

# Doing business in Thailand.

The legal and tax essentials a foreign investor needs before committing capital, ownership, incentives, company forms, property, tax, employment, visas, intellectual property and data privacy, in seventeen plain-English chapters, updated to 2026.

Updated **June 2026** · 17 chapters · ~35 min read · By **Lou Consulting**, Bangkok since 1996

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20%

Standard corporate income tax (0-15% for SMEs)

7%

VAT, reduced rate extended to 30 Sep 2026

100%

Foreign ownership available via BOI promotion

60+

Double-tax treaties in force

Thailand is the second-largest economy in Southeast Asia and, for 2026, the Board of Investment has called it the “golden year” of Thai investment, driven by supply-chain relocation, the EV and data-centre build-out, and a renewed package of incentives. The opportunity is real, but the rules are specific. This guide walks through what actually governs a foreign investment, from the moment you choose a company form to the day you file your first tax return.

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# Starting a business

The first question every foreign investor must answer is not *how* to set up, but *how much* of the business a foreigner is allowed to own. Ownership, the incentives that can unlock it, and the company form you choose are the three decisions that shape everything else, so we take them together.

## Who counts as “foreign”, and what is restricted

The Foreign Business Act B.E. 2542 (1999) (“FBA”) treats as foreign any non-Thai individual and any company with **50% or more foreign shareholding**, and restricts foreigners across three lists:

- ✓ **List 1** – absolutely prohibited to foreigners (e.g. rice farming, land trading, media).
- ✓ **List 2** – affecting national security, arts and culture or natural resources; open only with Cabinet approval (e.g. domestic transport, mining).
- ✓ **List 3** – activities where Thais are “not yet ready to compete”, the largest category, covering most services, retail, wholesale and professional work; open with a **Foreign Business Licence (FBL)** from the Department of Business Development (DBD).

## Four routes to majority or full foreign ownership

Restriction is the default, but there are well-established ways through it. The right one depends on your activity, nationality and appetite for compliance.

### ROUTES TO FOREIGN OWNERSHIP

ROUTE	WHAT IT GIVES YOU	BEST FOR
<b>BOI promotion</b>	Up to 100% foreign ownership plus tax and non-tax privileges	Manufacturing, tech and services on the promoted list
<b>Foreign Business Licence</b>	Permission to run a List 2/3 activity with majority foreign ownership	Service businesses outside the BOI list

ROUTE	WHAT IT GIVES YOU	BEST FOR
US-Thai Amity Treaty	National treatment, effectively 100% US ownership of most activities	US individuals and US-majority companies
IEAT / sector licences	Carve-outs for industrial-estate operators and certain regulated sectors	Industrial and regulated investors

The minimum capital a foreigner must bring to operate is generally **THB 2 million**, rising to **THB 3 million** per activity for a licensed List 2/3 business. Where no FBA restriction applies, a 100% foreign-owned company can be formed directly.

#### WATCH THIS

Using Thai “nominee” shareholders to disguise foreign control of a restricted business is a criminal offence under the FBA. Enforcement has tightened, and a properly structured BOI, FBL or Amity route is both lawful and, over time, cheaper than the risk.

## Investment incentives and the BOI

The **Board of Investment (BOI)** is the single most important agency for foreign investors, because it can lift the FBA restrictions and grant tax holidays at the same time. Its current framework runs under the **2023–2027 Investment Promotion Strategy**, built around three themes, *innovative, competitive and inclusive*. In **January 2026** the BOI refreshed its measures, replacing several programmes that expired in 2025 and opening applications through the end of 2027, a window it has called the “golden year” of Thai investment.

- ✓ **Corporate income tax holidays** of 3 to 13 years (activity groups A1–A4, B).
- ✓ **100% foreign ownership** and the right to own land for the promoted project.
- ✓ **Import-duty exemptions** on machinery and, often, raw materials.
- ✓ **Visa and work-permit facilitation** via the BOI One-Stop Service / Single Window, outside the normal Thai-to-foreigner ratio.

The minimum project investment is typically THB 1 million (excluding land and working capital). 2026 priority sectors include EV and parts, electronics and semiconductors, data centres and cloud, digital and AI, biotechnology and the BCG (bio-circular-green) economy. Two adjacent regimes matter too: the **Industrial Estate Authority of Thailand (IEAT)**, which permits land ownership inside designated estates and free zones, and the **Eastern Economic Corridor (EEC)**, which layers extra incentives and long leases over three eastern provinces.

