.th.

② National Economic and Social Development Council of Thailand: www.nesdc.go.th.

③ The Bank of Thailand: www.bot.or.th.

The main export commodities are mechanical and electrical products, food, manufactured products, chemical products, mixed processed products, etc. The main imported commodities are mechanical and electrical products, manufactured goods, fossil fuels and lubricants, chemical supplies, etc.

The main export markets are the United States, China, Japan, Hong Kong, China, Vietnam, Australia, etc.; and the main import markets are China, Japan, the United States, Malaysia, Taiwan, China, Singapore, Indonesia, etc.

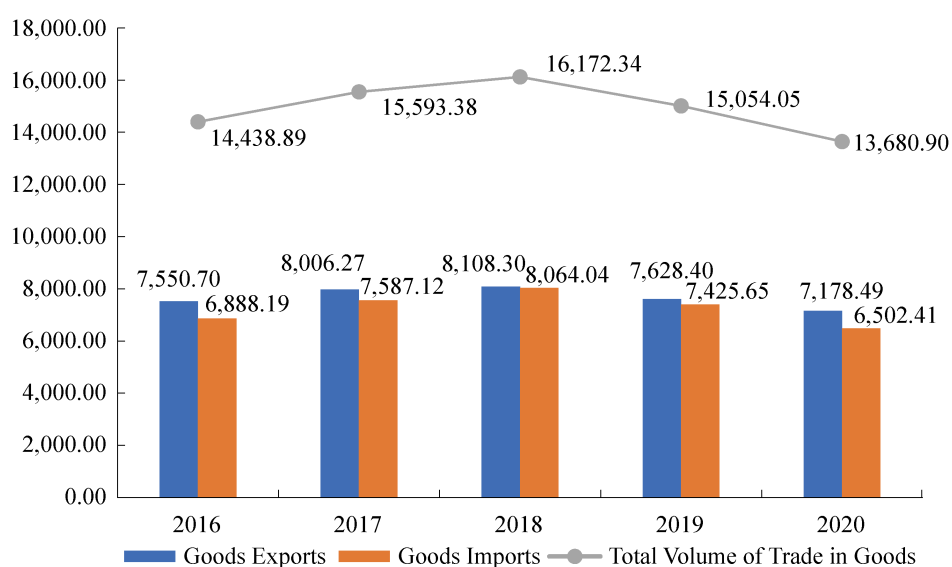


Fig. 1-1 Thailand's commodity trade volume, 2016–2020 (Unit: Thai Baht billion)^①

Service Trade.^② From 2016 to 2020, Thailand's total service trade volume showed an upward trend and then a downward trend. Affected by the epidemic, Thailand's service trade amounted to Thai Baht 2.45 trillion in 2020, a year-on-year decrease of 42.78%. Among them, exports were Thai Baht 987.49 billion, a year-on-year decrease of 60.77%; imports were Thai Baht 1,463.00 billion, a year-on-year decrease of 17.13%; and the trade deficit was Thai Baht 475.52 billion.

The main service export categories are tourism, other commercial services (especially light

① The Bank of Thailand: www.bot.or.th.

② The Bank of Thailand: www.bot.or.th.

industrial processing services), and transportation; and the main service import categories are transportation, other commercial services, intellectual property rights and tourism.

The main service export markets are the United States, the European Union, and China; and the main service import markets are the European Union, the United States, Brazil and Australia.

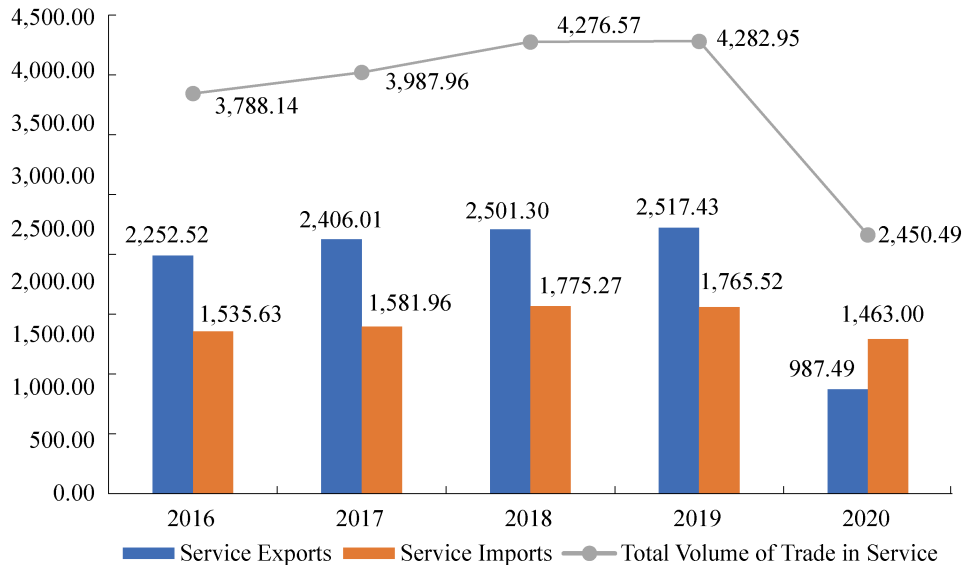


Fig. 1-2 Thailand's trade in service, 2016–2020 (Unit: Thai Baht billion)^①

Local Market

Consumption Expenditure.^② In 2020, Thailand's private consumption expenditure was Thai Baht 8,593.9 billion, a year-on-year decrease of 12.62%. Among them, the items with relatively large proportion are food and beverage (26.77%), transportation (12.14%), catering and accommodation (10.80%), housing (10.00%), medical treatment (5.38%), culture and entertainment (5.00%), furniture and equipment and house maintenance (4.10%), clothing (3.81%), tobacco and alcohol (3.26%), communication (2.27%) and education (1.43%).

Price Level. In 2020, Thailand's domestic consumer price index (CPI) fell by 0.85% year-on-year.

^① The Bank of Thailand: www.bot.or.th.

^② National Economic and Social Development Council of Thailand: www.nesdc.go.th.

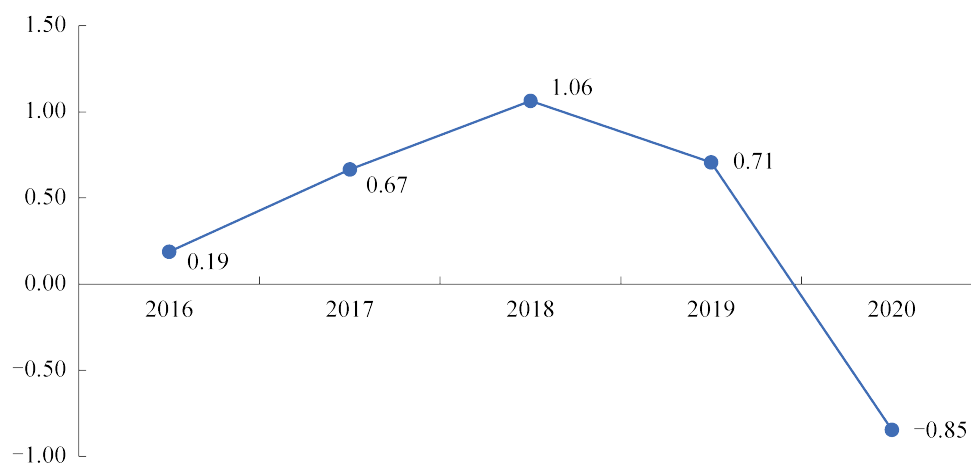


Fig. 1-3 Thailand's CPI, 2016-2020 (Unit: %)^①

1.4 Society and Culture

Population

The total population of Thailand is approximately 66.19 million (2020), and there are more than 30 ethnic groups. Among them, the Thai ethnic group is the main ethnic group, accounting for 40% of the total population, and the rest are Lao, Chinese, Malay, Khmer, as well as Miao, Yao, Gui, Wen, Karen, Shan, Semang, Shagai and other mountainous peoples.^②

Language

Thai is the national language, and both Thai and English are official languages. Each region has local dialects, the language in the central Bangkok area is the standard language, Malay and Khmer are also used more frequently. Thai Chinese generally use Teochew, Hainanese and Cantonese to communicate.^③

Religion

Thailand's main religions are Buddhism, Islam, Catholicism and Hinduism. Buddhism is the state religion of Thailand and an important part of Thailand's religion and culture. More than

① The World Bank: data.worldbank.org.

② The Ministry of Foreign Affairs of the P.R.C.: www.fmprc.gov.cn.

③ Ministry of Commerce of China, Guide on Cooperation with Foreign Countries for Investors-Thailand (2020).

90% of the people believe in it. Islam is the second largest religion in Thailand, with about 3.8% of the people who believe in, and the main believers are Malays from southern Thailand. 99% of Thai Muslims are Sunni and 1% are Shia.^①

Festivals and Holidays

Thailand generally implements a five-day work week, with Saturdays and Sundays as public holidays, and some Thai companies only set Sundays as their holidays.

Thailand has many festivals. Major festivals include Songkran Festival (April 13-15 in the Gregorian calendar); Loy Krathong (December 15 in the Thai calendar); National Day (December 5 in the Gregorian calendar). The specific dates of other major festivals are promulgated by the annual meeting of the Thai cabinet, involving the Makha Puja, Chakri Day, Vesak Day, etc. There are 24 statutory holidays in Thailand in 2021.^②

① Ministry of Commerce of China, Guide on Cooperation with Foreign Countries for Investors-Thailand (2020).

② Ministry of Internal Affairs of Thailand: www.moi.go.th.



Business Environment

2.1 Overall Evaluation

World Bank Evaluation^①

The Doing Business Report released by the World Bank examines the regulatory rules in 190 economies that promote or restrict the business life cycle in 11 areas. According to the *Business Environment Report 2020*, Thailand's business environment ranks 21st in the world (up 6 places from the previous year) and 3rd among ASEAN countries. Among them, the relatively outstanding indicators include protecting minority in vestors (No.2), obtaining electricity (No.3); starting a business (No.7), executing contracts (No.6), and paying taxes (No.6).

World Economic Forum Evaluation^②

The World Economic Forum evaluated and released the *Global Competitiveness Report* based on the performance of 141 economies in 98 indicators in 12 areas. According to *the Global Competitiveness Report 2019*, Thailand ranked 40th with a score of 67.8. Among them, indicators such as the financial system (16th), market size (18th) and business vitality (21st) performed more prominently.

① The World Bank, Doing Business 2020.

② The World Economic Forum, Global Competitiveness Report 2019.

World Intellectual Property Organization Evaluation^①

The Global Innovation Index Report issued by the World Intellectual Property Organization in conjunction with Cornell University in the United States and the European Institute of Business Administration evaluates more than 130 economies around the world with 2 indicators: innovation input and innovation output. According to the *Global Innovation Index Report 2020*, Thailand ranks 44th in the world and 4th among 37 upper-middle economies. Among them, the overall innovation input ranks 48th and the overall innovation output ranks 44th. In terms of sub-indices, Thailand has outstanding performance in market maturity, business maturity, knowledge and technology output, and creative output, ranking 22nd, 36th, 44th and 52nd respectively.

Heritage Foundation Evaluation^②

The *Global Economic Freedom Index Report* released by the American Heritage Foundation using 4 guidelines and 12 indicators calculates the economic freedom index of various countries. According to the *2021 Global Economic Freedom Index Report*, Thailand's economic freedom index scored 69.7, ranking 42nd and 3rd among the 10 ASEAN members.

2.2 Infrastructure

Highway^③

Thailand's road transportation industry is relatively developed. The road network covers all parts of the country, including national highways and affiliated highways, local highways and special high-grade highways. According to statistics, the total mileage of Thailand's highways in 2019 was approximately 701,847 km, with approximately 99,881 km of national highways and affiliated highways, approximately 601,741 km of local highways, and approximately 225 km of

① The World Intellectual Property Organization, *Global Innovation Index 2020*.

② The Heritage Foundation, *2021 Index of Economic Freedom World Rankings*.

③ Ministry of Commerce of China, *Guide on Cooperation with Foreign Countries for Investors-Thailand (2020)*.

special high-grade highways.

Railway^①

In 2019, the mileage of Thailand's railway network was approximately 4,645 km, of which 4,508 km were meter-gauge railways, covering 47 provinces across the country; and 137 km were urban light rails, concentrated in the capital Bangkok and surrounding areas. The 4 main railway lines extend to the north, east, south and northeast with Bangkok as the center, Chiang Mai in the north, the border of Laos in the east, and the border of Malaysia in the south.

Aviation^②

Thailand's aviation industry is relatively developed. In terms of passenger transportation, air passenger transportation has become the main way for foreign tourists to enter Thailand. The number of foreign tourists entering Thailand by plane accounts for 80% of the total number of foreign tourists. In terms of freight, due to the high cost of air freight, the total amount of air freight only accounts for 0.02% and 0.3% of domestic freight and international freight respectively. The shipping products mainly include electronic accessories and bouquets. At present, there are 74 airports in Thailand, including 36 commercial airports and 38 non-commercial airports. Among them, 11 international airports have opened international flights.

Water Transport^③

Thailand's water transportation is divided into 2 types: sea transportation and river transportation. The inland waterway is 4,000 km long, and Mekong River and Chao Phraya River are the 2 main water transportation routes. Thailand has a total of 47 ports, including 26 gulf

① Ministry of Commerce of China, Guide on Cooperation with Foreign Countries for Investors-Thailand (2020).

② Thailand Statistical Yearbook 2020: service.nso.go.th/nso/nsopublish/pubs/e-book/SYB-2563/files/assets/basic-html/index.html#1.

③ Thailand Statistical Yearbook 2020: service.nso.go.th/nso/nsopublish/pubs/e-book/SYB-2563/files/assets/basic-html/index.html#1.

ports and 21 international ports (including 8 international deep-water ports). They are in Bangkok, Laem Chabang and Madapon on the east coast, and Songkhla, Satun, Narathiwat, Phuket, Ranong and other places on the south coast, and the annual throughput exceeds 4.5 million standard containers. The main ports are Bangkok Port, Laem Chabang Port, Chiang Saen Port, Chiang Khong Port, Ranong Port, etc.

Table 2-1 Main Ports of Thailand

Port	Overview	Businesses
Bangkok Port ^①	For Thailand's largest port, the port area is mainly composed of east pier and west pier, and the container ships mainly docks at the east pier. The berth line in the port area is 1,900m, and the maximum water depth is 8.2m.	Most foreign trade goods enter and exit through Bangkok Port, and some import and export goods from Laos and Cambodia are also re-exported through this. The main export commodities are rice, tobacco, rubber, beans, tin, teak, fruit, jute and handicraft products, etc. The main import commodities are machinery, steel, automobiles, medicines, textiles, food, petroleum products and chemicals.
Laem Chabang ^②	It was ranked as one of the top container ports in the world by <i>Lloyd's List</i> . The container throughput ranks among the top 20 in the world.	The main export commodities are transportation equipment and plastics and rubber; the main import commodities are mechanical and electrical products, mineral products and metal products.

Information and Communication^③

Thailand's telecommunications industry is relatively developed. At present, various forms of telecommunications networks have covered all parts of the country, including fixed telephones, mobile phones, ADSL broadband Internet, satellite modems, and dial-in services. Thailand's main telecommunications service providers include state-owned CAT, TOT and private AIS, DTAC, TRUE, etc.

Electricity^④

At present, Thailand's own power generation capacity can basically meet the domestic

① China Port Net: www.chinaports.com/portlspnews/229.

② China Port Net: www.chinaports.com/portlspnews/1819.

③ Thailand Statistical Yearbook 2020: service.nso.go.th/nso/nsopublish/pubs/e-book/SYB-2563/files/assets/basic-html/index.html#1.

④ Board of Investment of Thailand: www.boi.go.th/index.php?page=electricity.

production and living needs, but the contradiction between power supply and demand has become increasingly prominent. Thailand is highly dependent on energy imports. In recent years, it is cooperating with neighboring countries to improve infrastructure conditions to promote the use of renewable energy, reduce transportation costs and increase efficiency. Electricity Generating Authority of Thailand (EGAT) is the main unit of power generation, transmission and sale of electricity, and the only unit that can purchase or resell electricity from other distributors. Thailand's civil power supply system is AC voltage 220V/50 Hz, and industrial electricity is AC voltage 380V/50 Hz.

2.3 Production Cost

Electricity Price^①

In 2020, the electricity rate for small enterprises, businesses and residential buildings in Thailand was about 3 Thai Baht/kWh, the average industrial electricity price was about 4 Thai baht/kWh, and the commercial electricity price was about 8 Thai Baht/kWh.

Water Price^②

The water price in Thailand adopts a tiered pricing standard. In 2020, the average residential water price was 15-20 Thai Baht/m³, and the average water price of government, commerce, state-owned enterprises, industry and others price was 20-24 Thai Baht/m³.

Table 2-2 2021 Bangkok City Water Charge Standard

Monthly water consumption (m ³ /month)	Unit price (unit: Thai Baht/m ³)		
	Residential buildings (Minimum 50 Thai Baht/month)	Government and small enterprises (Minimum 150 Thai Baht/month)	Large enterprises/state-owned enterprises (Minimum 300 Thai Baht/month)
0-10	10.20	17.00	18.25
11-20	16.00	20.00	21.50
21-30	19.00	21.00	25.50

① National Power Authority of Thailand: www.egat.co.th/en.

② Thailand Provincial Waterworks Authority: en.pwa.co.th/contents/service/table-price.

Continued

Monthly water consumption (m ³ /month)	Unit price (unit: Thai Baht/m ³)		
	Residential buildings (Minimum 50 Thai Baht/month)	Government and small enterprises (Minimum 150 Thai Baht/month)	Large enterprises/state-owned enterprises (Minimum 300 Thai Baht/month)
31-50	21.20	22.00	28.50
51-80	-	23.00	31.00
81-100		24.00	31.25
101-300		27.40	31.50
301-1,000		27.50	31.75
1,001-2,000		27.60	32.00
2,001-3,000		27.80	32.25
>3,000		28.00	32.50

Natural Gas Price^①

As of April 2021, 95 gasoline is 34.20 Thai Baht/liter, 95 ethanol gasoline is 26.79 Thai Baht/liter, and diesel is 26.63 Thai Baht/liter.

Manpower Supply and Wages

The total population of Thailand is approximately 66.19 million (2020), of which the 25-54-year-old population accounts for 44.64% of the total population. The capital Bangkok is the most populous city (5.59 million).

According to the level of economic development, the actual average wage level varies across Thailand, and each region has different minimum wage standards (for details, please refer to the Ministry of Labor: www.mol.go.th). With the capital Bangkok as an example, the current standard is the minimum daily wage of 331 Thai Baht that took effect in January 2020. In other provinces across the country, the minimum wage in Nonthaburi and Phuket is Thai Baht 336 (approximately US\$ 10.4); Rayong is Thai Baht 335.^②

^① The Bank of Thailand: www.bot.or.th/App/BTWS_STAT/statistics/BOTWEBSTAT.aspx?reportID=90&language=ENG.

^② The Bank of Thailand: www.boi.go.th/index.php?page=demographic.

Table 2-3 Employment Data of Thailand, 2017–2020^①

Project	2017	2018	2019	2020
Total labor forces (Unit: 10,000)	3,809.98	3,843.36	3,817.80	3,854.44
Total employed population (Unit: 10,000)	3,745.83	3,786.46	3,761.34	3,876.16
Total unemployment rate (%)	0.83	0.77	0.75	1.5

Housing Price^②

With Bangkok as an example, there is a big gap between the price of houses in the city center area and the price of house in the non-city center area. The rental and sale prices of houses in the city center area are about twice that of the non-city center area.

Table 2-4 Bangkok house rental and sales prices

Type	Price (Unit: Thai Baht)	
House rental price		
One-bedroom suite	City center	13,202.27
	Non-city center	7,889.35
Three-bedroom suite	City center	33,242.44
	Non-city center	19,418.15
House sale price		
City center	108,497.87/m ²	
Non-city center	55,119.84/m ²	

2.4 Financial Services

Currency and Exchange Rate

The legal tender of Thailand is Thai Baht/THB, and it is freely convertible. Thailand implements a floating exchange rate system, and the exchange rate is determined by the supply and demand of the foreign exchange market. When the Thai Baht fluctuates greatly and deviates from the fundamentals, the Bank of Thailand can intervene in the exchange rate. In recent years, the exchange rate of the Thai baht to the USD has been relatively stable. US\$ 1 is approximately

① The Bank of Thailand: www.bot.or.th/App/BTWS_STAT/statistics/ReportPage.aspx?reportID=638&language=eng.

② Numbeo: www.numbeo.com/property-investment/country_result.jsp?country=Thailand.

Thai Baht 31.261 (refer to the 2020 average).

