

Legal Update February 2023

Thailand Legal News

Thailand to negotiate FTA with EU (1 February)

As a result of the talk in Brussels between the Thai Ministry of Commerce and the Vice-President of the European Commission for Economic Affairs and European Commissioner for Trade, the EU and Thailand are now set to reconvene to **negotiate the Free Trade Agreement** which was halted in 2014. The resolution approving the negotiation was passed by the Thai Cabinet on 14 February 2023. The negotiations are now expected to begin within the first quarter of this year, after the approval from the 27 member states of the European Union.

<https://www.bangkokpost.com/business/2495906/department-poised-to-kick-off-fta-talks-with-eu>

THB 24 billion subsidies for EV battery production (2 February)

The National Electric Vehicle Policy Committee approved a stimulus plan for the Thai EV industry. The plan includes a reduction of excise tax (from 8% to 1%) for electric vehicle (EV) battery producers, and THB 24 billion (approx. USD 730 million) subsidy for the production of cell-level batteries. The subsidy will be granted for THB 400-800 (approx. USD 12.5-25) per kWh to EV battery manufacturers depending on the capacity (i.e. above or below 8 GWh), on a “first-come, first-serve” basis.

<https://www.nationthailand.com/thailand/general/40024599>

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E-ID for boarding of domestic flights (3 February)

The Civil Aviation Authority of Thailand permits the use of a digital identification card (E-ID) instead of a physical identification card for boarding domestic flights. As of now, the E-ID is only available through D.DOPA and DLT QR License applications, and the presentation of the boarding pass is still required.

<https://www.bangkokpost.com/thailand/general/2498366/digital-id-now-accepted-to-board-domestic-flights>

Amendment to the CCC to be effective from 7 February onwards

The recent amendment of the Civil and Commercial Code took effect on 7 February 2023. The summary of the amendment is as follows:

1. The registered memorandum of association will become invalid if the company is not registered **within 3 years**;
2. The minimum number of promoters and shareholders of the company is reduced from 3 to 2 persons;
3. A share certificate must be signed to be valid by at least **1 director** and affixed with the company seal;
4. The director meeting can be held electronically unless prohibited by the articles of association;
5. The requirement for newspaper publication for notice of shareholders' meeting is removed unless the company issues bearer share certificates. However, in the case of bearer share certificates, an electronic notice can be sent, but it must comply with the standard in ministerial regulations;
6. The quorum for the shareholders' meeting must consist of **at least two shareholders**, who **attend in person** or by proxies, besides not less than one-quarter of the company's capital requirement;
7. Dividend payment must be **completed** within 1 month after the date of the resolution;
8. A new type of merger is recognized; whereby two companies can merge and one of them can keep its juristic status. (A+ B= A or A+B= B).

Drafted ministerial regulations on the exchange of taxpayer information with the U.S. (25 January)

Thailand has signed the agreement with the U.S. on the cooperation in improving international tax compliance and implementation under the Foreign Account Tax Compliance Act (FATCA) of the U.S. in 2016 and has enacted an act to support this obligation in the following year. Now, the Cabinet approved two draft ministerial regulations on the

exchange of tax-related information between the two countries. In summary, the regulations will determine:

1. the persons/entities responsible for reporting the information and their obligations to report the information to the authorities and to store the information for another 6 years after the receipt of the information;
2. the criteria and regulations on requesting for reporting status certificate, to certify whether such entity has the duty to file the report or not.

<https://www.thaigov.go.th/news/contents/details/64142>

Tourist entry fees (14 February)

The Cabinet approved the collection of traveller's fees for foreigners entering the country. The fees of THB 300 (approx. USD 9) will be collected for air travellers and THB 150 (approx. USD 4.5) for sea and land travellers. Following foreigners are exempted from the said fee:

1. Holding a Thai/ Diplomatic/ Official passport;
2. Holding a work permit and being employed by a business entity in Thailand;
3. Below 2 years old;
4. Flight controllers and crews;
5. Non-overnight stay;

The collected fees will be divided into 2 parts, for insuring for medical expenses of up to THB 500,000 (approx. USD 15,000), and for contribution into the tourism promotion fund for promoting and developing the tourism industry.

<https://www.forbes.com/sites/johannaread/2023/02/20/thailand-adds-new-tourist-entry-fee/?sh=71208e5640c1>

New minimum wage for skilled labor (10 February)

The Wage Committee announced new minimum wage for skilled labor for 17 occupations across 3 sectors (i.e., industrial, mechanical, service). The highest wage is for level 3 mechatronic and robotic industrial technician at THB 715/day (approx. USD 22) and the lowest rate is for level 1 agricultural tractor mechanic at THB 465/day (approx. USD 15).

<https://ratchakitcha.soc.go.th/pdfdownload/?id=140D032S0000000003100>