#### 2026 DEVELOPMENT

**The Global Minimum Tax changes the maths.** From 1 January 2025 Thailand applies a 15% minimum effective tax (Pillar Two) to large multinational groups. For an in-scope group, a long BOI tax holiday can be partly clawed back as “top-up tax” (see Ch. 13). The BOI has responded with alternative, non-tax-holiday measures, including cash grants from the Competitiveness Fund. If your group exceeds €750m in revenue, model the after-Pillar-Two value before relying on the headline holiday.

## Choosing a company form

Most foreign investors operate through a **Thai Private Limited Company**: a separate legal person, limited liability, a minimum of **two shareholders** and at least one director. Registration runs through the DBD and a basic incorporation can complete in a week or two once documents and capital are in place.

#### COMMON STRUCTURES

VEHICLE	CAN EARN REVENUE?	TYPICAL USE
Private Limited Company	Yes	Default operating company; BOI or FBL for foreign majority
Public Limited Company	Yes	Larger ventures and any business intending to list on the SET
Branch office	Yes (of the foreign parent)	Foreign company operating directly; FBL usually required
Representative office	No	Liaison, sourcing, quality control, market research only
Regional office / JV	Varies	Group coordination, or partnering with a Thai shareholder

## HOW LOU CAN HELP

### We tell you which route is genuinely open to you

Before you spend a baht, we map your activity against the FBA lists and the BOI catalogue, recommend the cleanest path to ownership, then incorporate, apply for promotion and run the Single Window for visas and work permits.

[Company setup & BOI >](#)

## Commercial transactions

**D**ay-to-day commerce in Thailand is governed mainly by the **Civil and Commercial Code (CCC)**. Freedom of contract is the rule: parties may agree terms in any language and, for most commercial contracts, no particular form is required for validity, though certain documents (land, long leases, some security) must be in writing and registered to be enforceable.

### Contracts and enforcement

- ✓ **Language and governing law** – foreign governing law and arbitration are generally respected, but a Thai-language version helps with local enforcement and tax.
- ✓ **Stamp duty** – many instruments attract small stamp duties; unstamped documents can be inadmissible in court until duty is paid.
- ✓ **Debt collection** – civil claims run through the courts; the general limitation period is up to 10 years, shorter for specific claims. Default interest is capped.

### Selling to Thai consumers

Consumer-facing businesses must reckon with the **Consumer Protection Act** and the **Product Liability Act**, which imposes strict (no-fault) liability on producers and importers for unsafe goods. **Direct sales and direct marketing** are separately licensed and registered, with mandatory cooling-off rights for buyers. Unfair contract terms can be struck down under the Unfair Contract Terms Act.

### Trading across the border, and online

Import and export are administered through the **Customs Department** and a growing single-window e-system; many goods need permits from a sector regulator, and tariffs are reduced under Thailand's free-trade agreements and ASEAN. **E-commerce** is recognised and enforceable under the **Electronic Transactions Act**, electronic signatures and contracts are valid, and online sellers must register and meet disclosure and PDPA obligations (Ch. 12).

HOW LOU CAN HELP

## Contracts that hold up in Thailand

We draft and review supply, distribution, service and e-commerce agreements in English and Thai, advise on consumer and product-liability exposure, and act on debt recovery.

[Legal services >](#)

## Mergers & acquisitions

**A**quisitions in Thailand are usually structured as a **share purchase** (buying the target's shares, with its liabilities) or an **asset / business purchase** (cherry-picking assets and contracts). The choice drives tax, consents and risk allocation.

### Statutory amalgamation, the 2023 change

Historically two merging Thai companies both dissolved and a brand-new entity emerged. Since the **2023 amendments to the Civil and Commercial Code**, companies can now carry out a true statutory **amalgamation** in which one entity survives and absorbs the other, a far cleaner outcome that preserves contracts, licences and tax history.

### Directors' duties and deal consents

- ✓ **Directors** owe duties of care, loyalty and good faith to the company; conflicts must be disclosed and approved.
- ✓ **Change-of-control consents** – check BOI promotion conditions, FBL terms, key contracts and any sector licence.
- ✓ **Merger control** – deals over the thresholds in the Trade Competition Act need notification or prior approval (Ch. 9).
- ✓ **Listed targets** – tender-offer rules apply at 25/50/75% (Ch. 4).