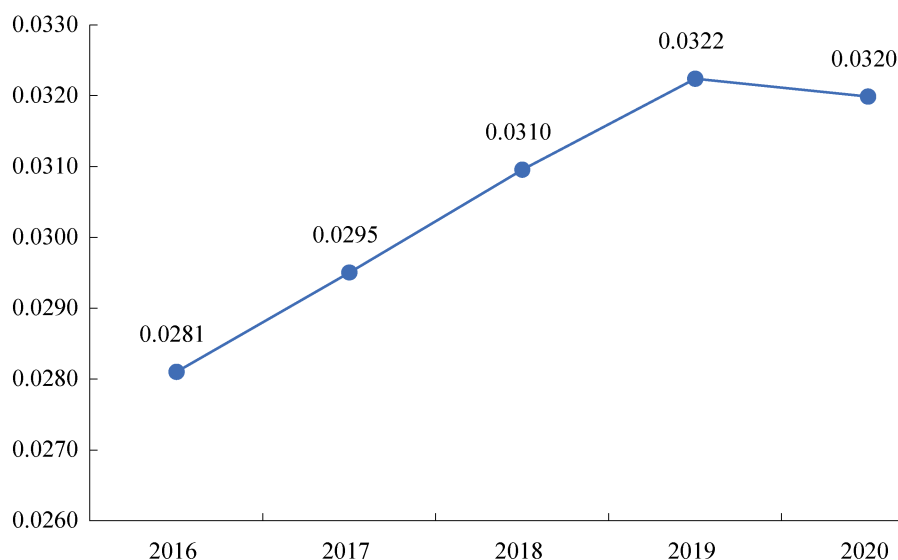


Fig. 2-1 Exchange rate between Thai Baht and USD, 2016–2020 (average value in current year)^①

Foreign Exchange Management^②

Thailand does not restrict the amount of foreign currency that can be brought into the country, but natural persons or local legal persons residing in Thailand, after receiving foreign currency through authorized banks or natural persons, must convert these foreign currencies into Thai Baht or deposit them within 360 days from the date of receipt foreign exchange account. Foreigners, embassies, and international organizations temporarily staying in Thailand for no more than 3 months are not subject to the above regulations.

Individuals in transit are usually free to carry foreign exchange and negotiable bills. If you bring US\$ 20,000 in cash into the country, you must declare to the customs.

The investment funds, dividends, and profits, as well as loan repayments and interest payments can be freely remitted after meeting the tax settlement conditions. In addition, promissory notes and money orders can also be freely remitted abroad.

Thailand's foreign exchange controls are relatively loose and free. The Ministry of Finance

① The Bank of Thailand: www.bot.or.th.

② Ministry of Commerce of China, Guide on Cooperation with Foreign Countries for Investors-Thailand (2020).

authorizes the Bank of Thailand to perform regulatory responsibilities on foreign exchange trading and conversion, which is implemented by the Foreign Exchange Management and Policy Department under the Bank of Thailand. At present, some transactions in Thai Baht or other foreign currencies can be carried out without any restrictions, and only a few transactions require the approval of the Bank of Thailand.

Financial Institutions

Financial Regulators. The Bank of Thailand is responsible for formulating currency and exchange rate policies, issuing currency, etc., as well as supervising the banking industry. The Securities and Exchange Commission of Thailand (SEC) under the Ministry of Finance is responsible for overseeing the securities industry, and the Office of Insurance Commission (OIC) is responsible for overseeing the insurance industry.

Banks. Thailand's main local commercial banks include Bangkok Bank, Kasikorn Bank, Siam Commercial Bank, and Bank of Ayudhya. The foreign banks mainly include Citibank, HSBC, and United Overseas Bank.

Insurance. The main insurance institutions in Thailand are mostly foreign insurance companies, mainly AIA Thailand Insurance, which covers medical, life, housing, and auto insurance, etc.; Thai Life Insurance (Thai Life Insurance), which covers life, retirement, accidental injury insurance, etc.; Premier International Healthcare, specializing in medical insurance; and The Navakij Insurance Public, providing car, housing, travel, accident, health insurance, etc.

Securities.^① The Stock Exchange of Thailand (SET) is Thailand's only stock exchange market, which officially started operation in April 1975. In addition, Thailand also has a small and medium-sized enterprise trading sector MAI. As of June 2021, a total of 642 companies have been listed on SET and 182 companies have been listed on MAI. The main indexes include SET, SET50, SET100, sSET, SETHD and MAI Index.

① Stock Exchange of Thailand: www.set.or.th/en/market/market_statistics.html.

3

Economy and Trade Policies

3.1 Market Access

Administrative Authorities

According to the *Investment Promotion Law* promulgated in 1977 and the second revision in 1991 and the third revision in 2001, the Board of Investment is responsible for formulating investment policies. The Office of the Board of Investments is specifically responsible for reviewing and approving projects that enjoy investment preferential policies and providing investment consulting services. Moreover, the main institutions that investors can connect with including OSOS one-stop investment service center, visa and work permit one-stop service center.

Restricted/Prohibited Sectors

According to the relevant provisions of the *Alien Business Act*, Thailand restricts foreign investment in the following 3 categories (Table 3-1).

Table 3-1 Categories of Industries and Specific Industries Subject to Foreign Investment Restrictions^①

Types	Industries
Category 1: Businesses where foreign investment is prohibited due to special reasons	Newspapers, radio stations, television stations; rice planting, dry land planting, orchard planting; animal husbandry; forestry, log processing; fishing in Thai territorial waters and special economic zones in Thailand; processing of Thai medicinal materials; operations involving Thai antiques or cultural relics of historical value and auctions; making or casting Buddha statues and bowls; land transactions, etc.

① Board of Investment of Thailand: www.boi.go.th/en/index/.

Continued

Types		Industries
Category 2: Projects subject to approval by the Ministry of Commerce	Investment business involving national security and stability	Including the production, sales, and repair of firearms, bullets, gunpowder, explosives and related accessories, weapons, military ships, aircraft, vehicles, all parts of warfare equipment or related accessories; domestic, land, water, and air transportation, including the domestic aviation industry.
	Investment business that adversely affects art, culture, customs, folk handicrafts, natural materials and the ecological environment	Including the sale of antiques and artwork of Thai traditional crafts, wood carving manufacturing, silkworm breeding, Thai silk production, Thai silk weaving, Thai silk pattern printing, Thai national musical instrument manufacturing, gold, silver, niello inlays, stone inlaid gold ware, lacquerware manufacturing, as well as traditional Thai craftsmanship of plates, bowls, and pottery.
	Investment business that adversely affects natural resources and the ecological environment	Including cane sugar production, sea salt, mineral salt production, rock salt production, mining, stone blasting or gravel processing, furniture, wood processing, etc.
Category 3: Enterprise in which Thai nationals are not yet capable of competing with foreigners	According to the industries that foreigners can engage in after being approved by the Thailand	Processing of rice milling, rice flour and other plant flour processing; aquaculture; development and management of planted trees; manufacturing of plywood, veneer, planed wood, and hardwood; lime production; accounting, law, construction, and engineering services; engineering construction, but excluding: the construction of public infrastructure with a minimum capital of Thai Baht 500 million or more by foreigners, the construction of public facilities and transportation facilities using new machinery and equipment, special technology and professional management.
	Engineering construction, intermediary or agency business as required by laws and regulations	Excluding: securities trading intermediary or agency, agricultural product futures trading, securities trading business; intermediary or agency business that provides trading, procurement, and service seeking for the production and service needs of joint ventures; and intermediary or agency business that provides trading, procurement, sales and service seeking for the international trading enterprises that make investment of minimum capital of Thai Baht 100 million or more for foreigners and sell domestic or imported products.
	Auction Industry	Excluding: a)international auction industry, whose auction objects do not involve the auction of antiques, antiquities, and artworks with traditional Thai crafts, archaeological or historical value; b)international trade involving local specialties or agricultural products that is not expressly prohibited by law; c)minimum total capital General merchandise retail businesses with a minimum capital of less than Thai Baht 100 million, shops with a minimum capital of less than Thai baht 25 million; commodity wholesale businesses with a minimum capital of less than Thai Baht 1 million; d)advertising and advertising; hotel business, excluding hotel management; tourism; catering; e)new plant variety development and variety improvement, etc.



Special Reminder:

In addition to the approval of the Minister of Commerce in accordance with the Cabinet

Resolution, foreigners must also meet the following 2 conditions before they can engage in the above-mentioned second type of industries: a) Thai nationals or non-foreign legal persons in accordance with the provisions of this law hold no less than foreign shares 40% of the corporate capital (unless there is a proper reason, the Minister of Commerce may relax the above-mentioned shareholding ratio with the approval of the Cabinet, but the minimum shareholding ratio shall not be less than 25%); b) and Thais occupy no less than 2/5 of the directorship.

For the above-mentioned industries that are subject to the approval of relevant departments as required by the Foreign Business Enterprise Law, the minimum investment amount for foreigners to start commercial operations in Thailand shall not be less than Thai Baht 3 million, and the minimum investment for other industries shall not be less than Thai Baht 2 million. For a legal person registered in Thailand, the minimum investment amount refers to the registered capital, and for a foreign investor or legal person who is not registered in Thailand, it refers to the foreign exchange remitted in Thailand for business.

3.2 Foreign Investment Incentives

In Thailand, the preferential policies enjoyed by foreign-funded enterprises are mainly based on the industry to which the investment belongs, and different degrees of preferential treatment are given according to the importance of the industry. At the same time, additional preferential policies are given according to the location and value of the project. The Board of Investment (BOI) provides investors with 2 forms of preferential policies: one is tax preferential rights, including exemption or reduction of corporate income tax, exemption or reduction of machine import tax, and exemption of raw material imports required for export Tariffs, etc.; and the other is non-tax preferential rights, which mainly include allowing the introduction of experts and technicians, allowing enterprises to obtain permanent land ownership in the name of the company, allowing independent foreign ownership of shares, allowing foreign exchange remittances, and

other safeguards and protection measures.

List of Industries Enjoying Investment Preferential Rights

The Board of Investment makes regulations on the industry category, scale, and conditions of investment projects to facilitate eligible investors to apply for preferential investment rights. It is currently implementing the List of Industries of the Board of Investment, which will take effect in 2020. The following 8 main categories of industries are involved: agriculture and agricultural products processing; minerals, ceramics, and basic metals; light industry; metal products, mechanical equipment, and transportation tools; electronics and electrical industries; chemical products, plastics and paper making; service industries and public utilities; development of technological innovation. The available corporate income tax exemption period is A1 (8 years, no upper limit); A2 (8 years); A3 (5 years); A4 (3 years) 4 categories^① (details on the Investment Promotion Committee website: www.boi.go.th/en/index/).

Other Special Policies and Regulations^②

Investment Promotion Measures to Improve Production Efficiency. These are applicable to the following situations: a) regardless of whether the industry has already obtained preferential investment rights in advance, it can apply to the Board of Investment for corresponding preferential treatment. If the industry does not enjoy preferential investment, the industry must belong to the industry category that is announced by the Board of Investment and can be given investment promotion during the submission of investment incentive applications; b) and for the projects that have already enjoyed preferential investment, the application documents can be submitted after the expiry of the income tax reduction period. For projects that do not enjoy the

^① The Board of Investment divides the encouraged investment industries into: A1 (knowledge-based industries); A2 (development of national infrastructure industries); A3 (industry of great significance to national development); A4 (industries of which technology is not as advanced as A1/A2, but that can increase the value of domestic raw materials and strengthen the development of the industrial chain); B1/B2 (ancillary industries that are important to the development of the industrial chain).

^② Board of Investment of Thailand: www.boi.go.th/en/index/.

preferential investment rights of exemption of corporate income tax, the application can be made in accordance with the regulations, but this does not include the category of industries that are not granted preferential rights in accordance with the special policies of the Board of Investment.

Table 3-2 Main incentives of the BOI in improving product efficiency

Types	Measures
Additional preferential rights measures for investment in energy saving, alternative energy and environmental protection	Exemption from machinery import tax; The exemption from corporate income tax for 3 years is made from the original operating project, and the tax exemption limit is 50% of the investment funds invested in the renewal of the machinery (excluding land and working capital); The period of exemption from corporate income tax shall be calculated from the date of income generation after the issuance of the investment promotion certificate.
Investment promotion measures to invest in machinery equipment to improve production efficiency	Exemption from machinery import tax; The exemption from corporate income tax for 3 years is made from the original operating project, and the tax exemption limit is 50% of the investment funds invested in the renewal of the machinery (excluding land and working capital); For those investing in automation systems, if the value of the connection with the automation industry in Thailand reaches more than 30% of the total value of the automation system, the upper limit of corporate income tax exemption will be increased to 100% of the investment amount (excluding land and working capital); The period of exemption from corporate income tax shall be calculated from the date of income generation after the issuance of the investment promotion certificate.
a) Preferential rights measures to invest in R&D and engineering design to improve production efficiency	Exemption from machinery import tax; The exemption of corporate income tax is made from the original operating projects for 3 years, and the tax exemption limit is 50% of the investment funds (excluding land and working capital); The period of exemption from corporate income tax shall be calculated from the date of income generation after the issuance of the investment promotion certificate.
b) Investment promotion measures to upgrade the agricultural industry to meet international standards	The period of exemption from corporate income tax shall be calculated from the date of income generation after the issuance of the investment promotion certificate.

Investment promotion measures for development of industry in the southern border area of Thailand & model cities of “stability, prosperity and sustainable triangular development”. To promote investment in the southern border areas, promote the “stability, prosperity, and sustainable triangular development” model city project and stimulate economic investment by private institutions, to increase the income of the people in the southern border areas and help local economic growth, the specific policies can be divided original projects (projects already in operation) and new investment projects. The main preferential measures are shown in Table 3-3.

Table 3-3 Incentives for Investment Promotion in Southern Border Areas and Model Cities^①

Type	Develop industrial investment promotion measures in the border areas of southern Thailand	Investment promotion measures for “stability, prosperity, and sustainable triangular development” model city projects
Original Project	Exemption from corporate income tax for 3 years; The tax exemption limit is the investment amount of the new investment project.	Exemption from corporate income tax for 5 years; The tax exemption limit is the investment amount of the new investment project.
	Other preferential rights are equivalent to those enjoyed in new investment projects.	
New investment projects	Exemption from corporate income tax for 8 years, without upper limit	
	Reduction by half of corporate income tax for 5 years.	
	Water, electricity, and transportation fees are double deducted for a period of 15 years.	Water, electricity, and transportation fees are double deducted for a period of 20 years.
	25% of the installation and construction costs for public convenience facilities can be deducted.	
	Exemption from machinery import tax;	
	The imported raw materials or materials required to produce domestic products are exempt from import tax by 90% for a period of 5 years.	The imported raw materials or materials required to produce domestic products are exempt from import tax by 90% for a period of 10 years.
	The raw materials or materials required to produce export products are exempt from import tax for a period of 5 years.	The raw materials or materials required to produce export products are exempt from import tax for a period of 10 years.
	It is allowed to hire non-skilled foreign workers in projects that enjoy the preferential investment.	

Investment Promotion Law encouragement Policy^②

The Board of Investment of Thailand divides the industries that encourage investment to into 6 categories. The foreign businessmen can receive up to “exemption from income taxation for first 8 years, reduction half for next 5 years” tax deduction and other non-tax preference.

Table 3-4 Tax/non-tax incentives under the *Investment Promotion Law*

Tax Incentives	Non-tax Incentives
Exemption/reduction of machinery import tax	Allow foreigners to enter the country to understand the investment environment and policies
Reduce or exempt from import taxes on required raw materials or materials	Allow foreign skilled technicians or professionals to work for projects that enjoy preferential investment rights
Exempt from import taxes on imported items used for research and development	Allow holding land ownership
Exempt from corporate income tax and bonus tax	Allow foreign currency remittance
Enjoy the reduction by half of corporate income tax	-
Deduct transportation, electricity and tap water fees double	

① Board of Investment of Thailand: www.boi.go.th/en/index/.

② Board of Investment of Thailand: www.boi.go.th/en/index/.

Continued

Preferential tax	Non-Preferential tax
Increase the deduction of 25% of the installation and construction costs of convenience facilities	-
Exempt from import taxes on raw materials or materials required for the production of export products	

Fundamental Economic Investment Promotion Measures^①

To accelerate the development of local investment and encourage capable entrepreneurs to participate in the construction of local agriculture, agro-products processing industry, light industry and tourism, the Board of Investment has established the fundamental economic investment projects. The application qualifications for fundamental economic investment projects are as follows:

(1) The project shall have been approved to enjoy preferential investment rights, and must be within the scope of the industry that the Board of Investment has announced to grant investment rights, and the corporate income tax deduction period has ended, or the project originally did not fall into the scope of deduction from corporate income tax;

(2) The investment capital of the project shall not be less than Thai Baht 1 million (excluding land and working capital), and the project shall support the development of local government agencies, cooperatives or community enterprises, and each project shall not be less than Thai Baht 200,000;

(3) A cooperation plan for cooperating with local governments to improve local production capacity or service competitiveness shall be submitted, and the cooperation plan shall be implemented within 3 years from the date of issuance of the investment certificate;

(4) The local institutions that receive support, that is, cooperatives or local community enterprises or local government agencies filed with relevant units, shall be engaged in a certain business in agriculture, agricultural product processing industry, light industry or tourism.

^① Board of Investment of Thailand: www.boi.go.th/en/index/.

The main preferential measures include:

(1) Financial Preference: The original business income can be exempted from corporate income tax for 3 years, and the total amount of exemption shall not exceed 120% of the investment amount (excluding land and working capital). The calculation of the total corporate income tax deduction or exemption is based on the actual investment amount used to support local institutions, such as factory construction funds, machinery and equipment purchase funds, training funds, etc. The period for the reduction and exemption of corporate income tax starts from the date of the first income after the issuance of the investment certificate.

(2) Other Preference: it includes allowing foreign personnel to enter Thailand to investigate investment projects, allowing foreign technical personnel or experts to work on projects enjoying preferential investment, allowing holding land ownership, and allowing foreign exchange exports, etc.



Special Reminder:

The projects that have been approved to enjoy one preferential investment rights cannot be superimposed to apply for another preferential rights.

3.3 Special Economic Zones

Eastern Economic Corridor (EEC)^①

The Eastern Economic Corridor is a national-level special economic zone in Thailand. It is currently the flagship project of the Thai government. It aims to help Thailand cope with the rapid development of world technology, serve Thailand's target industries, and make EEC a new-type industrial base that connects ASEAN CLMV^② countries and the "Belt and Road", thus enhancing Thailand's overall competitiveness in the future.

① Eastern Economic Corridor: www.eeco.or.th/en/promotional-zone.

② CLMV countries refer to 4 countries: Cambodia, Myanmar, Laos and Vietnam.

The EEC development plan covers the 3 provinces of Nonthaburi, Chachoengsao and Rayong on the east coast, with a total area of 13,000 m², including the high-speed rail linking the 3 major airports of Suvarnabhumi-Don Mueang-U-Tapao Airport, U-Tapao Airport expansion and construction of aviation city, Lianhabang Deepwater Port Phase III, Madap Industrial Wharf Phase III and other large-scale infrastructure projects and other regional comprehensive development projects. Through the introduction of foreign capital and social capital investment, EEC has built a modern special economic zone integrating housing, medical care, tourism, high-tech industrial parks, and three-dimensional transportation. The Thai government has also formulated the *Eastern Special Economic Development Zone Act* and developed a series of new measures and preferential policies in taxation, labor, and land policies, including adjusting and optimizing the PPP model, increasing the preferential policies of the Board of Investment, etc. Such preferential policies are tailor-made for the Eastern Economic Corridor and can't apply to the investment in other parts of Thailand. Currently, the preferential policies for 2020–2021 are implemented (Table 3-5).

Table 3-5 2020–2021 Investment Incentives of Eastern Economic Corridor^①

Incentive types	Specific preferences				
	Preferential measures	8 industries that enjoy preferential investment	A1	A2	A3
Standard tax preference ^②	100% income tax exemption	10 years (No upper limit)	8 years (No upper limit)	8 years	5 years
Tax preference for investment projects engaged in human resource development plans	100% income tax exemption	2 years (No upper limit)	–	–	–
	50% deduction from income tax	–	3 years	3 years	3 years
The project is located in a specific area (EECi, EECD, EECa and EECmd ^③)	100% income tax exemption	1 year (No upper limit)	–	–	–
	50% deduction from income tax	–	2 years	2 years	2 years

① Eastern Economic Corridor: www.eeco.or.th/en/incentives-schemes.

② The standard tax preferences are “exemption from income taxation for first 8 years, reduction half for next 5 years”. For details, please refer to the section 3.2 above.

③ EECi Innovation Platform; EECD Digital Park; EEC Eastern Airport City; EECmd Medical Hub.

