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Thailand Prepares First Climate Change Bill to Drive Low-Carbon Transition

Thailand is set to adopt its first dedicated climate change law, a landmark development in the country's environmental regulatory framework. The draft legislation, comprising 205 articles, has been submitted to the Office of the Council of State for review and is expected to be forwarded to Parliament by the end of 2025. If enacted, the law will become a central instrument for steering Thailand toward its international commitments of carbon neutrality by 2050 and net-zero greenhouse gas (GHG) emissions by 2065.

Key provisions of the draft bill include:

1. National Climate Fund
    - A central financing mechanism to support Thailand's transition to a low-carbon economy.
    - Initially capitalized with THB 200 million from the government in its first two years.
    - Expected to sustain itself through revenues from the Emission Trading Scheme (ETS), carbon credit fees, penalties, and international contributions.
    - Will provide low-interest financing for clean technology projects and emission-reduction initiatives.

2. Mandatory Carbon Reporting
    - More than 4,000 companies will be required to report their carbon footprints to the Department of Climate Change and Environment.

   - The database will serve as the backbone of national emissions monitoring and policy-making.
3. Emission Trading Scheme (ETS)
   - To be phased in gradually, with implementation for large corporations anticipated by 2031.
   - The ETS will initially cover the energy and industrial sectors, setting a national cap on emissions and allowing companies to trade allowances.
   - Designed to prevent "greenwashing" through transparent data collection and strict monitoring mechanisms.

The Department of Climate Change and Environment, led by the Director-General Phirun Saiyasitpanich, emphasized that the law represents a shift from policy commitments to binding legal obligations. The measures are intended not only to regulate carbon emissions but also to create market-based financial incentives that align environmental goals with private sector participation.

This forthcoming legislation is expected to reshape Thailand's regulatory landscape by introducing financial accountability, enforceable compliance mechanisms, and investment opportunities in clean technology. It also places Thailand among a growing group of nations adopting statutory frameworks to ensure long-term climate governance.

Should you have any question, please do not hesitate to contact us via info@bgloballaw.com