### Restructuring and dissolution

A solvent company is wound up by **members' voluntary liquidation**, a shareholder resolution, appointment of a liquidator, tax clearance and DBD de-registration, while an insolvent business falls under the **Bankruptcy Act** and its court-supervised business-reorganisation procedure.

#### HOW LOU CAN HELP

#### Deals and clean exits, end to end

We run share and asset acquisitions, legal due diligence and corporate approvals, and manage solvent liquidations and de-registration.

[Corporate compliance >](#)

## Capital markets

**T**hailand has a deep, well-regulated public market. The **Securities and Exchange Commission (SEC)** supervises the offering of securities, while the **Stock Exchange of Thailand (SET)** and its growth board **mai** provide the trading venues. For most foreign investors capital markets enter the picture in one of two ways: raising capital, or exiting through a listing.

### Offering securities

Any public offering of shares or debt requires SEC approval and a registered filing (a prospectus), unless it fits a private-placement or institutional-investor exemption. An **IPO** on the SET requires conversion to a Public Limited Company, a track record, minimum free float and paid-up capital, and an SEC-approved financial adviser and underwriter.

### Disclosure and takeovers

- ✓ **Ongoing reporting** – listed companies file periodic financials and immediate disclosure of material events.
- ✓ **Substantial-shareholding reports** – crossing each 5% threshold must be reported.
- ✓ **Mandatory tender offer** – acquiring 25%, 50% or 75% of a listed company's voting rights triggers an obligation to make a general offer to all shareholders.

Thailand also has an active market for digital and tokenised securities supervised by the same SEC under the digital-asset regime (Ch. 10).

## Financing & exchange control

**T**hai companies fund themselves through equity, shareholder loans and bank debt. Lenders take security under the CCC, mortgages over land and buildings, pledges over movables and shares, and, since the **Business Security Act**, a modern **business security** over a whole enterprise, receivables, inventory and machinery without transferring possession.

### Loans and security

- ✓ **Interest** on most commercial loans is freely negotiable, subject to anti-usury limits for non-licensed lenders.
- ✓ **Registration** – mortgages and business-security agreements must be registered to bind third parties.
- ✓ **Thin capitalisation / WHT** – interest paid abroad attracts withholding tax (typically 15%, reduced by treaty) and transfer-pricing scrutiny.

### Exchange controls

The **Bank of Thailand (BOT)** administers a liberal but documented exchange-control regime through authorised banks. Foreign currency may be freely brought in; to remit funds out, dividends, loan repayments, capital, you simply show the underlying documentation to the bank. Inbound investment should be recorded (the old “Foreign Exchange Transaction Form”) so that capital and profits can later be repatriated cleanly. Sums above prescribed thresholds must be reported, and holding foreign currency is increasingly permitted under the BOT’s relaxed framework.

#### PRACTICAL TIP

Document your inbound capital correctly on day one. The single most common repatriation problem we see is a shareholder who funded the company informally and cannot later prove the money came in, complicating the remittance of dividends or sale proceeds.

#### HOW LOU CAN HELP

Capital in, profits out, cleanly

We structure shareholder funding, document inbound capital for the BOT, and advise on security and the withholding tax on cross-border interest.

[Accounting & tax >](#)

## Real estate & environment

This is the chapter where good intentions most often meet a hard rule: **as a general matter, foreigners cannot own land in Thailand.** They can, however, own buildings, own condominium units within a quota, and hold land securely through long leases or a BOI/IEAT structure.

### What a foreigner can and cannot own

#### FOREIGN PROPERTY RIGHTS AT A GLANCE

INTEREST	FOREIGNER ALLOWED?	KEY CONDITION
Land (freehold)	No (general rule)	Exceptions: BOI, IEAT, large-investment Board approval
Condominium unit	Yes	Up to 49% of the building's saleable floor area is foreign-owned
Building / house	Yes	Ownership of the structure can be separated from the land
Lease of land	Yes	Registrable for up to 30 years, renewals by agreement

Foreign-currency used to buy a condominium must be remitted into Thailand and evidenced by the bank, the unit cannot count toward the foreign quota otherwise. Long leases beyond three years must be registered at the Land Office to be fully enforceable. Structures that try to put land into a Thai company controlled by a foreigner are scrutinised as possible nominee arrangements and should be approached with care.