Continued

Incentive types	Specific preferences				
	Preferential measures	8 industries that enjoy preferential investment	A1	A2	A3
The project is located in an industrial park	100% income tax exemption	1 year (No upper limit)	-	-	1 year
	50% deduction from income tax	-	-	-	-

Southern Economic Corridor (SEC)^①

In January 2019, the overall development plan of Thailand's Southern Economic Corridor (SEC) was officially approved by the Cabinet of Thailand, which mainly covers Chumphon, Ranong, Surat Thani and south of Nakhon Si Thammarat. According to the overall project development plan, a total of Thai Baht 200 billion will be invested in the next 4 years to deeply explore the economic potential of southern Thailand from 4 aspects, including building ports to Myanmar, Bangladesh and other countries in Ranong, and building a double track between Gulf of Thailand and Chumphon. Following the Eastern Economic Corridor (EEC), the Thai Southern Economic Corridor will be another strategic plan launched by the Thai government dedicated to changing the overall development trend of the Thai economy in the future.

Industrial Park^②

The Industrial Estate Authority of Thailand (IEAT) is set up under the Ministry of Industry of Thailand, which is responsible for the development of industrial parks and science and technology parks. Thailand's industrial parks are divided into 2 categories: general industrial zones and free business zones (formerly export processing zones). According to IEAT statistics, Thailand has established 57 industrial parks of various types so far, including 15 industrial parks independently developed by IEAT and 42 industrial parks jointly developed by IEAT and partners. The preferential policies of various industrial parks in Thailand are basically consistent

^① Organized by Xinhua News Agency Overseas Network: www.xinhuanet.com/english/2018-08/21/c_137407782.htm.

^② Industrial Estate Authority of Thailand: www.ieat.go.th/en.

with the regional encouragement policies of the Board of Investment (BOI). Depending on where they are located, they can enjoy the highest local investment preference (including taxation, land, personnel introduction, and tax exemption for imported machinery and equipment or raw materials, etc.), all enterprises entering the park can enjoy the preferential investment policies issued by the Board of Investment without special application (referring to the website of the IEAT: www.ieat.go.th/en for details).

Table 3-6 Main preference for foreign investors to invest in the economic zones

Type	A1	A2	A3	A4	B1	B2
Investment project belongs to the industry that can apply for investment preferential rights						
The investors can enjoy corporate income tax exemption according to industry category	8 years (No Upper Limit)	8 years	5 years	3 years	-	-
Extra exemption from corporate income tax	-	-	3 years	3 years	3 years	3 years
Reduction by half of corporate income tax	5 years	5 years	-	-	-	-
The investment project belongs to 13 target industries set by the IEAT						
Corporate income tax exemption for target industries	8 years (No Upper Limit)	8 years	8 years	8 years	8 years	8 years
Reduction by half of corporate income tax	5 years	5 years	5 years	5 years	5 years	5 years
Note: In order to encourage investment and development in the country's high-tech fields, the Board of Investment divides 2 types of investment promotion policies, A/B, of which A-type industries are advanced and high-tech industries; environmentally-friendly industries; and B-type industries are auxiliary industries that have low technology content and have an important supporting role in the value chain. Moreover, the types of A and B industries divided by different industries are different. Specific Query Board of Investment of Thailand: www.boi.go.th/en/index .						



Industrial Development

4.1 Development Planning

The Twelfth/Thirteenth National Economic and Social Development Plan

In September 2016, the Thai Cabinet approved the *Twelfth National Economic and Social Development Plan* ^①submitted by the Office of the National Economic and Social Development Commission (October 1, 2016-September 30, 2021), with a total of 10 development goals:

- (1) Further develop human capital strategy and tap potential human capital development opportunities;
- (2) Create a more just social environment;
- (3) Improve the economic level, and strive to build sustainable competitiveness as the development foundation;
- (4) Further formulate an environment-friendly growth strategy for sustainable development;
- (5) Strengthen the development level of national security strategy and promote the country's progress towards sustainable and prosperous development;
- (6) Enhance the public administrative management level of the society, resist corruption, and form a good level of social governance;

^① National Economic and Social Development Commission: www.nesdc.go.th.

- (7) Promote the level of infrastructure and logistics construction;
- (8) Promote the development of science, technology, R&D and innovation;
- (9) Promote the development of regional, inter-city and economic zones;
- (10) Enhance the level of international development cooperation.

In March 2021, the Office of the National Economic and Social Development Commission announced that Thailand's *13th National Economic and Social Development Plan*^① should focus on the promotion of Thailand's high value-added industries. In the next 5 years, Thailand's main development goals are as follows:

(1) Adjust the industrial structure and focus on high-tech areas; transform the manufacturing industry into high value-added and high-tech industries, such as biotechnology, green economy, and supporting facilities such as electric vehicles, smart electrical components, and smart grids; and further promote the development in the fields of tourism, medicine, logistics and electronic services.

(2) Further increase the level of national income and create more social welfare for the residents of this country that are closely related to their own lives.

(3) Further increase support for communities and small, medium, and micro enterprises, and increase support for the construction of smart cities and the construction of a better social environment.

(4) Reach the level of high-quality labor construction, further improve the level of government governance, and provide investors with a more convenient public service system.

Thailand 4.0 Strategy^②

The Thai government officially proposed the "Thailand 4.0" high value-added economic model in 2016, aiming to separate the country from the past economic development model of

① Bangkokpost: www.bangkokpost.com/business/2076087/high-value-added-economy-in-focus.

② Thai Embassy in the United States: thaiembdc.org/thailand-4-0-2/.

agriculture (Thailand 1.0), light industry (Thailand 2.0) and advanced industry (Thailand 3.0).

This strategy includes 4 major goals:

(1) Economic Prosperity. With innovation, technology and innovation power as the driving factors, the national economic growth rate will be maintained between 5% and 6% in 5 years by 2032, and the per capita national income will increase from US\$ 5,470 in 2014 to US\$ 15,000 in 2032.

(2) Social Welfare. A more inclusive social atmosphere will be created by giving full play to the development potential of members of society. The gap between the rich and the poor will be adjusted from 0.465 in 2013 to 0.36 (in 2032) by 2032.

(3) Improve the Quality of Citizens. The global competitiveness of Thailand's citizens will be enhanced, and the country's Human Development Index (HDI) will increase from 0.722 to 0.8 within 10 years.

(4) Strengthen Environmental Protection Capabilities. The country will be built into an economy that adapts to climate change and a low-carbon, livable country. At least 10 cities across the country are developed into the most livable cities in the world to reduce the risk of regional terrorism.

The investment will play an important role in the “Thailand 4.0” plan, and the national investment policy will tilt toward the 5 major areas of “core technology, talents, infrastructure, enterprises and target industries”.

In accordance with the “Thailand 4.0” plan, priority will be given to the development of 5 traditional superior industries and 5 future high-potential industries. Among them, the 5 major industries of new generation automobile manufacturing, smart electronics, high-end tourism and medical tourism, agriculture and biotechnology, and food deep processing are Thailand's original advantageous industries, industrial robots, aviation and logistics, biomass energy and biochemical industry, digital economy and medical treatment are high-potential industries in the future.

4.2 Key Industries

Rubber and Rubber Products

Thailand is the world's largest rubber producer and exporter, with a rubber plantation area of approximately 2.9 million hectares, ranking second in the world.^① In Thailand, more than 80% of rubber is exported. The main exporters are China, the United States, India, Japan, and Malaysia. Thailand's natural rubber supply chain is mainly composed of 3 parts. Upstream industry: rubber planting; midstream industry: rubber processing industry, including concentrated latex, block rubber, smoked rubber sheet (RSS) and pimpled rubber (TSR), etc., with different qualities and properties; downstream industries: rubber products, including latex products such as gloves and dry rubber products such as tires.

According to Sri Trang Agro-Industry (STA), a rubber producer listed on the Stock Exchange of Thailand (SET)^②, global natural rubber demand will rebound to 13.4 million tons in 2021, an increase of 7% from last year. With the gradual control of the COVID-19 epidemic, natural rubber demand is expected to achieve a strong recovery in 2021. According to data from the Thai Rubber Association, as of February 2021, the price of block rubber has increased by 22% from the same period last year to US\$ 160/kg. The person in charge of the STA said that the factor that promotes the price increase of natural rubber was that China, as one of the world's largest rubber consumers, had restored its overall economic level and its automobile industry to a level of steady growth.

Electronics and Electrical Industry (E&E)^③

Thailand is an important manufacturing base for smart electronic and electrical products in

① Krungsri.com: www.krungsri.com/en/research/industry/industry-outlook/Agriculture/Rubber/IO/io-rubber-21.

② Dr. Gupta Verlags GmbH: www.gupta-verlag.com/news/industry/25025/thailand-thai-rubber-producer-expects-strong-global-demand-this-year.

③ Board of Investment of Thailand: www.boi.go.th/upload/content/TIRFebruary.pdf.

the world. It is the world's second largest exporter of air conditioners and a major producer of refrigerators, collections, integrated circuits and hard drives. The world's famous Bosch, Siemens, Daikin (Daikin), Samsung, Seagate and Western Digital and other multinational companies have set up construction plants in Thailand. With skills in the field of precision manufacturing and IC design and other electronic manufacturing services level, Thailand is also trusted by many partners around the world. Thailand has an electronic and electrical industry chain with relatively comprehensive covering areas, and professionals and engineers who are proficient in the application of automation technology. With the advent of the era of the Internet of Things (IoT), the Board of Investment predicts that relying on the development of the electronic and electrical industry, the output value of Thailand's Internet of Things will jump to US\$ 2.19 billion (2030). At the same time, with the gradual advancement of smart electronic appliances planning, the smart technology will also change the development of other growth industries (such as digital economy, robotics, aerospace, automotive, agriculture, food and medical industries), and bringing more development opportunities for investment.

At present, "smart electronics" has become one of the important plans of the country's electronic and electrical industry. The Electronic and Electrical Institute (EEI) under the Ministry of Industry (MOI) of Thailand is the planning department for "smart electronics". It has completed the following, establishing a collaborative platform for the entire process from industrial research and development, construction to sales; establishing a data science center for effective use of industry and behavioral data; establish industry innovation laboratory to carry out research and testing planning for product standards and user designs. Based on the above planning, the Ministry of Industry of Thailand has identified 4 major development priorities for the future electronic and electrical industry: a)improving the technical level of existing operators such as hard disk drive and electronic and electrical manufacturers, promoting integrated circuit

design, wafer manufacturing and software business; b)enriching systems development (including the establishment of IoT platforms, smart centers, and smart product standards) and talent pool; c)increase the implementation of tax preference and other incentive policies for the electronic and electrical industry; d)and promote the development of e-waste treatment technology.

Tourism^①

Thailand is rich in tourism resources. It is one of the important tourism countries in Southeast Asia and one of the top 10 tourism markets in the world. The main tourist destinations in the country are Bangkok, Phuket, Pattaya, and Chiangmai., Chiang Rai, Hua Hin, Koh Samui, etc. According to data from the Tourism Authority of Thailand, the country received 39 million foreign tourists in 2019; and tourism revenue was US\$ 62.289 billion. Affected by the COVID-19 epidemic in 2020, Thailand’s tourism industry has been hit hard. In October 2020, the number of foreign tourists visited was 1201, while the number of tourists in the same period in 2019 was 3.07 million. The downturn in the tourism industry has also brought chain effects to the domestic hotel industry and catering industry and has also given birth to the emergence of new formats. With the hotel industry as an example, after the covid-19 epidemic, people’s demand for health care has increased. Some Thai hotels immediately launched private training courses provided by professional coaches, and some hotels are also equipped with services such as medical treatment, sleep testing and treatment.

In order to alleviate the impact of the epidemic on the country’s tourism industry, the Thai government has approved an incentive plan called “We Travel Together”. According to the plan, from January 2021 to March 2021, about 40% of the country’s aviation and hotel industry companies will be subsidized, and cultural themed activities combined with local festivals will be launched to promote the recovery and development of the tourism consumption sector. The

① Organized from News of Xinhua News Agency Overseas Network: www.xinhuanet.com/english/2020-12/23/c_139612853.htm.

Tourism Authority of Thailand stated that it is expected that by 2022, the country's tourism industry can return to about 80% of the level before the epidemic.

Textile Industry^①

There are about 4,500 textile factories in Thailand, employing more than 1 million employees, accounting for nearly 20% of the entire manufacturing industry. At present, Thailand produces a variety of chemical fibers and has a complete textile industry cluster, including raw materials, fibers, spinning, weaving, bleaching, dyeing, printing, garments, home textiles, etc., forming a complete industrial chain. Thailand is already one of the world's largest exporters of textiles and garments. During the 2020 COVID-19 epidemic, the textile industry suffered more severe damage. According to statistics from the Thai Textile Industry Association, more than half of textile and related industries are on the verge of bankruptcy, with industry losses exceeding Thai Baht 150 billion.

In addition, Thailand has been focusing on exporting textiles to the United States, Japan, the United Kingdom, Russia, China and other countries. The textile category (especially the clothing industry) is expanding its footprint globally. The Thai government has gradually promoted the in-depth application of modern technology in the fields of weaving, finishing, printing, knitting and dyeing by providing export credits and developing professional skills training in recent years, and promoting cooperation between private departments and government departments, textile industry innovation and other modes.

Automobile Manufacturing Industry^②

The automobile manufacturing industry is one of Thailand's pillar industries. Thailand is a major automobile center in Southeast Asia with a strong logistics and supply system. It is the

① Thai Cotton Textile Industry Association: www.thaitextile.org/th/home/.

② Bangkokpost : www.bangkokpost.com/business/1937312/car-exports-down-35-in-first-five-months-of-2020.

largest automobile manufacturer among the 10 ASEAN countries and ranks 11th in the world. It has 23 automobile assembly plants, 8 motorcycle factories, 386 auto parts manufacturers, and 1,700 secondary and tertiary auto parts manufacturers. Almost every Japanese automobile manufacturer and many leading American, European and Chinese automobile enterprises have production plants in Thailand, and many have established regional headquarters in Thailand. Based on the ever-increasing number of upstream and downstream enterprises and users, Thailand has gradually formed a relatively stable supply chain from software and hardware production and assembly to automobile production. In 2019, Thailand's automobile production volume was 2.01 million; domestic sales volume was 1.00 million; and export sales volume was 1.05 million.



Investment Practice:

Full of confidence in the Thai market, a Japanese automobile company continues to invest in Thailand^①

Thailand has been the largest automobile producer in Southeast Asia, with an annual production capacity of about 2 million vehicles. Nissan Motor started to set up a factory in Thailand in 1952, and currently has an annual output of about 500,000 vehicles. It has cooperated with a number of companies to continue the production of electric vehicles and supporting charging piles in Thailand. The vice president of Nissan Motor (Thailand) stated that the Thai market has huge potential and Nissan is confident in the prospects of electric vehicles in Thailand and Southeast Asia. The main reasons that Nissan chose Thailand are as follows:

First, it is market demand. As the largest domestic automobile market in ASEAN, Nissan realizes that this market still has great potential for development in the future. In fact, the average annual growth rate of Thailand's domestic automobile market has been stable at around 5%.

Second, Thailand is in the center of Southeast Asia, providing convenient trade and logistics

① Board of Investment of Thailand: www.boi.go.th/index.php?page=success_stories.

channels for all other ASEAN countries.

Third, Thailand's political situation is stable. The government strongly supports trade liberalization, allowing and encouraging investors to carry out business in Thailand freely and confidently.

Fourth, Thailand has a very strong supply chain, and production costs have a competitive advantage. More than 90% of the raw materials used in Nissan's production come from the Thai domestic market. In addition, more than 70% of the world's top auto parts manufacturers have invested in Thailand, further strengthening the supply chain and ensuring that the country is more competitive in the future.

Fifth, Nissan believes that Thailand's high-quality labor force is one of the country's main advantages. Compared with skilled workers in other ASEAN countries, the skilled workers in Thailand are more experienced and better able to master advanced technology.

Comment: Thailand is known as "Asian Detroit" and is one of the automobile manufacturing bases in Southeast Asia. Thanks to the strong support of previous governments, Thailand's automobile manufacturing industry has a complete industrial chain and supporting facilities and is booming. It has become one of Thailand's advantageous industries.

4.3 Foreign Investment

According to the *Statistical Report on Foreign Direct Investment in 2020* of the Board of Investment(BOI), Thailand will absorb Thai Baht 21.162 billion of foreign investment in 2020, a year-on-year decrease of about 57.89%, mainly to the chemicals and paper industry, electronic and electrical industries, and machinery and metal products industry.

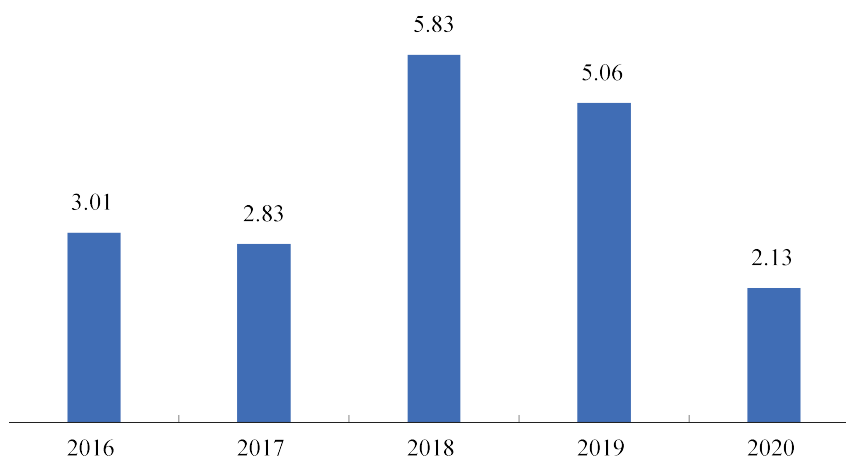


Fig. 4-1 FDI in Thailand, 2016–2020 (Unit: Thai Baht Billion)^①

Foreign Capital Sources

From the perspective of investment sources, Japan, China and the United States are the top 3 investment sources of net foreign investment in Thailand in 2020, accounting for 35.63%, 14.76% and 11.52% of the total.

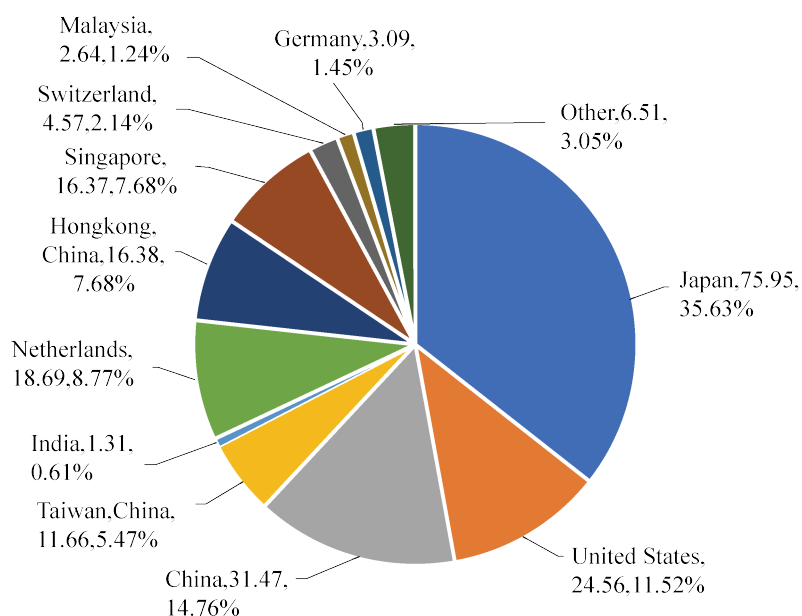


Fig. 4-2 Origins of Thailand's FDI (unit: Thai Baht billion)^②

Industry Distribution of Foreign Investment

In 2020, the chemicals and paper industry are the areas that Thailand attracts the most

① Board of Investment of Thailand: www.boi.go.th.

② Board of Investment of Thailand: www.boi.go.th.

foreign investment, about Thai Baht 60.913 billion, accounting for 28% of the total foreign investment; followed by the electronics and electrical industry, which absorbs Thai Baht 43.445 billion, accounting for 20%; and the rest are machinery and metal products, public service industry, light industry and textile industry, agriculture and agricultural product processing industry, etc.

