

A foreigner permitted to operate business under the Foreign Business Act B.E. 2542 (1999) is under a duty to comply with the following requirements:

1. A License/Certificate of foreign business operation

- 1.1 A license or certificate must be openly displayed at the place of business.
- 1.2 If the license or certificate is damaged or lost, an application for a re-issue must be submitted to the registrar *within fifteen days* from the date at which the damage or loss was known.

2. Mandatory conditions

Licensee must comply with the 2 following conditions (Except in the case where licensee is the contractor of government agencies/state enterprises)

- 2.1 Loans from banks or other financial institutions which are incidental to a licensee's business operations can be made to an amount not exceeding the proportion of one part capital/ remitted foreign currencies to seven parts loan
- 2.2 At least one director/representative who is in charge of the operation of permitted business shall be domiciled in Thailand

3. Bringing or remitting the minimum capital into Thailand for the commencement of business operation

3.1 Time period for bringing or remitting. A natural person or juristic person not registered in Thailand must bring or remit foreign currencies as the minimum capital into Thailand from the commencement date of the business operation or the date of license in satisfaction of the following criteria:

- (1) In the case where the period of business operation is less than three years, the minimum capital must be brought or remitted into Thailand within six months.
- (2) In the case where the period of business operation is 3 years or more, the minimum capital must be brought or remitted within 3 years:
 - during the first three months, not less than twenty-five per cent of the minimum capital must be brought or remitted into Thailand;
 - within one year, fifty per cent of the minimum capital must be brought or remitted into Thailand;
 - the remainder must be brought or remitted into Thailand each year in the amount of not less than twenty-five per cent of the minimum capital (provided that the amount of minimum capital must be converted into Thai Baht pursuant to the reference exchange rate at the date of bringing or remittance of minimum capital into Thailand).

3.2 Evidence of bringing or remittance of the minimum capital into Thailand must be submitted to the Department of Business Development within fifteen days from the date of bringing or remittance of minimum capital into Thailand.

4. Amendments which require notification :

- 4.1 The termination of business operation which must be notified within fifteen days from the date of termination.
- 4.2 The relocation of the office or place of business which must be notified within fifteen days from the date of relocation.
- 4.3 The appointment of new representative who is in charge of the operation in Thailand.
- 4.4 A change of company name.
- 4.5 Change in the number of branch offices.

5. A duty to comply when competent officers inquire in writing or request to deliver evidence or documents

Licensee is under a obligation to submit reports of the operation of permitted business and operations undertaken under the technology transfer plan when requested in writing to deliver the necessary documents or evidence for examination.

6. Preparation and submission of financial statement.

A juristic person established under a foreign law must submit financial statement within five months from the day the accounts are closed. For the case of a limited company, the financial statement shall be submitted within one month from the day the general meeting approves such financial statement.

Note: Penalties

1. Failure to comply with clauses 1, 4.1, 4.2 and 5 : a fine not exceeding five thousand Baht (section 39 and 40)
2. Failure to comply with clause 2 : a fine from one hundred thousand Baht to one million Baht and a daily fine of ten thousand Baht to fifty thousand Baht for the duration of the contravention (section 38)
3. Failure to comply with clause 6 : a fine not exceeding fifty thousand Baht
4. A foreigner who has been penalized under this Act will be disqualified under section 16 and his/her license or certificate may be revoked