### Environmental responsibility

Larger projects, factories, hotels, resource extraction and certain real-estate developments, require an **Environmental Impact Assessment (EIA)** approved before construction. Operators carry ongoing duties on emissions, effluent and waste, and the "polluter pays" principle exposes them to clean-up costs and civil liability under the Enhancement and Conservation of National Environmental Quality Act.

HOW LOU CAN HELP

## Buy or lease without nasty surprises

We run title and due-diligence checks, structure compliant condo purchases and registrable long leases, and handle the Land Office conveyance.

[Property & real estate >](#)

## Industrial operations

**M**anufacturing carries its own licensing layer on top of company and BOI approvals. The **Factory Act** divides factories by size and impact; larger plants need a **factory operating licence (Ror.Ngor.4)** from the Department of Industrial Works or, inside an industrial estate, from the IEAT, which also handles permits, utilities and (importantly for foreigners) land ownership within the estate.

### Licences and locations

- ✓ **Factory licence** – required before operating; renewable and subject to inspection.
- ✓ **Industrial estates & free zones** – ready infrastructure, customs and tax benefits, and land ownership for the operator.
- ✓ **Health, safety and environment** – worker-safety, hazardous-substance and EIA rules apply (Ch. 6).

### Petroleum and mining

Extractive industries are tightly held. **Petroleum** operations run under concessions or production-sharing arrangements with the Department of Mineral Fuels and a dedicated petroleum income tax. **Mining** requires a licence under the Minerals Act, with environmental and community-consultation conditions. Both sectors sit largely on FBA List 2 and need specific approval for foreign participation.

#### HOW LOU CAN HELP

### From factory licence to first shipment

We coordinate factory and environmental permits, BOI machinery privileges and industrial-estate set-up so your plant can lawfully open on schedule.

[Licensing & compliance >](#)

## Life sciences

**H**ealth products are regulated by the **Thai Food and Drug Administration (Thai FDA)** under the Ministry of Public Health. Almost everything that touches a patient, drugs, medical devices, biologics and combination products, needs registration or notification before it can be imported, manufactured or sold.

### Approvals and pathways

- ✓ **Medical devices** – risk-classified (from notification to full licence); importers and manufacturers need an establishment licence.
- ✓ **Drugs and biologics** – marketing authorisation with safety, efficacy and GMP evidence; combination products are assigned a lead pathway.
- ✓ **Clinical trials** – ethics-committee and Thai FDA approval, and a permit to import investigational products.
- ✓ **Pharmaceutical patents** – protected for 20 years; data exclusivity and patent-linkage issues commonly arise (Ch. 16).

Thailand is positioning itself as a regional medical and wellness hub, and BOI promotion is available for targeted biotech, pharmaceutical and medical-device manufacturing.

#### HOW LOU CAN HELP

### Through the Thai FDA, faster

We advise on product classification, establishment and product licensing, import permits and the regulatory side of distribution agreements.

[Regulatory & legal >](#)

## Competition & trade remedies

The Trade Competition Act B.E. 2560 (2017), enforced by the independent Trade Competition Commission (TCCT), is now actively applied. It prohibits abuse of a dominant position, hard-core cartels (price-fixing, bid-rigging, market-sharing) and unfair trade practices, and it controls mergers.

### What investors need to track

- ✓ **Merger control** – transactions that may substantially lessen competition require **prior approval**; smaller deals over a turnover threshold need **post-closing notification** (within 7 days).
- ✓ **Vertical restraints** – resale-price maintenance and exclusivity in distribution can breach the Act and the separate “unfair practices” rules that protect smaller trading partners.
- ✓ **Penalties** – administrative fines up to 10% of turnover for the worst conduct, criminal exposure for cartels.

### Trade remedies

On the import side, Thailand applies **anti-dumping, countervailing and safeguard** measures through the Department of Foreign Trade, relevant if you import goods that compete with protected domestic industries, or if your home-market exports are targeted.

## Fintech & digital assets

**T**hailand has one of the region's more developed digital-finance frameworks, split between the **Bank of Thailand** (payments and banking) and the **SEC** (digital assets and capital-markets fintech).

### Payments, lending and the sandbox

- ✓ **E-payments** – payment businesses are licensed under the Payment Systems Act; the national **PromptPay** rails underpin most transfers.
- ✓ **Alternative finance** – P2P lending, nano- and pico-finance and crowdfunding operate under specific licences and caps.
- ✓ **Regulatory sandbox** – the BOT and SEC run sandboxes to test new products under supervision before full launch.