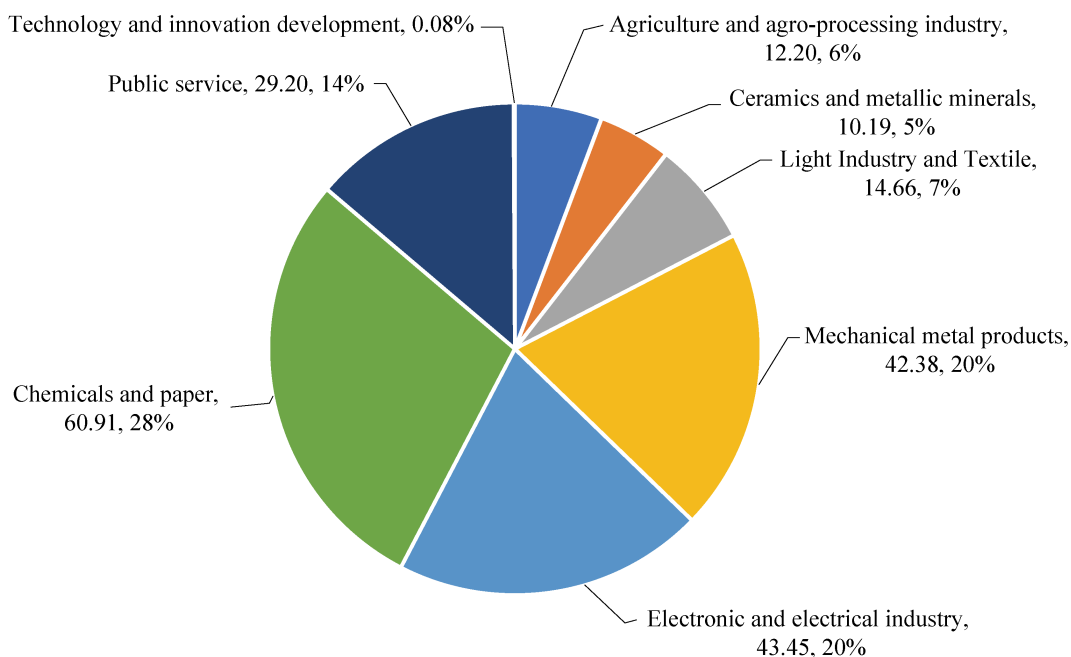


Fig. 4-3 Industry Distribution of Thailand's FDI, 2020 (Unit: Thai Baht billion)^①

① Board of Investment of Thailand: www.boi.go.th.

5

Starting a Business

5.1 Registering a Business

Competent Authorities

The Corporate Registry of the Department of Business Development under Ministry of Commerce of Thailand is mainly responsible for business registration related matters.

Entity Types

In Thailand, the forms of investment and establishment of enterprises include joint ventures/partnerships, private limited companies, public limited companies, jointly owned/cooperative enterprises, branches of foreign companies (branches), representative offices of foreign companies, and regional representative offices of multinational companies.

Table 5-1 Restrictions on private and public limited companies^①

Type	Private Limited Company	Public Limited Company
Minimum number of initial investors	3 persons	15 persons
Minimum number of directors	1 person	5 persons
Minimum number of shareholders	3 persons	15 persons
Public subscription of shares by a prospectus	Not needed	Needed
Public subscription of shares by letter of credit	Allow specific qualifications	Needed
Capital registration fee (per 1 million Thai Baht)	5,500 Thai Baht	2,000 Thai Baht

^① Ministry of Commerce of Thailand: www.moc.go.th.

Registration Procedure

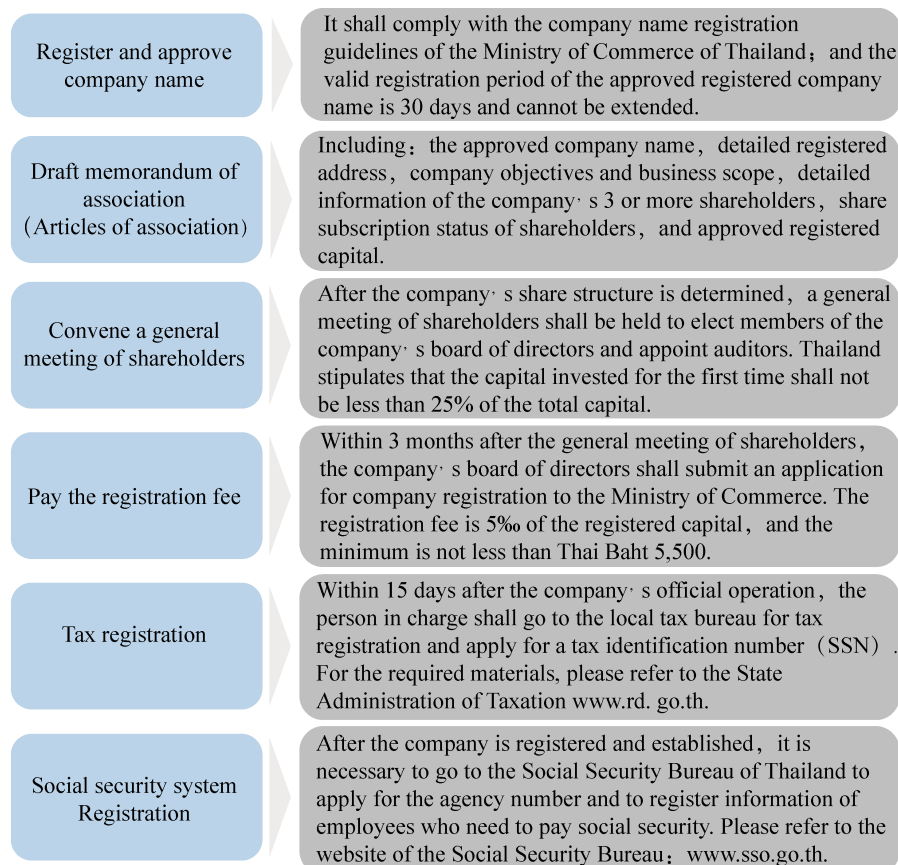


Fig. 5-1 Main procedures for Business Registration

Investment Preference Application Procedures

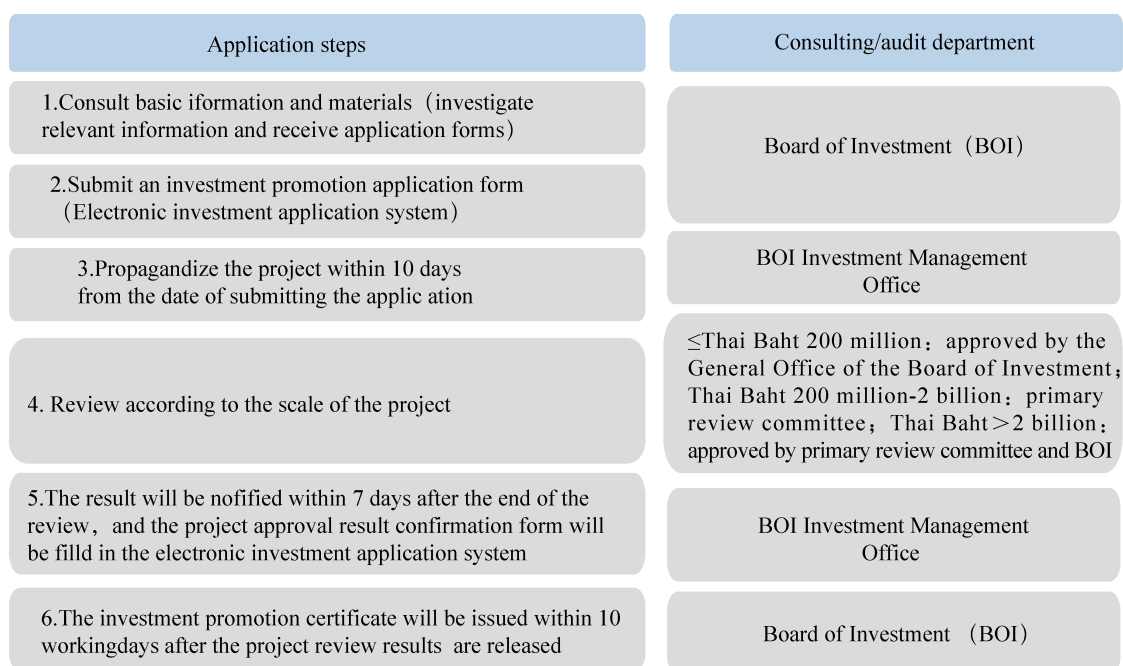


Fig. 5-2 Preferential application procedures for encouraged projects of BOI

5.2 Project Contracting^①

Acquiring Information

The various government departments in Thailand will regularly publish their respective project bidding announcements and will also publish the bidding information on their respective websites. Bidders can ask for them or search for bidding materials on the website.

For certain large-scale projects, especially large-scale infrastructure projects with foreign funds, the competent authority usually publishes announcements in Thai and English newspapers or sends bid information to contractors in their respective countries through channels such as chambers of commerce and embassies.

Tendering and Bidding

The methods of bidding and bidding for Thai government projects depend on the project conditions, and the usual methods are as follows:

(1) Direct bidding. It is usually suitable for general-scale projects, and qualified bidders directly carry out commercial bidding after purchasing bids.

(2) “Pre-qualification + bidding”. It is usually suitable for large-scale projects, especially large-scale infrastructure projects with foreign funds. Bidders must pre-qualify in accordance with the requirements of the bid documents, and only those who pass are eligible to participate in commercial bidding. The qualification examination is usually divided into general qualification examination and technical qualification examination. The general qualification examination is to examine the background, past performance, financial status, personnel, and equipment conditions of the bidding company; and the technical qualification examination requires the bidding company to propose specific construction technical plans according to the characteristics of the project, and even design expansion plans. The mega projects usually require general qualification

^① Ministry of Commerce of China, Guide on Cooperation with Foreign Countries for Investors-Thailand (2020).

examination and technical qualification examination, while some national budget projects may only require general qualification examination.

(3) Special bidding/bidding negotiation. For small projects on the national budget (usually no more than Thai Baht 100 million) the invitation for bids may be made by negotiation, and for overseas projects on the national budget, the embassies and consulates abroad also usually invite bids by negotiation.

For all government projects in Thailand, the budgeting shall be completed before bidding and the median price of the project shall be determined. In the first 2 invitations for bids, if the median price of the project is greater than 100 million Thai baht, the bidding shall be carried out by E-Auction.

Licensing Procedures

Thai contracting companies (Thailand legal persons) can apply for qualifications in various government departments, and the relevant departments will approve the qualifications of the applicants based on their company conditions. The highest qualification is Level 1, followed by Level 2 and Level 3. Only contracting companies with qualifications at all levels are eligible to participate in the bidding of the corresponding national budget (non-foreign) projects, and the tendered usually stipulates the qualification level that the bidder must have in the terms of reference. Thailand does not have a unified national qualification registration. The qualifications registered in different departments (such as the Ministry of Internal Affairs, the Ministry of Transport, etc.) are only applicable to that department and cannot be substituted for each other. However, when participating in certain large-scale infrastructure projects, especially projects whose construction funds are sourced from foreign investment, the foreign contractors carrying out bidding or foreign contractors in the bidding joint ventures are not subject to this regulation.

5.3 House Leasing

In Thailand, leases with a lease term of more than 3 years must be signed in writing and

registered with the Ministry of Lands, otherwise the validity period shall not exceed 3 years at most. Thailand's *Civil and Commercial Code* stipulates that the maximum lease term is 30 years, and the excess will be reduced to 30 years. At the same time, the right of lease is not transferable to a third party.

Table 5-2 Some of the intermediary platforms for renting houses in Thailand

Agency	Contact Information
Thailand-Property	Telephone: +66 95 930 1940 Website: www.thailand-property.com/properties-for-rent . Address: 1788 Singha Complex, 18th Floor, Room 1808-1813, New Phetchaburi Rd., Bang Kapi, Huai Khwang, Bangkok
DDproperty	Tel: +66 02 204 9555 Website: www.ddproperty.com/en/property-for-rent . Address: 199 The Column Tower, 20th Floor, Ratchadapisek Road, Klongtoey Sub-District, Klongtoey District, Bangkok
THAI PROPERTY GROUP CO., LTD	Website: www.thai-property-group.com/en/rentals/thailand/ Address: RSU Tower, 9th floor – 571 Sukhumvit Road – Soi 31 Klong Toei, Bangkok



Special Reminder:

The apartment property rights are completely different from long-term lease rights. The property rights are permanent assets protected by the *Thai Condominium Act*, while the lease rights are only a long-term lease contract under the *Thai Corporate and Commercial Law* and are not regarded as an asset and cannot be inherited. Unless it is stipulated in the contract, it is not possible to sublet without the consent of the owner. The longest term of house lease is 30 years, and the contracts longer than 30 years are not protected by law.

5.4 Opening a Bank Account^①

In Thailand, the eligible foreign citizens can open a personal bank account. The required materials are:

- (1) Hold a Thai residence visa with a period of more than 1 year; or

^① CCPIT, Guide on the Business Environment of Foreign Countries for Investors-Thailand (2019).

(2) Hold a work visa and valid visa from Thailand's own country.

Thai bank accounts generally set the minimum deposit amount as: current account (from Thai Baht 500); fixed account (from Thai Baht 1,000). Non-citizens can only open savings accounts, and generally are not allowed to open current accounts or credit cards.

In Thailand, foreign-invested enterprises can open a company account. The required materials are:

(1) Application form for opening a company account (provided by the bank);

(2) Business license issued by the Ministry of Commerce and the registration form (original) and copy of the Commercial Registration Office within 1 month;

(3) Board resolution passed by the company's board of directors on the board of directors agreeing to open an account and with related authorized signature;

(4) Copy of the ID card of the person authorized to sign the company's account. Thai nationals shall provide copies of ID card and household register, and foreigners shall provide copies of passport and work permit;

(5) ID cards (copy) of shareholders who hold more than 10% of the company's shares. Thai shareholders shall provide copies of ID card and household register, and the foreign shareholders shall provide copies of passport and work permit;

(6) Copies of the company's articles of association and rules (in Thai or English);

(7) Copies of the business registration letter or value-added tax registration of the Department of Taxation.



Special Reminder:

All materials submitted for opening a company account shall be signed by the authorized signatory and affixed with a company seal (if any) to ensure that the copy content is accurate. The minimum initial deposit amount for the company's current account is Thai Baht 50,000; the

minimum initial deposit amount for the company's checking account is Thai Baht 10,000.

5.5 Employee Recruitment

Thailand staff recruitment channels can be roughly divided into 3 categories: job search websites, campus recruitment and headhunting.

Table 5-3 Thailand's Employee Recruitment Channels

Channels	Company/university	Website	Notes
Job search website	JobNOW	jobnow.work	The job search website is reliable and easy to use. It is the first choice for finding a new job.
	Jobsugoi	www.jobsugoi.com	
	Jobthai	www.jobthai.com	
	GetLinks	getlinks.co	
Campus Recruitment	Chulalongkorn University	www.chula.ac.th	Targeted recruitment information can be released through the university's official channels
	Mahidol University	mahidol.ac.th	
	King Mongkut's University of Technology Thonburi	global.kmutt.ac.th	
Headhunting	Monroe Consulting Group	www.monroeconsulting.com	The enterprise can recruit employees in a targeted manner according to the needs.
	EPS Consultants	eps.my	
	Indigo Consulting Group	indigo-consulting-group.com	

5.6 Financing

Bank Loans

The foreign investors who set up an enterprise in Thailand can apply for commercial bank loans in the name of the company. With Kasikornbank as an example, the main provisions on applying for commercial loans are shown in Table 5-4.

Table 5-4 Main Provisions on Commercial Bank Loans of Kasikornbank^①

Type	Specific provisions	Notes
Loan amount limit	The commercial loans cannot exceed Thai Baht 400 million.	The loan interest rate is determined depending on the type of commercial bank.
Loan installment restrictions	The maximum installment payment time shall not exceed 7 years.	
Type of collaterals	Idle land, commercial facilities, residential real estate, machinery and equipment, bank deposits, etc.	

^① Kasikornbank: kasikornbank.com/en/business/sme/loan/CommercialLoan.

Continued

Type	Specific provisions	Notes
Commercial loan application qualification	A local Thai enterprise with an operating period of more than 3 years.	The loan interest rate is determined depending on the type of commercial bank.
	Not regarded as the person responsible for non-performing loan by any financial institution during the 36 months before applying for a loan.	
Application Materials.	Copy of enterprise registration certificate; enterprise operating statements, documents, etc.; enterprise shareholder information; guarantor information; related materials of the enterprise office; copy of the company's articles of association; financial statements submitted to the tax bureau in the past 1-2 years; business performance report for the past 1 year.	



Special Reminder:

For start-up enterprises or enterprises of which actual operating period is less than 1 year, if they need to apply for commercial loans, they can consult the commercial banks about the special loan application conditions.

Bond Issuance^①

Both domestic and foreign enterprises in Thailand can issue corporate bonds or convertible bonds. Among them, for domestic companies in Thailand, those applying for public offering or non-public offering must be listed companies. For foreign enterprises in Thailand, they must have independent branches in the country before they can apply for public offering.

Table 5-5 Main Provisions for Issuing Bonds of Listed Companies in Thailand

Type	Public offering	Non-public offering	
	Ordinary investors	Institutional/high net worth investor	Small-scale investment group
Whether there are trading restrictions	×	√	√
whether credit rating is needed	√	× (Generally)	×
Whether the registration is made at ThaiBMA	√ (Except for short-term debt financing instruments)	√	×

① Stock Exchange of Thailand: www.set.or.th/en/products/financial/files/Debenture.pdf.

Continued

Type	Public offering	Non-public offering	
Whether a financial consultant is needed	√ (Except for listed companies or short-term bond financing instruments)	×	×
Secondary market	BEX Digital Asset Exchange/ThaiBMA	ThaiBMA	
Bond underwriting agency	Underwriting/distribution	Underwriting/distribution	×

Listing on the Exchange^①

It usually takes about 1-2 years to apply for an initial public offering (IPO) on the Stock Exchange of Thailand in Thailand. The main application steps are as follows:

(1) Start the audit process and appoint financial consultant and auditor. The audit covers all aspects of the company's business, including its management, internal control system, preparation of financial statements and equity structure, etc. In addition, the company shall hire a professional auditor to assist in the preparation of IPO-related documents.

(2) Change the company from “limited liability company” to “company limited by shares”. For such change, the company's general meeting of shareholders shall be held and the re-announcement of the composition and structure of its board of directors shall be made. This step needs to be registered by the Ministry of Commerce of Thailand. In the conversion process, it is necessary to pay attention to the time limit requirements. For example, the general meeting of shareholders must be held within 14 days after the notice to the shareholders; and the registration must be made with the Thai Ministry of Commerce within 14 days after the general meeting is held.

(3) Apply for an initial public offering of stocks and go public. The company submits an IPO application to the Securities and Exchange Commission of Thailand, and the financial consultant

^① Stock Exchange of Thailand: www.sec.or.th/EN.

submits the prospectus and other materials. Normally, the Securities and Exchange Commission will review the IPO qualifications within 45 days after receiving the relevant materials.

(4) Officially launch the public offering of shares. After passing the qualification review of the Securities and Exchange Commission, the company's shares allocated to minority shareholders must meet or exceed the minimum requirements. There are 2 main ways to apply for stock underwriting: Firm Underwriting and Best effort underwriting.

(5) Listed and traded on the Stock Exchange of Thailand or MAI market. The conditions for applying to be listed on the stock exchange are that: the total net operating profit of the past 2-3 years is at least Thai Baht 50 million, and the total net operating profit of the most recent year is at least Thai Baht 30 million; or, the market value of the company has reached Thai Baht 5 billion after the application for IPO.

The conditions for listing on the MAI market are that: the previous year's net operating profit was at least Thai Baht 10 million, and the last quarter was a net profit; or the market value of the company has reached Thai Baht 1 billion after the application for an IPO.

5.7 Applying for Patents and Registering Trademarks

The Department of Intellectual Property (DIP) of Thailand is under the Ministry of Commerce and is mainly responsible for matters related to the registration of intellectual property rights.

Application for Patents^①

The types of patent protection in Thailand mainly include invention patents and design patents. The language of the patent application text shall be English or Thai.

Application Process.

(1) Invention patents. Thailand adopts an early disclosure and delayed examination system

^① Ministry of Intellectual Property of Thailand: www.ipthailand.go.th.

for invention patents, including preliminary examination, early disclosure, substantive examination, and patent authorization.

