

## **Request for Business Operations Certificate under JTEPA**

Since Thailand and Japan has prepared the JTEPA agreement, the persons who conduct the business according to the attachment of the Aliens Business Operations Act B.E.2542 and who are under JTEPA condition can request for the business operations certificate from the Director-General of the Department of Business Development with the attached details.

The Director-General shall issue the certificate within 30 days from the date that the Director-General obtains the request for certificate.

### **For additional details, please contact :**

Office of the Secretary of the Aliens Business Operations Committee

Department of Business Development, Muang District, Nonthaburi Province

Telephone Number 0-2547-4425-26 e-mail : [foreign@dbd.go.th](mailto:foreign@dbd.go.th)

## **Guideline for Requesting Business Operations Certificate**

### **According to Section 10 of the Aliens Business Operations B.E.2542**

#### **Under JTEPA Agreement**

##### **1. Evidence or Documents for Requesting the Certificate**

- (1) Form to request the certificate Tor.6
- (2) Explanations of type of businesses that would like to request for certificate
- (3) Evidence of juristic person registered in Thailand demonstrating names, capital, objective, location, name and nationality of directors and authorized directors
- (4) Letter to inform the proportion of shareholding between Thai people and Aliens, number of shares, type of shares that people with Japanese nationalities hold.
- (5) In case that the shareholders or major partners of persons who request for certificate are juristic person, shall submit the evidence or documents for proof of juristic persons demonstrating name, capital, objective, location, name and nationality of directors and authorized directors, name and nationalities of shareholders or details of partners.
- (6) Nationality certificate of persons who request for certificate in order to ask for the right from the Japanese Embassy in Thailand
- (7) Copy of passport or Alien's ID card
- (8) Map of business locations in Thailand
- (9) Letter of power of attorney in case that other persons perform the duties.

## **2. Qualifications of Persons who have the Right to Request for Business Operations**

### **Certificate**

The Persons who have the Right to Request for Business Operations Certificate under JTEPA agreement must have the following qualifications :

- 1) Be the company limited registered in Thailand (except some types of businesses that registered ordinary partnership or limited partnership can request for business operations certificate).
- 2) The company limited must have the number of foreign shareholders for less than 50% (except that some types of businesses do not have the limitation of number of foreign shareholders).
- 3) The company's shareholders must have the following qualifications :
  - Ordinary person with Japanese Nationality
  - Juristic Person established according to Japanese Law and such juristic person must have the following qualifications :
    - Japanese people hold the shares for more than 50% of the juristic person's capital
    - The majority of directors must be Japanese people
    - The authorized directors must be Japanese people

The proportion of shareholding and number of shares of persons who request for certificate must be in compliance with the conditions of type of businesses under JTEPA Agreement.

**3. Businesses according to the Attachment of the Aliens Business Operations B.E.2542 under JTEPA Agreement**

1) Businesses according to the Attachment of the Aliens Business Operations B.E.2542 under JTEPA Agreement that must request for certificate are classified into 8 types as follows :

No.	Businesses under JTEPA Agreement	Condition		
		Number of Shares by Japanese People shall not be more than	Ratio of Borrowings to capital is no more than	Others
1	<p>Third Account (14) Retail (except distilled alcohol)</p> <ul style="list-style-type: none"> <li>- Products manufactured by the company or subsidiaries<sup>(1)</sup> located in Thailand under the same brand</li> <li>- Automobile products manufactured by the subsidiaries in Japan under the same brand</li> </ul>	75%	3:1	No limitation of number of foreign shareholders
2	<p>Third Account (15) Wholesale (except distilled alcohol)</p> <ul style="list-style-type: none"> <li>- Products manufactured by the company or subsidiaries located in Thailand under the same brand</li> <li>- Automobile products manufactured by the subsidiaries in Japan under the same brand</li> </ul>	75%	3:1	No limitation of number of foreign shareholders

3	Third Account (16) Advertising Business	50%	3:1	No limitation of number of foreign shareholders
4	Third Account (17) Hotel Business	60%	3:1	<ul style="list-style-type: none"> <li>- Luxurious hotels and resorts with at least 100 rooms</li> <li>- Paid-up capital of at least 800 million Baht</li> <li>- Registered ordinary partnership, limited partnership, or company limited registered in Thailand</li> <li>- No limitation of number of foreign shareholders</li> </ul>
5	Third Account (19) Restaurant Business	60%	3:1	- Full range of restaurant with the area of at least 450 square meters

				<ul style="list-style-type: none"> <li>- Paid-up capital of at least 50 million Baht</li> <li>- Registered ordinary partnership, limited partnership, or company limited registered in Thailand</li> <li>- No limitation of number of foreign shareholders</li> </ul>
6	Third Account (21) Management Consulting Service	100%	3:1	<ul style="list-style-type: none"> <li>- Registered ordinary partnership, limited partnership, or company limited registered in Thailand</li> </ul>
7	Third Account (21) Logistics Consulting Service, except every type of transportation service	51%	3:1	<ul style="list-style-type: none"> <li>- Company limited registered in Thailand</li> </ul>

8	<p>Third Account (21) Maintenance and Repair Service Business</p> <ul style="list-style-type: none"><li>- Household electrical appliances that such companies conduct the wholesale businesses in Thailand and such products are manufactured by such companies or subsidiaries in Thailand under the same brand.</li><li>- Household electrical appliances that the subsidiaries in Japan manufacture under the same brand.</li></ul>	60%	3:1	<ul style="list-style-type: none"><li>- Company limited registered in Thailand</li><li>- Paid-up capital of at least 100 million Baht</li><li>- Number of directors with Thai nationalities must be in compliance with the proportion of the shareholding in Thailand</li><li>- At least 50% of senior technicians<sup>(2)</sup> must have Thai nationalities</li><li>- At least one foreign director must stay in Thailand</li><li>- At least 1 senior manager</li></ul>
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<sup>(1)</sup> Subsidiaries mean Company registered in Thailand or Japan and more than 50% of its shares are held by :

- Company directly registered in Japan
- Company registered in Japan via other companies registered in Thailand or Japan

<sup>(2)</sup> Senior technician means technicians who also have the supervising responsibilities

<sup>(3)</sup> Transferring technology means transferring technical knowledge, technological choice and technological procedures from Japanese companies or engineers or technicians of such companies to Thai engineers and technicians of the Japanese companies who request to utilize the rights under JTEPA at the activity level of such engineers or technicians.



**2) Businesses according to the Attachment of the Aliens Business Operations B.E.2542**

**under JTEPA Agreement that do not have to request for certificate are classified into 7 types as follows :**

No.	Businesses under JTEPA Agreement	Condition	
		Number of Shares by Japanese People shall not be more than	Others
1	Third Account (21) Marketing Management Consulting Service	49%	
2	Third Account (21) HR Management Consulting Service	49%	
3	Third Account (21) Production Management Consulting Service	49%	
4	Third Account (21) Project Management Consulting Service, except construction	49%	
5	Third Account (21) Marina Pier Service Business (Motorboat and sailboat for private purposes or recreation with anchor and maintenance service	49%	
6	Third Account (21) Computer Service Business and Other related services	Less than 50%	
7	Third Account (21) University Educational Service	Less than 50%	<ul style="list-style-type: none"> <li>- At least 50% of the members of university council must have Thai nationality</li> <li>- Must perform the duties according to Private Higher Education Institute B.E.2546</li> </ul>