

Legal Update Week 5 - 6 (1 – 13 February 2022)

Thailand Legal News

BOI to boost digital businesses in Thailand (13 February 2022)

- The BOI issued Announcement No. Sor 4/2564 (2021) regarding the revision promotion of digital businesses. In detail, the cancelled promoted activities are 5.7 (software), 5.8 (e-commerce), and 5.9 (digital services), which will be combined into a single category of activity 5.10 “**Development of Software, Digital Services Platform or Digital Content**”. The following are the requirements to be eligible in this promoted activity:
 - Must pay annual salary expenses for Thai IT personnel of at least THB 1.5 million (approx. USD 46,000);
 - Must have substantial operations for development of software, digital services platform or content in Thailand;
 - Permitted to utilize existing or used machines (e.g. computers).

The benefits granted for this activity are A2-level incentives, including an 8-year CIT exemption as well as various tax and non-tax benefits. These improvements reflect the BOI’s commitment to digitalisation, by prioritising on the development of IT personnel and upgrading businesses in Thailand to meet international standards.

Contact us:

Lorenz & Partners

27th Floor, Bangkok City
Tower, 179, S Sathorn Rd,
Thung Maha Mek, Sathon,
Bangkok 10120

www.lorenz-partners.com

+66 (0) 2 287 1882

https://www.boi.go.th/upload/content/sor4_2564_614aa5133dcecc.pdf?fbclid=IwAR1GTACrRcEXhdS8E8iVVEoUQxdUTG3wZ52Twbx7lp1Ad72Wr2kxmMQXig

Bangkok to be officially named “Krung Thep Maha Nakhon” (13 February 2022)

- The Royal Society of Thailand (RTGS) has amended the official names of countries, territories, districts, and capitals. The most notable change is that Bangkok will be officially called “Krung Thep Maha Nakhon (Bangkok)”, with the word “Bangkok” preserved in the bracket to minimise confusion among Thais and foreigners. However, afterwards the RTGS further clarified that both names are acceptable when referring to Thailand’s capital.
<https://www.orst.go.th/pdfjs/web/viewer.html?file=/FILEROOM/CABROYINWEB/DRAWER002/GENERAL/DATA0002/00002408.PDF>

OIC gives green light to a Japanese corporation to hold 49% of shares in Thai Life Insurance (8 February 2022)

- The Office of the Insurance Commission (OIC) permitted the Japanese company Meiji Yasuda Life Insurance Company to hold 49% of the total sold voting shares under Thai Life Insurance. This promising deal is a preparation of Thai Life Insurance to launch an IPO of approx. 2.38 billion shares, representing more than 20% of the total number of issued and paid-up ordinary shares, within 2022.
http://www.ratchakitcha.soc.go.th/DATA/PDF/2565/E/034/T_0033.PDF

Draft Regulation on Fake News Suppression and Correction

- The Cabinet has approved in principle the Draft Regulation of the Office of the Prime Minister (OPM) on the Prevention, Suppression, and Correction of Dissemination of False Information on Social Media. The MDES will be responsible for implementing measures and legislations, including revising the subordinate law of the Computer-related Crime Act B.E. 2550 (2007) and its amendment, to be in line with this Draft. In detail, the term “fake news” will be defined as computer data on social media or data stored in a computer system, that is wholly or partially false information. A coordination centre will be established to supervise and revise the dissemination of fake news via social media. Authority will be given to relevant government officials in order to suspend or remove such false information from the computer system.
<https://www.thaigov.go.th/news/contents/details/51104> (item no.3)

Three Draft Min. Reg(s). issued under the Factory Act (No.2) B.E. 2562 (2019):



- The recently issued Factory Act (No.2) added provisions authorising a third-party auditor to conduct inspection and produce inspection report on behalf of the competent official. In order to establish a clear guideline and to facilitate the factory operators to comply with the factory law, three Draft Ministerial Regulations will be issued:
 1. Draft Min. Reg. on the application (including, renewal and substitute) and approval of a license for third-party auditor inspection and verification;
 2. Draft Min. Reg. on the third-party auditor's actions in the event of violation or failure to comply with the Act. This will result in the issuance of a warning letter by a competent official, or in a worst-case scenario, withdrawal of the license;
 3. Draft Min. Reg. which specifies that the third-party auditor must obtain consent from the factory operator prior to performing any inspections on the factory or machines, and that the inspection report must be produced and submitted to the factory operator, in order for the document to be forwarded to the competent official. The third-party auditor will be held accountable for the report that was submitted. This is to avoid any lack of transparency or collusion between the third-party auditor and the factory operator when it comes to the inspection report that is presented to the competent official.

<https://www.thaigov.go.th/news/contents/details/51104> (item no.6)

8 February 2022

Draft Amendment to the CTPF Act

- The Cabinet has approved in principle the draft amendment to the Counter-Terrorism and Proliferation of Weapons of Mass Destruction Financing (CTPF) Act. Some of the proposed amendments are:
 - Determination on the submission process for the United Nations Security Council's (UNSC) consideration of the notification or delisting of the designated person who has committed an act of terrorism or proliferation of weapons of mass destruction;
 - Additionally, the "asset freezing" procedures will be applied (mutatis mutandis) to the assets transferred to the designated person's account that is being frozen;

- Furthermore, new offenses will be added, the penalty rate will be changed, and some offenses committed by a legal entity will be the offense for which fines can be determined.

The aim of this amendment is to ensure compliance with the international AML/CFT standards and to build confidence for foreign investors.

<https://www.thaigov.go.th/news/contents/details/51367> (item no.1)

The appointment of the National Committee following Thailand becoming a member of the HCCH

- On 3 March 2022, Thailand became the 88th member of the Hague Conference on Private International Law (HCCH). Following that, the Cabinet has approved the appointment of the National Committee, whereby the Ministry of Justice will be the main government organisation to participate in the negotiation process of drafting Conventions in relation to the HCCH. By joining the HCCH, Thailand has considered to improve its private law and private international law to be in line with the HCCH.

<https://www.thaigov.go.th/news/contents/details/51367> (item no.20)

Ministerial Regulation on Fee Exemption for Machinery Registration B.E. 2565 (2022)

- After the Cabinet passed a resolution on 11 January 2022, the Ministerial Regulation is now officially published in the Government Gazette. The registration fees for the machine will be waived for 1 year (from 22 January 2022 to 23 January 2023). In detail, this comprises the fees for registering machinery ownership, affixing or creating a registration mark on the machinery, and requesting certified copies (fee exempted only in case acquiring document at the same time with registering machinery ownership).

http://www.rachakitcha.soc.go.th/DATA/PDF/2565/A/010/T_0010.PDF

Government Gazette

Contact us:

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27th Floor, Bangkok City
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Thung Maha Mek, Sathon,
Bangkok 10120

www.lorenz-partners.com

+66 (0) 2 287 1882