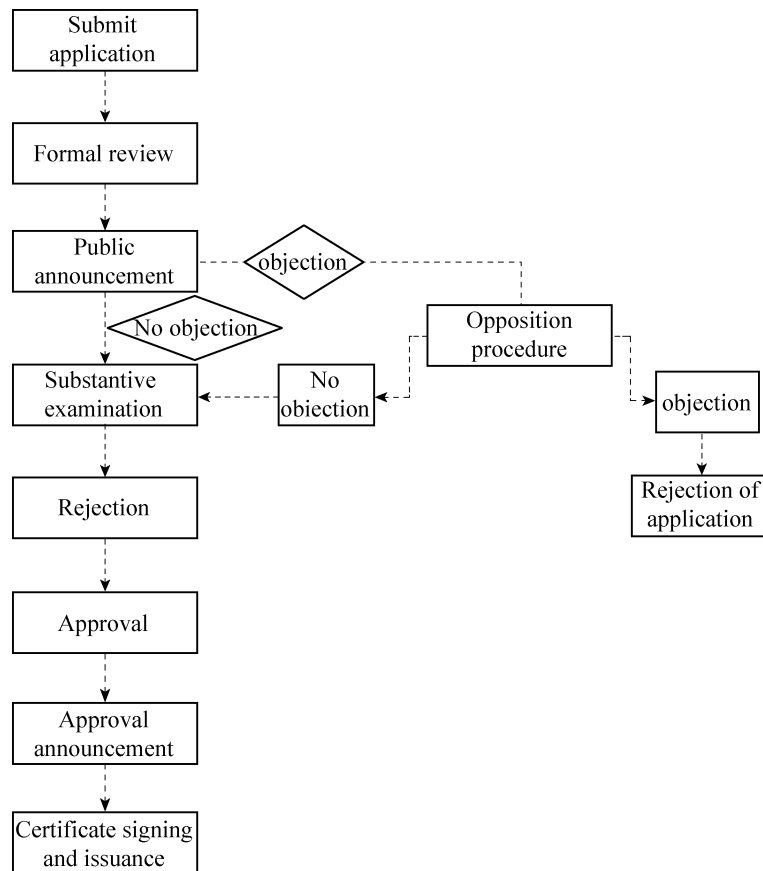


Fig. 5-3 The Invention Patent Registration Process in Thailand^①

(2) Appearance design patent. Thailand adopts a formal examination system for appearance design patents. After the application passes the formal examination, it will be published. The publication period is 90 days. During this period, if no objection is raised, it will automatically enter the substantive examination procedure.

^① Ministry of Intellectual Property of Thailand: www.ipthailand.go.th.

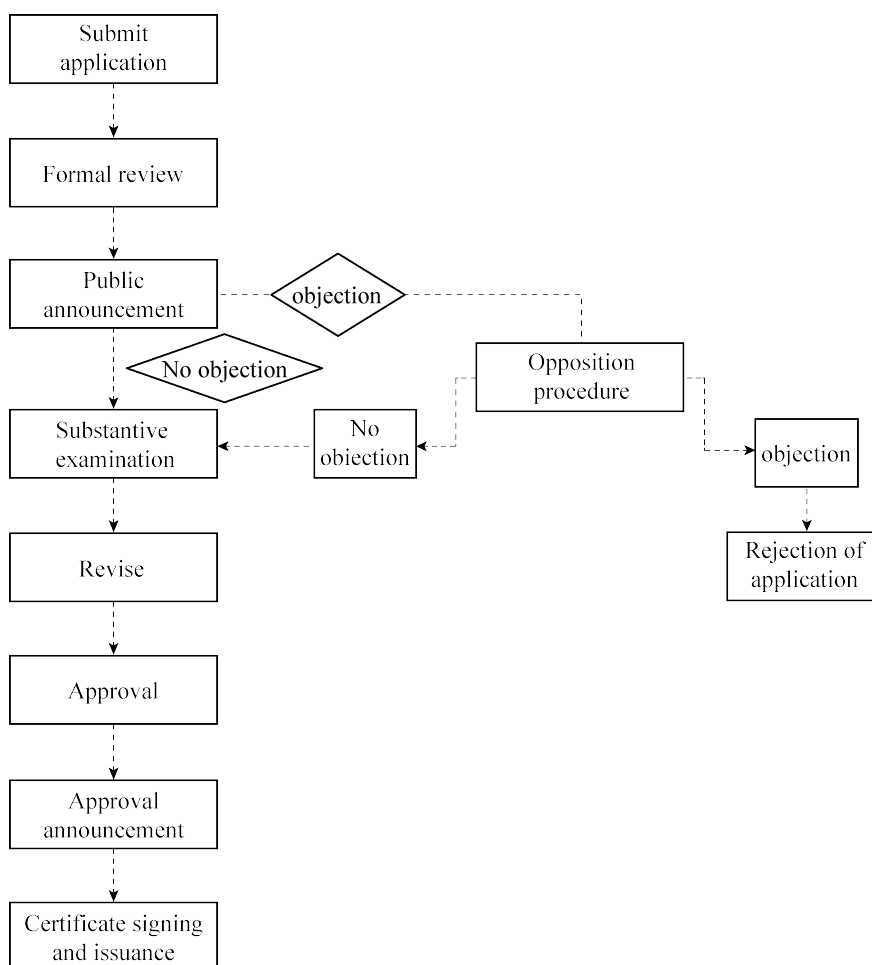


Fig.: 5-4 Application process for appearance design patent in Thailand

Registration for Trademark^①

The procedures for trademark registration in Thailand include search and application. Trademark registration can be applied for through the Trademark Registry under the Ministry of Intellectual Property. The registration procedures mainly include the followings:

(1) Search. Trademark search is not compulsory; the purpose is to determine its availability before registering a trademark. The trademark search period is usually about 5-7 days.

(2) Application. The trademark registration process takes approximately 16-18 months, counting from the date of application. The application is submitted by the trademark owner or his agent. The applicant or his agent must have an exact contact address in Thailand.

^① Ministry of Intellectual Property of Thailand: www.ipthailand.go.th.

(3) Sign and issue registration certificate. The validity period of the trademark registration certificate is about 1-2 months.

(4) Pay the registration fee. The registration fee is composed of 2 parts: namely, the fees related to trademark application and the fees related to the issuance of trademark registration certificates.

The validity period of trademark registration is 10 years, and an application must be filed in advance at least 90 days before the expiry of the trademark if it needs to be extended. The trademark owner is the only legal user of the trademark, and the infringer can be sued in accordance with the law.

5.8 Tax Payment^①

Tax Declaration

The corporate income tax collection period is based on a half-year basis. The first-time collection is against the first half of the fiscal year. The legal person should fill out the statement and declare tax within 2 months from the end of the first half of the current fiscal year; And the second time collection is against the second half of the fiscal year. The legal person should fill out the statement and declare tax within 150 days from the end of the second half of the current fiscal year. Except for newly established companies, the fiscal year is generally set at 12 months. The tax return must be submitted to the relevant department together with the company's financial statements.

Corporate taxpayers pay 50% of the estimated annual tax before the end of the eighth month of the fiscal year. Taxpayers who fail to pay on time or underestimate their annual profits by more than 25% will be fined, up to a maximum of 20% of the tax underpayment.

Personal income tax must be declared before the end of March of the second year of income, and paid and refunded.

① CCPIT, Guide on the Business Environment of Foreign Countries for Investors-Thailand (2019).

Tax Declaration Channels

The Thai government has no hard and fast rules on tax filing methods and channels. However, Thailand's corporate income tax declaration is more complicated, and the calculations are cumbersome. Therefore, companies generally hire professional accounting firms to prepare declaration materials and help companies process declarations.

The documents required for the company's tax filing include filling out the tax declaration form; the company's account books (revenue and expenditure schedule), income statement, balance sheet, and other related documents confirmed by a qualified auditor.



Legal Provisions

6.1 Land^①

Competent Authorities and Relevant Laws

In Thailand, the land authorities include the Ministry of Land, the Ministry of Interior, and the Investment Promotion Committee. The relevant laws are the *Land Law*, *the Industrial and Commercial Real Estate Leasing Law* and *the Industrial Zone Law*.

Land Classification

Thailand's land system is dominated by private ownership, and the country's land is divided into 3 categories: royal ownership, state ownership, and private ownership. At present, more than 90% of private land is concentrated in the hands of 10% of Thais, and the top 50 people holding the largest land area account for more than 10% of the total area of private land.

Provisions on Acquisition of Land by Foreign-funded Enterprise

The Land Law includes contents such as land distribution, the grant and definition of land ownership, and the issuance of relevant documents. It clarifies the restrictions on religion used land, foreigners used land, and some industrial legal person used land, as well as land surveys, land transactions, fees and penalties.

① Legal Affairs Department of CCPIT, Studies on Laws of the “Belt & Road” Countries-Thailand.

Foreigners to obtain land ownership must meet the following conditions: investment in a specific field (including the purchase of Thai government bonds, state-owned enterprise bonds or government bonds with repayment of principle and interest guaranteed by the Ministry of Finance); the investment amount must not be less than Thai Baht 40 million; the investment period must not be less than 5 years; The area of land owned must comply with the *Land Law*, that is, housing or commercial land should not exceed 1 rai, and industrial/agricultural land should not exceed 10 rai; it must be approved by the Ministry of Interior.^①

Foreigners need to go through the following main procedures to obtain land ownership: submit an application and related materials to the local land bureau; after examined by the land bureau and analyzed by the Ministry of Interior, the approval result is issued. Foreigners should inform the government whether they have started using the land within 60 days after starting to use the land, and in the follow-up business process, they must not change the land use at will. If foreigners do not use the land, they own and have the right to use, they should sell it within the specified time.

6.2 Tax

Competent Authorities and Relevant Laws

The General Administration of Taxation of Thailand is the highest administrative body responsible for tax collection and administration and is subordinate to the Ministry of Finance; the department responsible for the collection of import and export duties is the General Administration of Customs; local governments are responsible for the collection of property taxes and local taxes.

The fundamental law on taxation is the “Tax Code” promulgated in 1938, and the Ministry of Finance has the right to amend the provisions of the “Tax Code”.

^① The unit of measurement for land in Thailand is “rai”, and 1 rai is equivalent to 2.4 acres or 1,600 square meters.

Tax System

Taxes in Thailand are mainly divided into 2 categories: direct taxes and indirect taxes. Direct taxes mainly include personal income tax and corporate income tax. Indirect taxes mainly include withholding taxes, customs duties, value-added taxes, etc.

Corporate Income Tax. Foreign companies operating in Thailand shall pay income tax on income derived from Thailand. Foreign companies that do not engage in business in Thailand pay the pre-extracted income tax on their income from Thailand. The tax rates for different incomes can be reduced or exempted according to the provisions of the Double Taxation Agreement (referring to the website of Thai Tax Administration: www.rd.go.th/english/766.html for details).

Table 6-1 Thailand's Corporate Income Tax Rate in 2021^①

Taxpayer type	Taxable income items	Tax rate (%)
Small and micro enterprises (companies with paid-in capital less than Thai Baht 5,000,000 at the end of the period)	Net profit is between Thai Baht 300,000-3,000,000	15
	Net profit exceeds Thai Baht 3,000,000	20
Companies listed on the Stock Exchange of Thailand	Net profit	20
Listed on Thailand's Small and Medium Enterprise Exchange (MAI)	Net profit	20
Bank income derived from the international banking system	Net profit	10
Income from foreign companies participating in international transportation	Gross profit	3
Dividends received by foreign companies not doing business in Thailand from their home countries	Gross profit	10
Income other than dividends received by foreign companies that do not do business in Thailand from their home countries	Gross profit	15
Profits of foreign companies derived from abroad	Disposal income	10
For-profit association or foundation	Gross profit	2 or 10

Individual Income Tax.^② Individual income taxpayers can be divided into 2 categories: resident taxpayers and non-resident taxpayers. Resident taxpayers are citizens of the country who

① General Administration of Taxation of Thailand: www.rd.go.th/english/index-eng.html.

② General Administration of Taxation of Thailand: www.rd.go.th/english/index-eng.html.

have lived in Thailand for more than 180 days in accumulative in the tax year. Foreign citizens who have lived in Thailand for no more than 180 days in accumulative are non-resident taxpayers. Non-resident taxpayers only need to pay taxes on income derived from Thailand. Thailand's personal income tax implements a cumulative tax rate system.

Taxable income includes income from wages; income from labor provided; income from interest; income from dividends; royalties; and capital gains.

Table 6-2 Thailand's Individual Income Tax Rate in 2021

Taxable income (unit: Thai Baht)	Upgrading progressive tax amount (unit: Thai Baht)	Tax rate (%)
0-150,000	–	0
150,000-300,000	0	5
300,000-500,000	7,500	10
500,000-750,000	27,500	15
750,000-1,000,000	65,000	20
1,000,000-2,000,000	115,000	25
2,000,000-4,000,000	365,000	30
Above 4,000,000	965,000	35

Thailand grants certain tax incentives to personal income tax. Eligible taxpayers can be deducted from their taxable income (Table 6-3).

Table 6-3 Tax Deduction System of Individual Income Tax in 2021

Income type	Deducted amount
Salary income	40% of taxable income (but the deducted amount cannot exceed Thai Baht 60,000)
Copyright income	40% of taxable income (but the deducted amount cannot exceed Thai Baht 60,000)
Property transfer income	
1) Buildings and docks	30% of taxable income
2) Agriculture used land	20% of taxable income
3) Other types of land	15% of taxable income
4) Motor vehicles	30% of taxable income
5) Other types of property	10% of taxable income
Freelance income	30% of taxable income, but professional medical workers can pay 60%
Necessary contracted work income provided by the contractor	70% of taxable income
Income from business, agriculture, industry and transportation to unspecified activities	65%-85% of actual expenditure (depending on income type)

Value-Added Tax.^① The VAT rate in Thailand is 7%. The *Tax Code* stipulates those individuals or entities with annual income or annual turnover exceeding Thai Baht 1.2 million shall pay VAT if they sell taxable goods or provide taxable services in the local area. The main industries involved include wholesale and retail, manufacturing and service industries, import trade, etc.

Withholding Tax.^② The interest income earned by resident taxpayers and non-resident taxpayers is subject to withholding tax.

(1) Interest Income. The following various forms of interest income, including government-issued bonds and bond interest income; commercial bank savings deposit interest, and the total taxable year interest does not exceed Thai Baht 20,000; loan interest paid by a financial company; a specific Thailand Financial institutions organized by law provide loans to promote agricultural, commercial or industrial interest income subject to withholding tax. If it has been withheld from corporate/individual taxable income in accordance with relevant regulations, it is no longer necessary to pay withholding tax separately.

(2) Dividend Income. If a taxpayer lives in Thailand and receives dividends or profit shares from a registered company or mutual fund, withholding tax is required. However, if the company or mutual fund has withheld tax at a tax rate of 10%, it can choose to deduct the dividend from the taxable income when calculating the taxable income.

Table 6-4 Withholding Tax Rate in 2021^③

Income type	Withholding Tax Rate (%)
Dividend income	10
Interest income	1
copyright	3
advertising fee	2
Professional service fee	

① Legal Affairs Department of CCPIT, Studies on Laws of the “Belt & Road” Countries-Thailand.

② General Administration of Taxation of Thailand: www.rd.go.th/english/index-eng.html.

③ General Administration of Taxation of Thailand: www.rd.go.th/english/index-eng.html.

Continued

Income type	Withholding Tax Rate (%)
Payment to Thai domestic companies or foreign companies with branches in Thailand	3
Payment to foreign companies that do not have a permanent branch in Thailand	5
Reward payment	5

6.3 Employment

Competent Authorities and Relevant Laws

The competent authority for labor and employment in Thailand is the Ministry of Labor. The relevant laws mainly include the *Labor Protection Law*, the *Labor Relations Law*, the *Trade Union Law*, the *Social Insurance Law*, and the *Workers' Pension Law*.

Main Clauses^①

Working Time and Ask for Leave. The standard of working hours is no more than 8 hours per day and no more than 48 hours per week. The daily working hours in special industries may be extended, but the total working hours per week shall not exceed 48 hours. For work that is harmful to the health of employees and dangerous work, no more than 7 hours per day and no more than 42 hours per week. Employees should take at least one day off per week. Employers are not allowed to require employees to work overtime unless the employee agrees, and overtime must be paid to employees if the maximum working hours are exceeded. Overtime pay is 1.5 times (working day overtime) to 3 times (holidays) of normal working hours.

Female Worker. Employers shall not require female workers to work underground, underwater, in caves, tunnels, volcanic craters and other places in mining and construction, unless the nature of their work does not cause harm to the employee's body and health; to work sitting on a ten-meter-high scaffold above the ground; producing or transporting flammable or explosive

① Ministry of Labour of Thailand: www.labour.go.th/index.php/en/labour-laws.

materials; driving or accompanying vehicles; lifting, raising, pulling, picking, drawing, pushing, and jacking more than 15 kilograms weight above the head; working on ships; and other works stipulated by the regulations of the Ministry of Labour. Employers must not dismiss female workers because of pregnancy.

Child Labor. Employers must not use child labor (15-18 years old) to melt, blow, cast, and roll metal; stamping metal; high temperature, low temperature, vibration, abnormal sound and light, etc. may be harmful to the body; chemicals, microorganisms such as bacteria, mold and other work related to viruses that may cause disease; work related to poisons, inflammables, explosives, etc., except for work in gas stations; driving or controlling dump trucks, cranes, and stackers; using electricity or diesel engines sawing work; work underground, underwater, in caves, tunnels, volcanic craters, etc.; radioactive work; work to clean working machines or engines; work on a shelf that is more than 10 meters above the ground; and other jobs stipulated by the regulations of the Ministry of Labor. Employers are only allowed to hire child laborers over the age of 15 and must report to the Thai Ministry of Labor. Employers are not allowed to use child labor to work overtime or work on holidays, and generally are not allowed to require child labor to work from 10 pm to 6 am the next day.

Social Insurance. In Thailand, the main insurance categories that workers participate in are: medical insurance, maternity insurance, disability insurance, death benefits, child relief, pension insurance, and unemployment insurance.



Special Reminder:

Thailand's trade unions are powerful and have a certain influence on the country's political, economic and social operations. There are currently 9 national trade union organizations in Thailand, most of which are headquartered in Bangkok or Samut Prakan. The 3 trade unions of the Thai Workers' Congress (LCT), the National Workers' Congress of Thailand (NCTL) and the

Thai Trade Union (TTUC) are members of the International Labour Organization.



Investment Practice:

A strike occurred in one of the Rayong factories in Thailand due to unsatisfied salary payment^①

The GM Rayong plant in Thailand (hereinafter referred to as the plant) began operations in 1999 and produces approximately 50,000 Chevrolet pickups, passenger cars and special utility vehicles each year, valued at approximately US\$ 750 million.

In 2009, there were 2 strikes at the plant due to salary payment. Due to a new round of shifts on Saturday, but no overtime wages were provided for employees, strike broke out in plant in February, with 2000 workers participating, the plant was forced to close for 3 days and lost approximately US\$ 6 million a day. American Axle Manufacturing Company, the company's component supplier, was also affected and lost approximately US\$ 15 million. In October, hundreds of union members went on strike again due to salary issues. The plant management team proposed that workers who did not participate in the protests could take paid holidays during the strike. After that, they "reached an amicable solution" with the union and terminated the strike which lasted for 10 days. General Motors Thailand President Steve Carlisle said in a statement that "in particular, we must commend the General Motors Union for acting in a peaceful and orderly manner throughout the process."

Comment: Thailand is a country with a tradition of trade union movement, and it also attaches great importance to the protection of its own workers. After entering Thailand, foreign-funded enterprises shall fully abide by relevant laws and regulations to protect the rights of employees. If you need to adjust working hours, salary, etc., you should first fully communicate with employees and labor unions. If a strike breaks out, it is recommended to actively contact the trade union organization to resume normal production and operation as soon

① Compiled based on related reports from Reuters and American Automotive News.

as possible to avoid greater losses.



Investment Practice:

A lawsuit on the change of work location of employees of a Thai company^①

Due to its business planning, a hotel management company incorporated in Thailand needed to transfer the work location of its employees from Bangkok A to Bangkok B. The company did not obtain the consent of one of its employees, and directly announced an announcement requiring an employee to change their work location. An employee did not agree to change the work location, so the company proposed to terminate the employment relationship with him. An employee sued the company to the labor court and demanded that the company pay compensation for its unfair termination of the contract.

Comment: In Thailand, any changes in work should be approved by employees in advance. Such changes include changing work locations, wage reductions, etc. If the employee's consent is not obtained and an employment relationship dispute arises, the termination will be deemed unfair when the company terminates the contract with the employee, and the company shall pay the employee a series of compensation including severance payment.

Hiring Foreign Employees^②

Thailand has the following requirements for hiring foreign employees: (1) You must apply for a work permit from the Thai Ministry of Labor; (2) The work permit is generally valid for 1 year, and you must apply for renewal in time before expiration; (3) Hold a labor certificate with you; (4) When an official of the Ministry of Labor is performing official duties to check the verification documents of the inspected person, the employer shall provide appropriate assistance; (5) The work permit can be used in other places without changing the employer. In the workplace, the head office and branch offices should be marked separately. When applying for a branch in

① CCPIT, Guide on the Business Environment of Foreign Countries for Investors-Thailand (2019).

② Legal Affairs Department of CCPIT, Studies on Laws of the “Belt & Road” Countries-Thailand.

the name of the head office, the application must be made at the location of the branch.

6.4 Protection of Intellectual Property Rights

Competent Authorities and Relevant Laws

The Ministry of Intellectual Property of Thailand is subordinate to the Ministry of Commerce and is the core institution in general charge of Thailand's intellectual property affairs. The relevant laws include the *Patent Law*, the *Trademark Law*, and the *Copyright Law*.