### Digital assets, the 2025 reset

The **Digital Asset Business Decree** licenses exchanges, brokers, dealers and ICO portals through the SEC. Two 2025-2026 developments matter:

- ✓ **Royal Decree (No. 2) B.E. 2568**, effective **13 April 2025**, closed the loophole for offshore platforms, foreign operators targeting Thai users now need a local licence, and unlicensed cross-border service is prohibited (several major exchanges were blocked in mid-2025).
- ✓ **Crypto capital-gains exemption** – from **1 January 2025 to 31 December 2029**, personal income from selling digital assets on SEC-licensed Thai exchanges is exempt, to channel activity onto regulated venues. USDC and USDT were approved as permitted cryptocurrencies in March 2025, and a crypto-ETF framework is being finalised in early 2026.

### Artificial intelligence

Thailand has no single AI statute yet, but a principles-based framework and draft legislation are advancing, and existing PDPA, consumer and sector rules already bite. Treat AI deployments as a data-governance and liability question now, not later.

We advise fintech and digital-asset businesses on the right SEC/BOT licence, sandbox entry and the 2025 cross-border rules.

[Fintech & regulatory >](#)

# 11

## CHAPTER 11

# Anti-corruption & anti-money laundering

**T**wo regimes carry serious corporate and personal liability and deserve a place in every investor's onboarding pack.

## Anti-corruption

The **Organic Act on Counter Corruption**, enforced by the **National Anti-Corruption Commission (NACC)**, makes bribery of Thai officials a crime and, critically, holds a **company liable for bribes paid by anyone acting on its behalf**, including agents and subsidiaries, unless it had **adequate preventive measures** in place. Facilitation payments are not exempt. A documented anti-bribery policy, training and third-party due diligence are the recognised defence, and many foreign investors are also caught by the US FCPA and UK Bribery Act.

## Anti-money laundering

The **Anti-Money Laundering Act**, administered by **AMLO**, imposes customer due diligence (KYC), record-keeping and suspicious- and cash-transaction reporting on financial institutions and a widening list of designated non-financial businesses (including, since 2025, parts of the digital-asset sector). Beneficial-ownership transparency is rising up the agenda.

### BOARD-LEVEL POINT

"Adequate procedures" is a legal standard, not a slogan. A short, signed compliance programme adopted at incorporation is cheap insurance against vicarious liability for the acts of a local agent.

## Data privacy (PDPA)

**T**he **Personal Data Protection Act (PDPA)**, fully in force since **1 June 2022**, is Thailand's GDPR-style law. It applies to any business that collects, uses or discloses personal data of people in Thailand, **including foreign companies offering goods or services into Thailand**. After a quiet start, enforcement is now real: the regulator (PDPC) issued its first fine of **THB 7 million** in August 2024, and in August 2025 announced further penalties pushing the cumulative total past **THB 21 million**.

### Core obligations

- ✓ **Lawful basis** – collect on a valid ground (consent or one of the statutory bases); consent must be freely given and specific.
- ✓ **Privacy notice** – tell data subjects what you collect, why, and their rights.
- ✓ **Cross-border transfer** – permitted to countries with adequate protection or under approved safeguards (e.g. standard contractual clauses, binding corporate rules).
- ✓ **DPO** – appoint a Data Protection Officer where you carry out large-scale or sensitive-data processing.
- ✓ **Breach notification** – notify the PDPC within **72 hours** where feasible.

Penalties run on three tracks, administrative fines up to **THB 5 million**, civil compensation (including punitive damages up to twice actual loss), and criminal liability for the worst misuse of sensitive data.

#### HOW LOU CAN HELP

### PDPA compliance that fits your business

We build the policy stack, privacy notices, consent flows, data-processing agreements and cross-border safeguards, and act as or support your DPO.

[PDPA & compliance >](#)

# Taxation

Thailand's taxes are administered chiefly by the **Revenue Department** under the Revenue Code, with Customs and Excise handling trade and specific goods. The headline rates are moderate, but the filing calendar is demanding, monthly as well as annual, and a foreign-owned company should budget for proper bookkeeping from month one.

