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DBD Establishes Division to Combat Illegal Business Practices

On 2 October 2025, the Department of Business Development (DBD) announced the establishment of the Division for the Prevention and Suppression of Illegal Businesses, a new unit is designed to strengthen enforcement against unlawful corporate activities in Thailand. The initiative reflects the DBD's commitment to promoting transparency, safeguarding economic integrity, and ensuring compliance with Thai business laws.

The new division will prioritize investigations into:

- Juristic person mule accounts — cases where companies are registered to open bank accounts for fraudulent or deceptive purposes.
- Nominee shareholding arrangements — instances where Thai nationals are improperly used to conceal foreign ownership in violation of Thai law.

These practices are viewed as threats to national security, economic stability, and public confidence. The Division will collaborate with other government agencies to initiate legal proceedings against offenders and enhance overall regulatory oversight.

Following its inaugural meeting on 1 October 2025, the DBD appointed a central committee and established four specialized subcommittees to oversee specific functions:

- Business Registration Prevention – Strengthening verification procedures to prevent misuse of the registration system.
- Business Data Analysis – Identifying suspicious activity through analytical review of registration data.
- Business Auditing – Conducting in-depth audits of corporate operations and financial records.
- Legal Affairs – Ensuring alignment with relevant laws and developing supporting legal frameworks.

These teams will formulate policy, implement inspection protocols, and enhance interagency coordination to improve enforcement effectiveness.

The DBD's new Division aims to deter illegal business activities that distort market fairness and undermine good governance. By addressing nominee shareholding, fraudulent registrations, and related practices, the Division seeks to promote transparency and fair competition, strengthen investor confidence; and support sustainable, lawful business growth.

The establishment of this division will have significant implications for stakeholders

- Business Owners and Investors: Expect stricter registration verification and compliance checks.
- Foreign Nationals: Increased scrutiny of ownership structures and nominee arrangements.
- Financial Institutions: Enhanced due diligence obligations when opening or maintaining corporate accounts.

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