Relevant Regulations for Patent and Trademark Application^①

In Thailand, for a product or production process to be patented, it must be novel, creative and applicable to industry, and the effective protection period is 20 years from the date of filing the application. As there is no requirement for inventiveness, small patents are relatively easy to apply for and obtain patents. However, the effective protection period of small patent is 10 years from the date of filing the application. An inventor cannot apply for a patent and a small patent at the same time for its 1 invention, only 1 of them can be applied for.

In Thailand, both Registering Trademarks and unregistering Trademarks are protected, but the degree of protection of unregistering Trademarks is relatively low. Once a trademark is registered, the effective period of protection is 10 years, and the period of validity can be renewed if the relevant prescribed fees are paid within 90 days before the expiration of the period of validity. Otherwise, the registered trademark will be cancelled after the expiration.

Punishment Measures

Thai law stipulates that if an infringement of intellectual property rights is discovered, a civil lawsuit can be initiated, and criminal responsibility will be borne if a crime has been constituted. Infringement penalties are mainly fines, and in severe cases can also be imprisoned or both. The

① Legal Affairs Department of CCPIT, Studies on Laws of the “Belt & Road” Countries-Thailand.

fine can be up to Thai Baht 400,000 and the maximum imprisonment is 2 years.



Investment Practice:

A cross-boarder copyright infringement case was taken in the Thai Court^①

The Ultraman series is a fantasy special created by Tsuburaya Manufacturing Co., Ltd. (hereinafter referred to as Tsuburaya Manufacturing) founded by Eji Tsuburaya in Japan since the 1960s. The collective name for the series of TV series, movies, comics, stage plays, etc. The original copyright is owned by Tsuburaya Production. Sompote Saengduenchai came to Japan in the 1960s, worked in another company of Eiji Tsuburaya, and had a relationship with Eiji Tsuburaya's son Noboru Tsuburaya, Tsuburaya Takao inherited Tsuburaya production and died in 1995.

After Tsuburaya's death, Sompote said that he had signed a copyright transfer contract with Tsuburaya in 1976, the *1976 Contract* (hereinafter referred to as the contract), which stipulated that 7 Ultraman's overseas copyright of the old film and television works was transferred to Sompote. Tsuburaya Manufacturing does not recognize it, claiming the existence of the contract has no objectivity, because Takao Tsuburaya has never raised the contract with anyone in the past 20 years when he is still alive, and Sompote has been using the Ultraman image to make movies since 1984. Later, a long-term and large amount of copyright usage fees were paid to Tsuburaya Manufacturing. Tsuburaya Manufacturing then asked for the text of the contract from Shinport, but Shinport proposed to admit the existence of the contract first, and threatened to sue the licensee of Tsuburaya Manufacturing. Tsuburaya Productions sent a letter to Sompote in 1996, apologizing for the trouble caused by not knowing the existence of the contract. After receiving the letter of apology, Sompote sent a copy of the contract to Tsuburaya Manufacturing. Tsuburaya Manufacturing discovered that the official seal and Tsuburaya Takao's signature were forged, and

① Compiled in accordance with the Civil Ruling of the Supreme People's Court of China (2011) Minshenzi No. 259 and related news.

all shareholders were unaware of this.

Sompote immediately disclosed the contract and declared that he was the copyright owner of 7 Ultraman films and television works in the Showa era in Japan. Tsuburaya Manufacturing immediately filed a lawsuit in Thailand, Japan, and China. On the basis of rigorous analysis of the many untrue, unnatural and illegal phenomena in the contract, the Thai courts, combined with the judicial appraisal of the contract by 7 criminal forgery document appraisal experts designated by the Thai Police Department, determined that the contract is forged documents, Xin Porter did not enjoy any rights to the 7 Ultraman film and television works of Japan's Showa era, and ordered Xin Porter to compensate the copyright owner Tsuburaya Manufacturing for economic losses.

Since then, Tsuburaya Manufacturing sued Sinbot in the Criminal Court of the Thai Court on the grounds of forging the contract and infringing on the copyright. Sinbot stated to the Criminal Court of the Thai Court that he had transferred all the contract rights to Japan UM Co., Ltd in 2008. On February 1, 2011, Sompote was sentenced to 5 years' imprisonment by the Criminal Court of Thailand for forging a contract and infringing on the copyright of Tsuburaya. The forged contract has been confiscated by the Thai Criminal Court.

Comment: As early as the 1990s, Thailand began to protect intellectual property rights by formulating laws and policies, clarifying specific institutional measures, and strengthening the crackdown on intellectual property infringements. For particularly serious infringements, the main responsible persons will be taken imprisonment.

6.5 Import and Export Management

Competent Authorities and Relevant Laws

The department in charge of trade in Thailand is the Ministry of Commerce. Its main responsibilities are divided into 2 parts. Domestically, it is responsible for promoting enterprise development, promoting the development of domestic commodity trade and service trade,

monitoring commodity prices, safeguarding consumer rights and protecting intellectual property rights, etc.; internationally, it is responsible for participating in WTO and various multi- and bilateral trade negotiations, promoting sound development of international trade, etc. Relevant laws include the *Export Commodity Promotion Law*, the *Export and Import Commodity Law*, the *Regulations on the Export Administration of Certain Commodities*, the *Export Commodity Standards Law*, the *Trade Competition Law*, the *Anti-dumping and Countervailing Law*, the *Customs Law*, and the *Protection of Import Surge Measures Law*, etc.

Import and Export Control

Import Management. Thailand implements a free import policy for most commodities. Any importer who issues a letter of credit can engage in import business. Thailand only implements management measures such as import bans, tariff quotas and import licenses for some products (Table 6-5).

Table 6-5 Categories of Import Restricted Commodities in Thailand^①

Commodities category	Commodities examples/restrictions	Others
Prohibited imports are mainly related to public safety and health, national security, etc.	Motorcycles and their parts, game consoles, old engines, gaming equipment, etc.	-
Tariff quota products include 24 kinds of agricultural products such as longan	Rice, coconut meat, garlic, corn for feed, palm oil, coconut oil, longan, tea, soybeans and bean cakes, etc.	Tariff quota measures do not apply to imports from ASEAN member states
Products that require an import license to be imported	Non-automatic import license products include tariff quota products and processed products, such as fish meat, raw silk, old diesel engines, etc.	The Ministry of Commerce is responsible for formulating the list of products subject to import license management
	Automatic import license products include some clothing, gravure printers and color copiers	
Food, medical products, mineral products, weapons and ammunition, artwork	Provide detailed product management information on food, production process and composition in the food import registration, and the license needs to be replaced every 3 years	The Food and Drug Administration of the Ministry of Health is responsible for issuing special permits
	The import license of pharmaceutical products is changed once a year, and relevant fees need to be paid.	

① General Administration of Taxation of Thailand: www.rd.go.th/english/index-eng.html.

Export Management. Except for products controlled by export registration, licenses, quotas, export taxes, export bans or other restrictive measures, most of Thailand's products can be exported freely. There are currently 45 types of products subject to export control. Among them, rice is levied on export taxes, as well as fur leather, teak and other wood, rubber, steel slag or iron slag, animal leather, etc.

Inspection and Quarantine^①

Thailand's administrative departments responsible for product quality supervision, inspection and standard certification are mainly the Food and Drug Administration (hereinafter referred to as FDA) under the Ministry of Health and the National Agri-Food and Food Standards Agency (ACFS) under the Ministry of Agricultural Cooperation.

The domestic regulations and international agreements on which FDA exercises its duties mainly include: *Drugs Law, Psychotropic Substances Law, Food Law, Narcotics Law, Medical Device Law, Prevention of Abuse of Volatile Substances Law, Cosmetics Law, Hazardous Substances Law, etc.* FDA controls the market access of commodities in accordance with relevant laws and regulations, reviews and issues corresponding health certificates for various commodities. Importers must apply for an import license before they can import food. The designated food storage room must be inspected by the FDA before it can be used. The import license must be renewed every 3 years; for specially controlled food, the importer must register with the FDA and obtain approval, and then, can the specially controlled food be imported.

Import Taxes^②

In Thailand, most imported goods are subject to 2 parts of taxes, i.e. customs duties and value-added tax. The tariff calculation method is generally based on the price, and some commodities are also taxed according to the specific unit tax rate. For most of commodities, the

① Food and Drug Administration of Thailand: www.fda.moph.go.th.

② General Administration of Customs: www.customs.go.th.

import tariff is 0~80%. In addition, Thailand grants various degrees of tariff concessions to ASEAN member countries and countries and regions that have signed multilateral trade agreements with them. The tariff rates and concessions of specific commodities can be found on the website of the General Administration of Customs of Thailand (www.customs.go.th) query.

6.6 Environmental Protection

Competent Authorities and Relevant Laws

The department responsible for environmental protection in Thailand is the Ministry of Natural Resources and Environment (MNRE), which consists of the Department of Water Resources, the Department of Groundwater Resources, the Department of Marine and Coastal Resources, the Department of Mineral Resources, the Royal Forest Department, the Department of Wildlife and Vegetation Protection in National Parks, Departments such as the Office of Natural Resources and Environmental Policy Planning, the Department of Pollution Control, and the Department of Environmental Quality Promotion.

The basic environmental protection law is the *National Environmental Quality Promotion and Protection Law* promulgated in 1992. Other environmental protection laws and regulations mainly include the *National Park Law*, the *National Forest Protection Law*, the *Urban Planning Law*, the *Public Health Law*, the *Clean and Order Management Law*, the *National Environmental Treatment Promotion and Protection Act*, and the *Prime Minister's Office on Protection and Utilization Biodiversity Regulations*, the *Prime Minister's Office on the Prevention and Elimination of Oil Pollution Regulations*, etc.

Regulations on Environmental Assessment^①

Environmental Impact Assessment Regulations. According to Thailand's *National Environmental Quality Promotion and Protection Law*, the Ministry of Natural Resources and Environment shall

① Legal Affairs Department of CCPIT, Studies on Laws of the “Belt & Road” Countries-Thailand.

report on matters that may affect the natural environment, which shall be issued by the minister and published in government newspapers. If the report is universal, it shall be published in the *Government Gazette* with the approval of the Ministry of Natural Resources and Environment. Other similar investment or engineering projects can be exempted from submitting environmental impact assessment reports on the basis of agreeing with the contents of this template.

EIA Form. If an investment or engineering project is required to prepare an environmental impact assessment report before construction or implementation in accordance with relevant laws and regulations, the person in charge must submit the report to the Policy Planning Office under the Ministry of Natural Resources and Environment. The submitted report can be in the form of a standard template. The project approval agency must wait for the approval of the Office of Natural Resources and Environmental Policy Planning before issuing investment or project implementation permits. If the Policy Planning Office finds that the EIA report submitted does not meet the relevant requirements or the materials are missing, it must report back to the submitter within 15 days of receiving the report. If all the materials are complete and meet the relevant requirements, the preliminary opinions shall be issued within 30 days after the report is received and forwarded to the National Environmental Protection Commission and the Pollution Control Committee for further review. The committee shall issue the review results within 45 days from the receipt of the report. If an audit opinion is not issued within the specified time limit, it shall be deemed the report has passed the audit.



Investment Practice:

Investing in Thailand needs to pay attention to the people's environmental aspirations^①

In the Pai Muang dam project in Ubon Ratchathani Province, Thailand, the dam has a significant impact on local fisheries and residents' lifestyles. Local residents continued to protest before, during and after the project, and achieved some results. For example, in 1995, the

① CCPIT, Guide on the Business Environment of Foreign Countries for Investors-Thailand (2019).

government agreed Compensation of 90,000 baht for each family for the fishery losses caused to residents during the construction of the dam; in June 2011, the government decided to temporarily open the sluices of the Paimang Dam to allow fish to pass through the dam. In the proposed coal-fired power plant project in Krabi Province, Thailand, the public protested to relevant local government departments in February 2017, forcing the project's contractor, the National Electricity Authority of Thailand (EGAT) to promise to re-run on the basis of local public participation and transparency EIA and EHIA assessment.

Comment: Thailand has high requirements for environmental protection. The community and individual NGOs have a greater influence on investment projects, and sometimes even have a decisive impact. How to improve technology and craftsmanship, meet Thailand's environmental protection standards, and properly handle relations with surrounding communities and NGOs is an important issue that companies must consider when investing in Thailand.

6.7 Anti-Commercial Bribery

Competent Authorities and Relevant Laws

The National Anti-Corruption Commission (NACC) of Thailand is fully responsible for corruption investigations and related matters.

Thailand has not yet enacted a specific law on commercial bribery. The legal provisions related to commercial bribery are reflected in different legal texts. Among them, the laws against corruption and bribery of government officials are the *Anti-Corruption Organization Law*, *Criminal Code*, *Commercial Code*, *Public Service Law*, *Public Servants Law*, *Trade Competition Law* and *Tender Law*. Specific provisions have been made.

Punishment Measures^①

Thailand's *Criminal Code* stipulates that individuals who directly or through intermediary

① Legal Affairs Department of CCPIT, Studies on Laws of the "Belt & Road" Countries-Thailand.

arrangements provide government officials with property or other benefits in order to allow them to perform or fail to perform specific official duties are liable to imprisonment for up to 5 years or a fine of not more than 10,000 baht, or both; government officials requesting, accepting or agreeing to accept financial or other benefits provided by others to perform or fail to perform specific official duties, regardless of whether the conduct is in line with their duties, may be sentenced to 5 to 20 years in prison, even life imprisonment and a fine of Thai Baht 100,000 to 400,000 or death penalty.



Investment Practice:

A Thai motor vehicle manufacturer is suspected of paying bribes in order to overturn the unfavorable judgment^①

From 2010 to 2012, Toyota Motor Thailand (hereinafter referred to as TMT) imported parts for its Prius model and stated that all parts were in compliance with the Japan-Thailand Economic Partnership (JTEPA). The specified hybrid vehicle import preferential auto parts can enjoy a tax preference of 0% to 30%. However, after re-examination, the Thai Customs believes that the parts are not random parts imported to supplement parts that cannot be manufactured in Thailand. They are completely knock down (CKD) parts and can be assembled into a complete vehicle. The law treats such parts as assembled cars, and not only does not enjoy tax incentives, but also an 80% vehicle import tax should be levied.

During this period, TMT imported 245 times of Prius parts, enough to make 20,000 cars. Therefore, TMT was required to return tax worth Thai Baht 11 billion, but TMT insisted that the case was an explanatory issue and the company had paid the tax correctly. In September 2017, the court of first instance made a ruling in favor of TMT, and then the Thai customs department filed an appeal. The special court of appeal overturned the decision of the court of first instance. TMT Company filed an appeal with the Supreme Tax Court of Thailand in March 2021, and the

^① Compiled according to the news of *Bangkokpost*, www.bangkokpost.com/business/2123707/court-reacts-to-toyota-bribery-scandal.

Supreme Tax Court required the Thai customs department to archive account information and submit the case before July.

In April 2020, Toyota Motor Corporation, headquartered in the United States, notified the US Securities and Exchange Commission and the Department of Justice that TMT had paid bribes to several Thai judges and officials in order to overturn the Prius ruling. Toyota Motor Corporation headquarters had hired professional institutions. An internal investigation was launched on this matter.

As of May 2021, the TMT bribery and tax evasion case is still under trial. The Thai court stated that it has not found more information on the corruption allegations. However, according to the US official and investigation-related documents, the US has clearly identified the judges and Thai lawyers involved. The firm claimed that if it wins the appeal, TMT will pay US\$ 9 million as a “labor fee.”

Comment: Foreign-funded enterprises entering Thailand should fully understand the local investment policies and avoid taxation reasonably, but they should not deliberately evade or defraud tax. When encountering problems, try to actively communicate with relevant departments to discuss the best possible solution to the problem and avoid bribery. If officials take the initiative to seek rent, they must clearly retain relevant evidence and use legal means to protect their rights and interests.



Dispute Resolution

7.1 Judicial System^①

Thailand's judicial system consists of primary courts, appeal courts, and supreme court. Among them, the Supreme Court is the highest-level court. The lower court is the first court to accept the case. The lower courts are not subject to the maximum amount of civil cases, and can hear criminal cases that may be sentenced to death. The trial method is a collegiate discussion by 2 judges. The lower court has also set up a wide court, that is, a summary court, which is tried by judges alone and is mainly responsible for relatively simple disputes. There are 4 appeal courts, all located in the capital Bangkok. The hearing of appeals is a collegiate system, and the collegiate panel is composed of a president and 2 judges. If you are dissatisfied with the judgment of the Court of Appeal, civil cases can be appealed to the Dali Court within 1 month, and criminal cases can be appealed to the Dali Court within 15 days. Dali Court is the Supreme Court of Thailand, located in Bangkok, and has the power of final adjudication. The President of the Dali Court is the highest person in charge of the judicial institution, and there is also a Judicial Committee composed of the President of the Dali Court and 12 representatives from the three-tier courts.

In addition, Thailand has specialized courts, including: Children's Court, Children's

① Legal Affairs Department of CCPIT, Studies on Laws of the "Belt & Road" Countries-Thailand.

Tribunal, Central Labor Court, Central Tax Court, Central Intellectual Property and International Trade Court, Bankruptcy Court, etc. Among them, the Central Intellectual Property and International Trade Court is responsible for criminal and civil first-instance cases in Thailand's national intellectual property and international trade. Professional courts implement a two-instance final instance system, and the first instance can directly appeal to the Dali Court.

7.2 Dispute Resolution

Business dispute settlement methods mainly include consultation, lawsuit, arbitration, and mediation, etc.

Litigation

Civil Suit Trial Procedures. After the plaintiff filed a lawsuit with the court and paid the litigation deposit as required, the case can be accepted in accordance with the following procedures:

(1) Subpoena. After the court accepted the case, the copy of the subpoena and the indictment was delivered to the defendant. And the defendant will reply, indicating that he admits or denies the accusation of the plaintiff. If he denies the accusation, it is necessary to choose whether to file a counterclaim in a civil case or not.

(2) Pretrial meeting. The court decides the date of acceptance, and both parties submit evidence.

(3) Court trial. Both parties should appear in court. If the defendant does not appear in court, the plaintiff can apply to the court for a breach of contract. The court generally gives the defendant a reasonable period of time to make an explanation for not appearing in court.

(4) Verdict. The verdict must be presented in written form.

(5) Implementation. The court of first instance generally has the power to issue orders to enforce judgments and decide related matters. After the execution period of the judgment has

passed, the debtor still has a grace period of 7 days.

(6) Appeal. After the court makes the first-instance judgment, both parties can appeal to the court within a certain period of time. The appeal period is usually 30 days, and the appeal period can be extended for another 30 days upon application by the parties. After the appellate court accepts the case, both parties can no longer submit new evidence to the court or debate and cross-examine. The appellate court will make a second-instance judgment based on the files of the first-instance court. After receiving the second-instance judgment, both parties can choose whether to appeal to the Supreme Court of Thailand, but the Supreme Court will weigh whether the parties have sufficient reasons to appeal to the Supreme Court. If the appeal is insufficient, the Supreme Court will reject the appeal and uphold the appeal court's decision. The judgment made by the Supreme Court is final.



Special Reminder:

The first instance of Thai civil litigation is a substantive trial, and the second instance is a procedural trial. The first instance usually requires 3 hearing procedures. The purpose of the first hearing is to confirm the nature of the dispute and confirm whether the parties have the intention of reconciliation. If the 2 parties have the intention of reconciliation, the court will sometimes temporarily postpone the hearing time to provide the parties in dispute with sufficient time to reach a settlement agreement. However, if it is confirmed that both parties cannot compromise, the court will continue the trial procedures. Except for certain special courts, all court procedures in Thailand are required to be conducted in Thai, including the language of the trial and the documents submitted to the court. If the evidence is in a foreign language, it shall be translated into Thai and submitted to the court. If it cannot be translated into Thai, the court may not accept the evidence.

Arbitration

Arbitration Institution. The Thai Arbitration Association (TAI) was originally affiliated with

the Ministry of Justice and has now become an independent government organization, exercising relevant rights in accordance with the *Judicial Administrative Order of the Court (B.E. 2543) (2000)*.

Arbitration Procedure. The Thai Arbitration Association (TAI), as the main government agency that promotes dispute resolution through arbitration procedures, can accept domestic and international arbitration cases.