## Direct taxes

**Corporate income tax (CIT)** is charged at a standard **20%** on net profit. Qualifying SMEs (paid-up capital not over THB 5m and revenue not over THB 30m) enjoy a progressive scale:

### SME CORPORATE INCOME TAX

NET PROFIT (THB)	RATE
0 - 300,000	0%
300,001 - 3,000,000	15%
Over 3,000,000	20%

**Personal income tax (PIT)** is progressive from 0% to 35%. Residents (183+ days in Thailand) are taxed on Thai-source income and on foreign income brought into Thailand; note the Revenue Department's tightened interpretation of remitted foreign income that took effect from 2024.

### PERSONAL INCOME TAX BANDS

NET INCOME (THB)	RATE
0 - 150,000	0%
150,001 - 300,000	5%
300,001 - 500,000	10%
500,001 - 750,000	15%
750,001 - 1,000,000	20%

NET INCOME (THB)	RATE
1,000,001 - 2,000,000	25%
2,000,001 - 5,000,000	30%
Over 5,000,000	35%

**Withholding tax (WHT)** applies to many domestic payments, services 3%, rent 5%, dividends 10%, professional fees 3%, and to cross-border payments (interest, royalties, dividends), where treaty rates often reduce the default 15%.

## Indirect taxes

- ✓ **VAT** – the standard rate remains **7%** (the reduced rate has been extended to **30 September 2026**; the statutory rate is 10%). Registration is mandatory above THB 1.8m annual turnover. Since 2021, foreign providers of digital services to Thai consumers must register and charge VAT (“e-Service” VAT).
- ✓ **Specific Business Tax** – applies to banking, real-estate trading and a few sectors in place of VAT.
- ✓ **Stamp duty & excise** – on listed instruments and specific goods.

## Global Minimum Tax & treaties

Thailand’s **Top-up Tax (Emergency Decree B.E. 2567)** implements the OECD Pillar Two **15% global minimum tax** from **1 January 2025**, for multinational groups with consolidated revenue of at least **€750m**. In-scope groups file a GloBE return and may owe top-up tax that erodes the value of BOI holidays (Ch. 1). A network of **60+ double-tax treaties** reduces or eliminates withholding on cross-border flows, plan your holding structure with these in mind.

### COMPLIANCE CALENDAR

A typical company files VAT (PP.30) and withholding (PND.1/3/53) **monthly**, social security monthly, a **half-year** CIT estimate (PND.51), and an **annual** audited CIT return (PND.50) within 150 days of year-end. Missed monthly filings, not the annual return, are the usual source of penalties.

## Bookkeeping, filings and the audit, handled

Our accounting team runs monthly VAT, withholding and payroll filings, the half-year and annual CIT returns and the statutory audit, and advises on treaty and Pillar Two positions.

[Accounting & tax >](#)

## Insurance

**I**nurance is supervised by the **Office of Insurance Commission (OIC)**. Insurers must be Thai-licensed, and there are foreign-ownership limits on insurance companies themselves, but for an ordinary investor the practical points are about what cover is required and how claims work.

### Compulsory and elective cover

- ✓ **Compulsory** – motor third-party liability (“Por Ror Bor”) for every vehicle, plus statutory cover such as the workers’ compensation fund for employees (Ch. 15).
- ✓ **Standard business cover** – property, public and product liability, business interruption, marine and cargo, and directors-and-officers liability.
- ✓ **Claims** – policies and disputes are governed by the CCC and OIC rules; cross-border placement of risks is restricted, most local risks must be insured with a licensed Thai insurer.

## Employment & immigration

**T**hai employment law is protective of employees and is enforced. The core statute is the **Labour Protection Act**, supplemented by the Social Security Act, the Labour Relations Act and the rules on foreign workers. Two things surprise new investors most: the cost of terminating without cause, and the fact that a visa alone never permits work.

### Pay, hours and leave

- ✓ **Minimum wage** – set by province, currently roughly **THB 337–400 per day**, with policy moving toward THB 400 nationwide.
- ✓ **Working time** – up to 8 hours/day and 48 hours/week, with premium overtime rates.
- ✓ **Maternity leave** – increased to **120 days** (effective 7 December 2025); the employer pays up to 60 days and the Social Security Fund covers the balance.
- ✓ **Social security** – employer and employee each contribute 5% of wages, capped (on a THB 15,000 wage base).