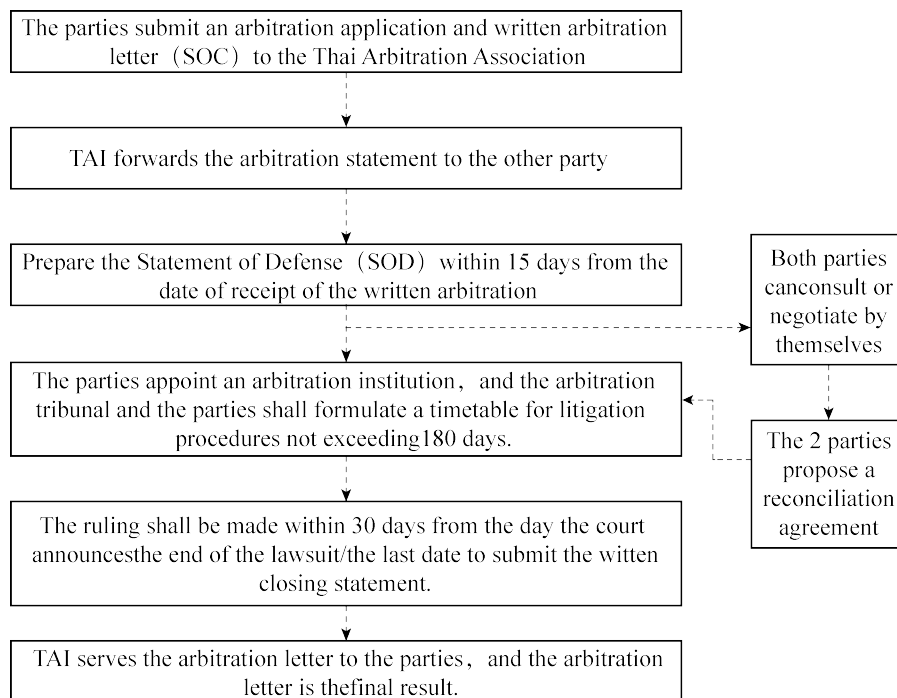


Fig. 7-1 The arbitration process of the Thai Arbitration Association^①

Mediation

Mediation means that the parties agree to resolve the dispute through negotiation. Under normal circumstances, both parties will choose to negotiate with the assistance of legal counsel or an independent third party. The negotiation itself does not have legal force and binding force, but through negotiation, the 2 parties can reach a written agreement, and the written agreement will have legal effect.

The Office of Justice of Thailand established the Thailand Mediation Center in 2000. At

^① The Thai Arbitration Association: tai.coj.go.th/en/content/article/index/id/8247.

present, the number of mediation methods used in Thailand as a method of dispute resolution is increasing year by year, especially in the settlement of small disputes. Compared with traditional litigation, small dispute mediation is more cost-effective in terms of time cost and litigation cost, and the expenses required by all parties are relatively low.

7.3 The International Commercial Dispute Prevention and Settlement Organization

Organization and Scope of Business

The International Commercial Dispute Prevention and Settlement Organization (hereinafter referred to as “ICDPASO”) is an international non-governmental and non-profit organization jointly initiated and established by China Council for the Promotion of International Trade (CCPIT) and China Chamber of International Commerce. In accordance with the concept of “Consultation, Contribution and Shared Benefits”, ICDPASO is composed of commercial institutions, trade associations, legal service providers as well as other entities in the field of international commerce around the world on the voluntary basis. On October 15 2020, the Inauguration Ceremony of ICDPASO was successfully held in Beijing. At present, the secretariat of ICDPASO is officially operational.

ICDPASO is committed to providing the diversified services covering the international commercial dispute prevention and settlement, protecting the legitimate right of the parties, creating the business environment with high efficiency, fairness and justification, and facilitating the construction of a more justifiable and equitable international economic order. The headquarter of ICDPASO shall be located in Beijing, the People’s Republic of China.

The main organizational structures of ICDPASO include (1) the General Assembly of Members; (2) the Council; (3) Secretariat; (4) Advisory Committee; (5) the Committee of Supervision; (6) the business departments which include publicity and training, compliance

construction, bankruptcy reorganization, proof of foreign law, commercial arbitration, commercial mediation, investment disputes and other departments etc..

In accordance with the Charter approved by the First General Assembly, the Scope of business of ICDPASO includes: To provide the service of international commercial dispute prevention and settlement subject to the relevant laws, including but not limited to the following activities: publicity and training, dialogue and consultation, construction of compliance of laws and regulations, pre-caution measures, promotion of the standard contract and multi-mechanism of dispute settlement including arbitration and mediation, ect.; To organize international conferences and seminars, to build up the platform for sharing and communicating the information and sources; To collect the opinions, suggestions and interest requests concerning the international commercial dispute prevention and settlement, and to participate in the international events relating to the deliberation, adoption and modification of international rules under the auspices of relevant international institutions or organizations; To make the publication of the statistical data and survey report concerning the international dispute prevention and settlement, to strengthen the capability of managing the information and analyzing the Big Data with respect to the international commercial cases; To cultivate legal talents with international vision, to promote the sharing of experiences and business cooperation among commercial organizations, dispute resolution institutes, academic institutions and think tanks around the world, and to jointly maintain a fair and stable international business transaction environment. ICDPASO is committed to resolving disputes in advance through dispute prevention on the one hand, and providing one-stop dispute resolution services for parties through diversified dispute resolution methods on the other.

Suggestions for Dispute Prevention and Settlement

(1) Any differences or controversies arising out of or in connection with in a commercial contract shall be eliminated by the dispute prevention services provided by the International

Commercial Dispute Prevention and Settlement Organization (“ICDPASO”), including amicable consultation, early intervention, conflict avoidance panels and early neutral evaluation.

(2) All disputes arising out of or in connection with the contract, shall be referred to mediation administered by the International Commercial Dispute Prevention and Settlement Organization (“ICDPASO”) in accordance with the Mediation Rules of ICDPASO in force at the time of filing application.

Any settlement reached in the course of the mediation shall be made a settlement agreement on agreed terms, all parties shall earnestly implement and comply with the award.

In case of failure of the mediation process, the disputes shall be referred to arbitration administered by ICDPASO in accordance with the Arbitration Rules of ICDPASO in force at the time of filing application. The arbitral award is final and binding upon all parties.

(3) All disputes arising out of or in connection with the contract, shall be referred to and finally resolved by arbitration administered by the International Commercial Dispute Prevention and Settlement Organization (“ICDPASO”) in accordance with the Arbitration Rules of ICDPASO in force at the time of filing application.



Free Trade Agreement

8.1 Bilateral Free Trade Agreements

At present, Thailand has signed bilateral free trade agreements (FTA) with some countries and regions, including Laos (1991), China (2003), India (2004), Australia (2005), New Zealand (2005), Japan (2007), Peru (2011) and Chile (2015).

8.2 Multilateral Free Trade Agreements

At present, in addition to entry into the ASEAN Free Trade Agreement, Thailand has also established the relation of multilateral free trade agreement with many countries and regions such as China, Japan, South Korea, Australia, New Zealand, India, Hong Kong, China, etc. Furthermore, on November 15, 2020, the 10 ASEAN members as well as China, Japan, South Korea, Australia and New Zealand signed the *Regional Comprehensive Economic Partnership (RCEP)*.

Table 8-1 Free trade agreements signed by Thailand

Bilateral Free Trade Agreements	Multilateral Free Trade Agreements
FTA between Thailand - India	ASEAN-Australia & New Zealand Free Trade Agreement
FTA between Thailand - Japan	ASEAN-China Free Trade Area Agreement
FTA between Thailand - Laos	ASEAN-Hong Kong, China Free Trade Agreement
Thailand - Australia Free Trade Agreement	ASEAN-India Free Trade Area Agreement
FTA between Thailand - New Zealand	ASEAN-Japan Comprehensive Economic Partnership
Thailand - Chile Free Trade Agreement	ASEAN-South Korea Free Trade Area Agreement

Continued

Bilateral Free Trade Agreements	Multilateral Free Trade Agreements
Thailand - China Free Trade Agreement	ASEAN Free Trade Area Agreement
Thailand - Peru Free Trade Agreement	Regional Comprehensive Economic Partnership

8.3 Regional Comprehensive Economic Partnership (RCEP)

Among the multilateral and bilateral free trade agreements signed by Thailand, the *Regional Comprehensive Economic Partnership (RCEP)* is one of the most important.

Overview of RCEP

On November 15, 2020, the 10 ASEAN countries and the 5 countries including China, Japan, Korea, Australia and New Zealand signed the Regional Comprehensive Economic Partnership Agreement (RCEP). This is the most important achievement made in the construction of East Asian economic integration program in the past 20 years, marking the official launch of the free trade zone with the largest population, the largest size of economy and trade, and the most potential for development in the world. Currently, the total population, total GDP and total exports of the 15 member states of RCEP account for about 30% of the global total respectively.

RCEP consists of preamble, 20 chapters (including: initial clauses and general definitions, trade in goods, rules of origin, customs procedures and trade facilitation, sanitary and phytosanitary measures, standards, technical regulations and conformity assessment procedures, trade remedies, services trade, temporary flows of natural persons, investment, intellectual property rights, e-commerce, competition, small-and medium-sized enterprises, economic and technical cooperation, government procurement, general terms and exceptions, institutional terms, dispute resolution, final clauses), and 4 attached market access commitment sheets (including: tariff commitment sheet, specific service commitment sheet, commitment sheet on investment reservation and non-conforming measures, and specific commitment sheet on the temporary flows of natural persons).

RCEP allows the unity of high quality and inclusiveness. The share of final zero-tariff products in goods trade will exceed 90% overall, and the overall opening-up of service trade and investment will expand significantly. Meanwhile, RCEP also considers the national circumstances of different countries and grants special and differential treatment to the least developed countries to promote the inclusive and balanced development of the regions. As a result, all parties can fully share the results of RCEP and significantly improve the level of economic integration in East Asia.

RCEP will promote the integration of regional industrial chains, supply chains and value chains, and regional economic growth. The economic structures of RCEP members are highly complementary, with complete capital, technology, and labor elements in the region. RCEP has further relaxed the market access of goods, services, investment and other fields among member countries, gradually unified the rules of origin, customs procedures, inspection and quarantine, and technical standards, etc., significantly optimized the overall business environment in the region, greatly reduced the institutional costs of enterprises, strengthened the cooperation of members in the division of production, promoted the free flow of economic factors in the region, further enhanced the trade creation effect brought by the free trade agreement, and promoted the expansion and upgrading of the consumer market in the region. According to the calculations by an internationally renowned think tank, by 2025, RCEP is expected to drive the exports, foreign investment stocks, and GDP of its member countries to increase by 10.4%, 2.6%, and 1.8% respectively from the baseline.

Thailand's Commitment to RCEP

SCHEDULE OF TARIFF COMMITMENTS. The *Schedule of Tariff Commitments* is based on the 2012 version of the ASEAN Harmonized Tariff Nomenclature (AHTN). Thailand shall, as of the effective date of the agreement, grant concessions to the tariffs levied on goods of origin under the agreement, and in each stage of reduction, the tariff lines indicated with “U” shall be

excluded from any commitment of tariff reduction or elimination.

SCHEDULE OF SPECIFIC COMMITMENTS FOR SERVICES. The *Schedule of Specific Commitment for Services of Thailand* adopts a positive list to make commitments to trade in services, and a “negative list” to make commitments to non-service industry investments (manufacturing, agriculture, forestry, fishing, and mining). It sets out specific commitments concerning national treatment, most-favored-nation treatment, prohibition of performance requirements, senior management and board appointments.

Table 8-2 Schedule of Specific Commitment for Services of Thailand

Sector or Subsector	Restrictions on market access	Restrictions on national treatment	Add to committed	FL/MFN
Modes of Supply (1) Cross-border Supply; (2) Consumption abroad; (3) Commercial presence; (4) Presence of natural persons.				
I. Horizontal commitment				
All SECTORS INCLUDED IN THIS SCHEDULE	(1)(2)(3)(4) The obligations of Thailand under this Agreement with respect to permanent residents of other Parties: Unbound Thailand reaffirms its rights and obligations regarding permanent residents as set out in its schedule of specific commitments in GATS. Nevertheless, where Parties exercise such rights, they shall not exercise them through this Agreement. (1) Any sector committed in Mode 1 shall be subject to Thai laws and regulations. - This limitation shall be amended, as appropriate, after the laws and regulations relating to electronic transactions enter into force to reflect not more than the requirements of those laws and regulations.	(1)(2)(3)(4) The obligations of Thailand under this Agreement with respect to permanent residents of other Parties: Unbound Thailand reaffirms its rights and obligations regarding permanent residents as set out in its schedule of specific commitments in GATS. Nevertheless, where Parties exercise such rights, they shall not exercise them through this Agreement.	-	-

Continued

Sector or Subsector	Restrictions on market access	Restrictions on national treatment	add to committed to	FL/MFN
<p>All SECTORS INCLUDED IN THIS SCHEDULE</p>	<p>(3) Only a limited liability company, or a type of legal entity as specified in this Schedule, incorporated and registered in Thailand pursuant to Thai laws and regulations is permitted. Commercial presence must meet one of the following categories as indicated in the sector-specific commitments:</p> <p>3.1 Foreign equity participation must not exceed 49 per cent of the registered capital or unless otherwise specified in the sector-specific commitments; and the number of foreign shareholders must be less than half of the total number of shareholders.</p> <p>3.2 Foreign equity participation must not exceed 51 per cent of the registered capital or unless otherwise specified in the sector-specific commitments.</p> <p>3.3 Foreign equity participation must not exceed 70 per cent of the registered capital or unless otherwise specified in the sector-specific commitments.</p> <p>For 3.2 and 3.3, a limited liability company or a type of legal entity as specified in this Schedule, which is owned, or controlled by foreigners must meet the following conditions:</p> <p>a. shall operate through a joint venture with juridical person of Thai nationality;</p> <p>b. prior to obtaining a licence or certificate, a type of legal entity as specified in this Schedule which is owned or controlled by foreigners must meet the criteria required by relevant authorities;</p> <p>c. a minimum capital requirement rate referred to in applicable Thai laws and regulations shall be applied to limited liability companies or a type of legal entity as specified in this Schedule;</p> <p>d. a board of directors including administrative and executive position or alike in a limited liability company or the legal entity must be of Thai nationality and have a domicile in Thailand; and</p>	<p>(3) For a limited liability company or a type of legal entity as specified in this Schedule, which is owned or controlled by foreigners must meet the requirements as stipulated by Thai laws and regulations regarding foreign investment.</p> <p>For 3.1, a type of legal entity as specified in this Schedule incorporated pursuant to Thai laws and regulations with foreign equity participation not exceeding 49 per cent of the registered capital: None</p> <p>For 3.2 and 3.3, a limited liability company or a type of legal entity as specified in this Schedule must apply for a certificate of business operation as stipulated by the Section XI of the Foreign Business Act B.E. 2542 (1999) and the Ministerial Regulation Prescribing Rules and Procedures Pertaining to the Application for a Foreign Business Certificate B.E. 2546 (2003). Unbound for the measures pertaining to subsidies or privileges, minimum capital requirements, taxation measure, acquisition and usage of land, and nationality requirement.</p>	-	-

Continued

Sector or Subsector	Restrictions on market access	Restrictions on national treatment	add to committed to	FL/MFN
<p>All SECTORS INCLUDED IN THIS SCHEDULE</p>	<p>e. a person or representative of the limited liability company or the legal entity who applies for a license must be of Thai nationality.</p> <p>(4) All measures on temporary movement of natural persons are unbound except for the terms, conditions, limitations or qualifications concerning the entry and temporary stay of natural persons who fall into one of the categories referred to in Thailand's Schedule in Annex IV (Schedule of Specific Commitments on Temporary Movement of Natural Persons).</p> <p>(4) Temporary movement of natural persons shall not include any type or category of foreign natural persons prohibited or not allowed by the Foreigners' Working Management Emergency Decree B.E. 2560 (2017), as amended, or by any other relevant Thai laws or regulations.</p> <p>A natural person shall meet criteria 1 stipulated by Ministry of Labour and relevant authorities in obtaining a licence or permission in any sector or subsector where it is required by specific Thai laws or regulations.</p> <p>(3)(4) A natural person or juridical person of another Party that acquires or gains ownership of land shall be deemed ineligible to exercise rights and privileges under this Agreement.</p> <p>A natural person or a juridical person who receives other special privileges or incentives from Thai authorities to supply services may not claim benefits under this Agreement.</p>	<p>Other than additionally indicated or otherwise specified in the specific commitments, the criteria and requirements stipulated by Articles XIV and XIV bis of GATS, and Sections V, VII, and VIII of the Foreign Business Act B.E. 2542 (1999), and as stipulated by any other Thai laws or regulations regarding foreign investment shall be applied.</p> <p>(4) Unbound, except as provided in the market access column.</p> <p>(3)(4) A natural person or juridical person of another Party is not allowed to purchase or own land in Thailand. The Land Code of Thailand shall be applied to acquisition and usage of land of a natural person, a limited liability company, or a type of legal entity as specified in this Schedule.</p>	-	-
II. Professional Service				
<p>Legal service —Legal consultation on documents involving only international commercial law, excluding local laws and regulations (CPC version 1.1: part of 82119)</p>	<p>(1)(2)(3)(4) Unbound</p>	<p>(1)(2)(3)(4) Unbound</p>	-	-

Continued

Sector or Subsector	Restrictions on market access	Restrictions on national treatment	add to committed to	FL/MFN
Accounting, auditing and bookkeeping services	(1)(2)(3)(4) Unbound	(1) Auditing must be authenticated by licensed auditor in Thailand. (2) (3) (4)unbound	-	-
-				

SCHEDULE OF SPECIFIC COMMITMENTS FOR INVESTMENT. The *Schedule of Reservation and Non-conformance Measures for Investment of Thailand* sets out minimum restrictions with respect to Thailand's national treatment, most-favored-nation treatment, prohibition of performance requirements, senior management and board appointments. This List sets out, pursuant to *Reservations and Non-Conforming Measures*, Thailand's measures that do not conform to the obligations under *Article 10* of RCEP.

Thailand service license/authorization and its regulatory agencies:

(1) Natural persons or legal persons are not allowed to produce or import playing cards, unless approved by the Director of the State Administration of Taxation.

(2) Only the Bank of Thailand has the right to print, manage and issue Thai government banknotes in accordance with the Thai Bank Management Law.

Only the Ministry of Finance of Thailand has the right to mint coins and put them into circulation. Unless authorized by the Minister of Finance, no one may use any materials or tokens as currency to manufacture, issue, use, or put into circulation.

(3) Only the government lottery bureau has been authorized to produce, manage and issue lottery tickets in Thailand.

(4) In the onion seed breeding business, the proportion of foreign equity participation shall not exceed 49% of the registered capital.

(5) In terms of deep-sea cage breeding of tuna and local breeding of spiny lobster (for example: *Panulirus versicolor*, *P. homarus*, *P. ornatus*, *P. longipes*, *P. penicilatus*, *P. polyphagus*),

the proportion of foreign equity participation shall not exceed 51% of the company's registered capital.

(6) In the marble mining business, the proportion of foreign equity participation shall not exceed 49% of the registered capital of the enterprise, and it must be licensed by the government.

(7) In terms of oil and natural gas related mining operations, the proportion of foreign equity participation shall not exceed 49% of the registered capital of the enterprise, and it must be licensed by the government.

(8) Only the enterprise approved by Tobacco Administration of Thailand can produce tobacco products.

(9) Foreigners or fishing vessels flying foreign flags are not allowed to apply for fishing permits, and they are also not allowed to fish in Thailand's territorial waters, contiguous zones and exclusive economic zones.

(10) In the animal husbandry industry, foreign equity participation shall not exceed 49% of the registered capital of the enterprise.

Rights Reserved or Maintained by Thailand:

(1) When the chairman of the National Peace and Order Commission believes that it is necessary to carry out favorable reforms in any field and strengthen public unity and harmony; or to prevent, interrupt, or inhibit any damage to public peace, order or national security, national economy or national affairs, regardless of these acts occur within or outside Thailand, the Chairman of the National Peace and Order Committee has the right to make any order to interrupt or suppress these acts, regardless of the legislative, administrative or judicial effect of the order. In this case, the order, decree or any measures taken pursuant to the order shall be considered legal, constitutional and decisive, and shall be reported to the National Legislative Assembly and the Prime Minister immediately.

In the event of an emergency, with the approval of the Council of Ministers, the Prime

Minister has the right to declare a state of emergency in the country or certain regions or places when necessary, and order administrative officials, police officers, civilian officials or military officers to exercise their powers, to jointly provide assistance, prevent, remedy, suppress and suppress the emergency, so as to restore the normal operation of society and provide assistance to the people.

(2) Thailand reserves or maintains the right to take any measures for agricultural investors or any investment related to agriculture, with the exception of the following: Onion seed breeding, according to item 4 of List A, the proportion of foreign shareholding shall not exceed 49% of the company's registered capital; and the cattle industry, according to item 10 of List A, the proportion of foreign equity participation shall not exceed 49% of the company's registered capital.

(3) Thailand reserves or maintains the right to take any measures for fishery investors or any investment related to fisheries, with the exception of the following: Deep-sea cage tuna aquaculture business: According to item 5 of List A, the proportion of foreign equity participation shall not exceed 51% of the registered capital of the enterprise; and local breeding business of spiny lobster, *Panulirus versicolor*, *P. homarus*, *P. ornatus*, *P. longipes*, *P. penicilatus* and *P. polyphagus*: According to the contents of item 5 of List A, foreign investment shareholding ratio shall not exceed 51% of the registered capital.

(4) Thailand reserves or maintains the right to take any measures for investor or any investment related to man-made forest or forest industry.

(5) Thailand reserves or maintains the right to take any measures for investors or any investment related to mining, quarrying and energy, except in the following cases: Marble mining business: According to the content of Item 6 of List A, foreign equity participation shall not be allowed exceeding 49% of the registered capital of the company; and oil and natural gas exploration related businesses: According to the contents of item 7 of List A, the proportion of

foreign equity participation shall not exceed 49% of the registered capital of the company.

(6) On the date of entry into force of this Agreement, Thailand reserves or maintains the right to take any measures for items related to the “unclassified” sectors or sub-sectors in ISIC Revision 3.

(7) In accordance with any international agreement or arrangement that entered into force or has been signed before the effective date of this agreement, Thailand reserves or maintains the right to give more preferential treatment to investors or investments participating in the international agreement or arrangement.

To avoid ambiguity, this clause includes the following extensions:

a) Any preferential treatment granted based on subsequent review or revision of relevant international agreements, or based on any form of economic or regional cooperation with any contracting party or non-contracting party; and

b) Any existing or future preferential treatment granted in accordance with any agreement or arrangement between ASEAN member states.

In accordance with any international agreement or arrangement that entered into force or has been signed after the effective date of this agreement, Thailand reserves or maintains the right to give more preferential treatment to investors or investments participating in the international agreement or arrangement for the following industries. This clause includes the following industries: agriculture, except for animal husbandry; fishery and maritime affairs; and forestry.

Thailand reserves or maintains the right to take any measures and dispose of matters related to the procedures for resolving investment disputes between investors and countries stipulated in other international investment treaties and other trade agreements.

(8) Foreigners or domestic companies regarded as foreign companies are not allowed to buy or own land in Thailand, but they can lease or rent land and own houses.

Thailand reserves or maintains the right to take any measures for the affairs of acquiring and

using land in Thailand. This matter includes the types of development, use, or activities that may be carried out on the land based on land zoning, land use, urban planning, development control, protection policies, and policies related to environmental protection, nature reserves and national parks.

(9) Thailand reserves or maintains the right to take any measures in matters involving the following aspects: on the effective date of this agreement, all investments in the exercise of government powers are transferred to the private sector; for entities or entities wholly or partly owned by the government Assets, the act of privatization and disposal; and the divestiture of assets through the transfer or disposal of all or part of government-owned rights or assets.

(10) Thailand reserves or maintains the right to take any measures against investors or investment businesses related to securities investment.

(11) In order to prevent the occurrence of speculative behavior in the Thai Baht, Thailand reserves or maintains the right to take any measures to investment business related to foreign exchange transactions conducted by investors or non-residents; and any matters related to the transactions and holdings of local currencies by non-residents.



Special Reminder:

Measures to prevent Thai Baht speculation include the following examples: measures to restrict the liquidity of the Thai Baht; measures to curb capital inflows; measures against the non-resident Thai Baht Account (NRBA) and measures against the non-resident Thai Baht Securities Account (NRBS); Measures against forward foreign exchange transactions without principal delivery.

(12) Thailand reserves or maintains the right to take any measures against small and medium-sized enterprises.

The characteristics of SMEs described in the *Small and Medium-sized Enterprise Promotion*

Act B.E. 2543 (2000) are defined in the *Regulations of Ministry of Industry*. Stipulate as follows:

Small-sized enterprises and companies: The number of employees of manufacturing companies and related service providers shall not exceed 50 natural persons, and the fixed assets of the company shall not exceed Thai Baht 50 million.

Medium-sized enterprises and companies: The number of employees of manufacturing companies and related service providers should be between 51 and 200 natural persons, and the company's fixed assets should be between Thai Baht 50 million and 200 million.

(13) Thailand reserves or maintains the right to give preferential treatment or provide preferential treatment to any ethnic minority or disadvantaged person.

(14) Thailand reserves or maintains the right to take any measures against investors or investment businesses related to environment, health, or culture.

(15) Thailand reserves or maintains the right to take any measures against investors or investment businesses related to government technology transfer requirements.

(16) Thailand reserves or maintains the right to take any measures against investors or investment businesses related to government royalties' requirements.

(17) Other relevant provisions.

SCHEDULE OF SPECIFIC COMMITMENTS ON TEMPORARY MOVEMENT OF NATURAL PERSONS. This schedule sets out Thailand's commitments in relation to the temporary entry and temporary stay of natural persons of another Party. Temporary entry and temporary stay for a period not exceeding 90 days from the arrival date shall be granted, when applied for, to a short-term business visitor. Such temporary entry will be permitted for an initial period of not more than 90 days from the arrival date and may be extended for a further period of not more than one year. Temporary entry and temporary stay for an initial period not exceeding one year from the arrival date shall be granted, when applied for, to an intra-corporate transferee who has been employed by the juridical person concerned outside Thailand

for a period of not less than one year immediately preceding the date of the application for admission. Such temporary stay may be extended for a further three terms of not more than one year each.



Support Measures against COVID-19

9.1 Economic Security Policies^①

After the outbreak of COVID-19 epidemic, Thailand has formulated a series of economic safeguard measures, covering labor security, customs management, tax relief and other aspects.

Labor security related regulations

(1) Employment related policies. For the 3 months from April to June 2020, provide a monthly cash subsidy of Thai Baht 5,000 for laborers, temporary workers or freelancers who are not registered under the Social Security System (SSS); for labor jobs dismissed by the employer, individuals will receive an unemployment allowance of 50% of their previous salary from the social security system (but not more than the maximum monthly salary of Thai Baht 15,000). For the 3 months from May to July 2020, farmers will be provided with a monthly cash subsidy of Thai Baht 5,000, and a special loan limit of 10,000 per person, at a loan interest rate of 0.1%, and no collateral is required.

(2) Social Security Relief from the Ministry of Labor. Mainly include reducing the social security contribution rate and extending the time limit for submitting social security forms and

^① KPMG: home.kpmg/xx/en/home/insights/2020/04/thailand-government-and-institution-measures-in-response-to-covid.html.

paying social security fees. The social security contribution rate is reduced to 4% for employers and 1% for employees; the deadline for submitting social security forms in March 2020 is extended to July 15, 2020; the deadline for April 2020 is extended to August 15th, 2020; and the deadline for May 2020 is extended to September 15, 2020.

(3) SME loan restructuring plan. Take preemptive measures against non-performing loans by cutting interest rates and extending the repayment period. Support measures for financial institutions and for financial institutions to classify liquid loans as ordinary loans (normal terms and lower interest rates); support measures for financial institutions to maintain unused credit lines, financial institutions will closely monitor and report milestones on a monthly basis according to the measures, including the 21 days after the end of each month to provide loans to SMEs.

Monetary Policy

(1) As of March 30, 2020, the central bank's benchmark interest rate has been lowered from 1.25% to 0.75%;

(2) From March 22, 2020, commercial banks are allowed to use investment-grade bonds as collateral to issue Thai Baht 1 trillion (US\$ 30 billion) central bank loans; for commercial banks' loans to the central bank, support the principal and interest deferred repayment period for 3 months; other types of financial institutions can choose to postpone the payment of principal and interest for 3 months, or allow at least 30% of the installment amount to be reduced within 6 months.

Taxation Management Regulations

(1) For entertainment business tax operators whose business has been suspended due to the epidemic of COVID-19 from March 1, 2020 to May 31, 2020, their declaration and payment deadlines will be extended to July 15, 2020. Subjects applicable to this relief measure include: golf courses, polo courts and other sports facilities operating units; bars, concert halls, bathing centers and other cultural and entertainment venues operating units.

(2) As of September 30, 2020, goods designated by the public health department for the treatment, diagnosis or prevention of the COVID-19 will be exempted from import duties.

Tax Relief Regulations

Until September 30, 2020, taxpayers who meet the following conditions will be exempted from related taxes and fees:

(1) Relevant taxes and fees shall be exempted from the debtor's income arising from repayment of debts;

(2) Debtors and creditors are exempted from value-added tax and stamp duty on income generated by asset transfer, asset sales or provision of services and other debt restructuring tools;

(3) The income generated by the debtor from transferring the real property as the mortgage of the creditor's rights to others other than the creditor, and the income generated by it, shall be exempted from its stamp duty and related taxes.

(4) Cancel the relevant regulations on the write-off of non-performing loans of creditors.

9.2 Economy Revitalization Measures

The Thai government formulated the 2021 Budget Bill in September 2020^①. The government budget deficit rate is Thai Baht 623 billion (a year-on-year increase of 32.8%); the total government budget is approximately Thai Baht 3.285 trillion (approximately US\$ 104.6 billion). From the perspective of budget allocation details, the 2021 Budget Bill aims to improve Thailand's international competitiveness, which is mainly reflected in the increase in the level of infrastructure construction and the scale of expenditures on the Eastern Economic Corridor (EEC) project. According to the 2021 Budget Bill, it is expected that the fiscal deficit as a proportion of GDP will increase from the original 6.3% to about 7.1%.

① Reuters: www.reuters.com/article/us-thailand-economy-budget-idUSKBN1Z615Y.

Financial Measures for Businesses and Residents.

Table 9-1 Specific Measures of Thailand's COVID-19 Epidemic Relief Plan^①

Main Measures	Effective Time Limit
Provide emergency loans totaling Thai Baht 25 billion to self-employed workers and affected workers (authorized state-owned banks to provide)	Until June 30, 2021
Provide a total of Thai Baht 10 billion loans to affected labor workers (authorized state-owned banks to provide)	Until June 30, 2021
Granting Thai Baht 60 billion loans for tourism and other related industries directly or indirectly affected by the COVID-19 epidemic	Application is valid before December 30, 2021
Grant Thai Baht 10 billion loans to small and medium-sized enterprises in the real estate sector (authorized to provide state-owned banks)	Application is valid before February 28, 2021
A loan of Thai Baht 5 billion for skilled workers of small and medium-sized enterprises affected by the epidemic of COVID-19 (authorized Thailand Credit Guarantee Corporation to provide)	Application is valid before January 31, 2021
Provide Thai Baht 20 billion loans for self-employed individuals affected by the epidemic of COVID-19 (authorized Thai Agricultural and Agricultural Cooperative Bank to provide)	Application is valid before December 30, 2020

Measures Related to Labor Security.^②

(1) From January to March 2021, the social security fund contribution rate will be reduced, and both employees and employers will be reduced to 3%; related measures to reduce basic public utility expenditures: provide electricity and fuel subsidies, and post 1 the collection of large and medium-sized enterprises and non-profit organizations for 3 months, electricity and gas expenses for non-government organizations and related agricultural departments.

(2) Starting from January 2021, state-owned and private sector are encouraged to provide more job opportunities for graduates; through social security institutions, specific medical assistance will be provided to labor workers in high-risk industries during the epidemic of COVID-19.

(3) Starting from March 2021, the scale of unemployment insurance payment will be increased. The unemployment insurance payment period is adjusted to no more than 200 days/year, and the unemployed can apply for subsidies at 70% of the original salary.

① General Administration of Taxation of Thailand: www.rd.go.th/english/index-eng.html.

② Ministry of Labour of Thailand: www.mol.go.th.



Contact Information of Relevant Departments and Institutions

10.1 Contact Information of Government Departments and Related Institutions

The official website of the Thai government (www.thaigov.go.th) can query all government department websites, department settings, and contact information of major staff.

Table 10-1 Contact Information of Government Departments and Related Institutions in Thai

Department/agency	Contact Information	Website
Royal Thai Government	+66 2288 4000	www.thaigov.go.th
Ministry of Agriculture and Cooperatives	+66 2281 5955	www.moac.go.th
Ministry of Commerce	+66 2507 7000	www.moc.go.th
Ministry of Defense	+66 2612 1555	www.mod.go.th
Ministry of Education Thailand	+66 2281 9809	www.moe.go.th
Ministry of Finance	+66 2126 5800	www.mof.go.th
Ministry of Foreign Affairs	+66 2203 5000	www.mfa.go.th
Ministry of Industry	+66 2430 6999	www.industry.go.th
Ministry of Transport	+66 2283 3000	www.mot.go.th
Ministry of Justice	+66 2887 5142	www.moj.go.th
Ministry of Public Health	+66 2590 1000	www.moph.go.th
Ministry of Interior	+66 2222 1141	www.moi.go.th
Ministry of Energy	+66 2794 4000	www.energy.go.th
Ministry of Digital Economy and Society	+66 2141 6747	www.mdes.go.th
Ministry of Labour	+66 2245 2745	www.mol.go.th
Ministry of Tourism & Sports	+66 2283 1500	www.mots.go.th

Continued

Department/agency	Contact Information	Website
Electricity Generating Authority of Thailand	+66 2436 1416	www.egat.co.th
The Industrial Estate Authority of Thailand	+66 2207 2700	www.ieat.go.th
Port Authority of Thailand	+66 2436 1416	www.port.co.th
The Customs Department	+66 2267 6000	www.customs.go.th
Department of Intellectual Property	+66 2547 4691	www.ipthailand.go.th
Stock Exchange of Thailand	+66 2609 9999	www.set.or.th
Bank of Thailand	+66 2283 5900	www.bot.or.th
The Department of Tourism	+66 2250 5500	www.tourism.go.th
State Railway of Thailand	+66 2220 4329	www.railway.co.th
Board of Investment	+66 2553 8111	www.boi.go.th
Office of the National Economic and Social Development	+66 2280 4085	www.nesdc.go.th
The Securities and Exchange Commission	+66 2033 9999	www.sec.or.th/EN
Office of Insurance Commission	+66 2515 3999	www.oic.or.th/en/home.
The Revenue Department	+66 2617 3559	www.rd.go.th
Social Security Office	+66 1506	www.sso.go.th
The Thai Food and Drug Administration	+66 2590 7000	www.fda.moph.go.th
Ministry of Natural Resources and Environment	+66 2278 8500	www.mnre.go.th/en/index
Immigration Bureau	+66 2287 3101	www.immigration.go.th
Thai Arbitration Center	+66 2541 2298	tai.coj.go.th/en/page/item/index/id/1

10.2 Contact Information of Business Association and Service Provider

Table 10-2 Contact information of some chambers of commerce, associations and service providers in Thailand

Name	Telephone	Website
Thailand Arbitration Center	+66 2018 1615	thac.or.th
The Federation of Thai Industries	+66 2345 1000	www.fti.or.th
The Thai Chamber of Commerce and Board of Trade of Thailand	+66 2622 1879	www.thaichamber.org
The Thai Banker's Association	+66 2558 7500 08	www.tba.or.th
Thai Rice Exporters Association	+66 2622 2179	www.thairiceexporters.or.th
Thai National Shipper's Council	+66 2679 7555	www.tnsc.com
Bangladesh Chamber of Commerce	+66 2395 4116	www.thaibangladeshchamber.com
Nonthaburi National Communication Commission	+66 2591 7879	www.pccnont.com

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Name	Telephone	Website
Rayong Chamber of Commerce	+66 3861 6414	www.rayongchamber.com
Chiang Mai Chamber of Commerce	+66 5324 1404 5	cmchamber.com
The Federation of Thai Industries	+66 2345 1000	www.fti.or.th
The Thai Chamber of Commerce and Board of Trade of Thailand	+66 2622 1879	www.thaichamber.org



Frequently Asked Questions

1. What about the categories of work visa in Thailand?^①

Work visas include official visas (applicants who go to Thailand for official activities), investment visas (applicants for investment activities related to various ministries and government in Thailand), and investment promotion visas (applicants for investment or investment-related activities or other activities under the existing investment promotion laws), business visas or work visas (visa applicants for work in Thailand, business visits and business investigations).

Business visas must be applied for in person, and unemployed persons cannot apply for visas. Companies in Thailand need to provide a letter of guarantee, and in principle, non-immigrant business visas can stay in Thailand for 90 days.

The application materials are as follows: a)the valid period of the passport of the applicant shall not be less than 6 months; b)the visa photo must be a two-inch color photo of the front face within half a year; c)the materials required by the Thai embassies and consulates in various countries are not the same. Please consult the local Thai Embassy and Consulate for detailed materials and relevant processing conditions. Referring to the website of Thailand Immigration Administration (www.immigration.go.th) for the list of visa application materials.

① CCPIT, Guide on the Business Environment of Foreign Countries for Investors-Thailand (2019).

2. How to immigrate to Thailand?^①

There are 2 main ways for foreign citizens to apply for immigration to Thailand: skilled immigration and investment immigration.

Skilled immigration is the condition for foreign professionals or scholars to obtain long-term residence in Thailand: the major they study can bring a certain contribution to Thailand and is a professional talent that the country lacks; the minimum annual income is US\$ 10,000; and the applicant must be 25 years old at least. Skilled immigration needs to be applied by the employer in Thailand. Professionals who have obtained the corresponding residence permit can live in Thailand indefinitely, and their family members (spouse, parents and unmarried children under the age of 21) can obtain permanent residence in Thailand with them.

To obtain long-term residency in Thailand through investment immigration, the following conditions must be met: the investment scale is not less than Thai Baht 10 million, and long-term residency can be obtained with the approval of the Ministry of Interior.

3. How is Thailand's education system?^②

Thailand implements 9-year compulsory education, including 6 years of primary school and 3 years of junior high school. High school and technical secondary vocational school are all three-year systems. Universities generally have a four-year system, and medical universities have a five-year system. Thailand has more international schools. Some world-class universities, such as Cambridge University and Harrow School in the United Kingdom, have branch schools in Thailand. Compared with Europe and the United States, their fees have certain comparative advantages. Bangkok and Phuket are the first and second largest cities in Thailand. Almost 90% of international schools are located in these 2 cities.

① Thailand Immigration Administration: www.immigration.go.th/.

② Ministry of Commerce of China, Guide on Cooperation with Foreign Countries for Investors-Thailand (2020).

4. How is Thailand's medical and healthcare quality?^①

Thailand has an internationally advanced medical team and modern medical equipment. In addition to public hospitals, Thailand has more than 400 private hospitals. Among them, Bangkok Bumrungrad Hospital and Bangkok International Hospital are all international private general hospitals equipped with high-tech facilities and high-level medical staff. In addition, Thailand has become one of the world's largest medical tourism destinations. The medical service fees of international private hospitals have the advantages of relatively transparent prices and a good medical environment. The Ministry of Health of Thailand is gradually establishing a health and medical insurance system for foreign citizens to promote the purchase of social insurance by foreigners who receive medical services in Thailand and seek a legal model for foreign groups to purchase health and medical insurance.

5. What are the main public transportations in Thailand?^②

Thailand's public transportation facilities are relatively backward, and there is generally no public transportation service except for the Greater Bangkok area. In the Bangkok area, the main public transportation vehicles can be divided into 3 types: rail transit (including Airport Express, BTS, MRT), ships, and buses. There are 3 rail transit lines, namely the light rail (BTS), subway (MRT) and airport express lines. The ships are navigating on the Chao Phraya River with Central Pier as the central pier, and the route is divided into 2 directions, i.e. north and south. Buses are divided into 2 types: large and small buses, and the prices for different models (air-conditioned buses/ non-air-conditioned buses), day and night buses are different. Thai bus stop signs are usually only marked in Thai.

6. How to buy a car in Thailand?^③

Foreign residents in Thailand need to prepare a valid passport (including long-term

① Ministry of Health of Thailand: www.moph.go.th.

② Transit Bangkok: www.transitbangkok.com.

③ CCPIT, Guide on the Business Environment of Foreign Countries for Investors-Thailand (2019).

residence visa), work permit and proof of address to purchase vehicles in this country. Passenger cars in Thailand are generally right-handed, and they must drive on the left side of the road. To drive in Thailand, you must purchase vehicle insurance, and the license plate is applied for by the dealer. Driving in Thailand requires a Thai driver's license. Thailand recognizes that some countries (regions) can directly exchange for a Thai temporary driver's license after notarization, and will directly renew a five-year valid official driver's license after the temporary driver's license expires.

7. Are there any restrictions on foreigners buying houses in Thailand?^①

Foreigners can legally purchase apartments in Thailand and have freehold property rights, which can be freely transferred, inherited and given away. However, Thai law stipulates that the entire apartment building can only sell freehold property rights not exceeding 49% of the total sales area to foreigners. In addition, the Thai government does not allow foreigners to hold landed properties, including townhouses, villas, etc., in their personal names.

^① CCPIT, Guide on the Business Environment of Foreign Countries for Investors-Thailand (2019).