### Severance, the number to know

An employee dismissed without serious cause is entitled to statutory **severance** on a sliding scale, in addition to notice and any unused leave:

#### STATUTORY SEVERANCE BY LENGTH OF SERVICE

CONTINUOUS SERVICE	SEVERANCE
120 days – under 1 year	30 days' wages
1 – under 3 years	90 days
3 – under 6 years	180 days
6 – under 10 years	240 days
10 – under 20 years	300 days
20 years or more	400 days

# Employing foreign nationals

A foreigner needs both a **Non-Immigrant visa** and a **work permit**. The conventional route requires the employer to hold **THB 2 million of registered capital** and employ **four Thai nationals per foreign worker**, ratios that **BOI-promoted and LTR-based** employers escape.

## MAIN LONG-STAY / WORK ROUTES IN 2026

ROUTE	LENGTH	WHO IT SUITS
Non-B + work permit	1 year, renewable	Standard employment by a Thai company
BOI / Smart visa	Up to 4 years	Promoted companies and targeted-industry talent (no separate work permit)
LTR visa	10 years	Wealthy individuals, pensioners, remote professionals; eased ratios, 17% flat PIT for some
DTV (Destination Thailand)	5 years, 180 days/entry	Remote workers and "soft-power" visitors (THB 500,000 funds; not for local employment)

### COMMON MISTAKE

Working in Thailand, even remotely for a foreign employer or as a company director signing documents, without a work permit is an offence. Match the visa *and* the permission to the activity before anyone starts.

### HOW LOU CAN HELP

## Hire, pay and stay, compliantly

We draft compliant employment contracts and handbooks, run payroll and social security, and manage visas and work permits, from a single Non-B to LTR and BOI Single Window.

[Visas & immigration >](#)

## Intellectual property

**T**hailand is a member of the major IP treaties (Paris, Berne, PCT and the Madrid Protocol) and rights are registered and enforced through the **Department of Intellectual Property (DIP)** and a specialised **Central Intellectual Property and International Trade (IP&IT) Court**. Register early, first-to-file generally wins.

### IP RIGHTS AT A GLANCE

RIGHT	TERM	NOTE
Trademark	10 yrs, renewable	Madrid Protocol filing available; first-to-file
Patent (invention)	20 yrs	PCT national phase; petty patent 10 yrs for minor inventions
Copyright	Life + 50 yrs	Automatic on creation; recordal helps enforcement
Trade secret	While secret	Protected if reasonable steps are taken to keep it confidential

**Franchising** is increasingly used to enter the Thai market; while there is no standalone franchise statute, franchise arrangements are shaped by trademark, contract, competition and disclosure rules. Enforcement options run from customs recordal and civil action to criminal complaints against counterfeiters.

#### HOW LOU CAN HELP

### Protect the brand before you launch

We file and manage trademarks and patents, record copyrights, structure licensing and franchising, and act against infringement.

[IP & legal services >](#)

# Litigation & bankruptcy

**D**isputes are resolved in a civil-law system, judges, not juries, decide, and there is limited discovery. The court structure runs from Courts of First Instance through the Court of Appeal to the Supreme Court, with **specialised courts** for IP and international trade, tax, labour and bankruptcy that move faster and understand commercial matters.

## Resolving disputes

- ✓ **Litigation** – pleadings and evidence are in Thai; proceedings are document-heavy and can take a year or more at first instance.
- ✓ **Arbitration** – the Thai Arbitration Institute (THAC/TAI) and foreign awards are enforceable under the New York Convention; arbitration clauses are widely used in cross-border contracts.
- ✓ **Mediation** – court-annexed and private mediation are actively encouraged and often settle commercial disputes.

## Insolvency

The **Bankruptcy Act** provides both liquidation bankruptcy and a court-supervised **business reorganisation** procedure (a rehabilitation plan, an automatic stay and a planner/plan administrator) that can rescue a viable but over-leveraged company, a route used successfully by several large Thai businesses.

### HOW LOU CAN HELP

#### From demand letter to judgment

We advise on strategy, represent clients in the civil and specialised courts and in arbitration, and act on debt enforcement and insolvency.

[Dispute resolution >](#)

LET'S TALK

# Planning an investment in Thailand?

This guide is a map, not a substitute for advice on your situation. Tell us what you are building and we will give you a clear, practical route, ownership, incentives, structure and cost, in one conversation.

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Helping corporate and private clients build secure foundations in Thailand since 1996. Legal, accounting, immigration and business services, all under one roof.



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