Bangkok Global Law
540, Unit 1705, 17th Floor, Mercury Tower,Ploenchit Road,
Lumpini, Pathumwan, Bangkok 10330 Thailand
Tel: +(66) 2 2525895-6 Fax: +(66) 2 2525897
Website: www.bgloballaw.com
E-mail: info@bgloballaw.com

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CANNABIS

Thailand Introduces Stricter Licensing Penalties for Cannabis Businesses Under Controlled Herbal Product Framework

Thailand's Department of Thai Traditional and Alternative Medicine has issued new enforcement guidelines introducing stricter administrative penalties for cannabis-related businesses that fail to comply with regulatory requirements. The measures, issued under the Ministry of Public Health's Controlled Herbal Product (Cannabis) B.E. 2568 notification, are intended to standardise enforcement practices and strengthen regulatory oversight across commercial cannabis activities, including research, processing, sale, and export.

The new framework establishes a structured penalty system that includes licence suspensions and, in more serious cases, licence revocation. A key compliance requirement is the accurate and timely submission of mandatory reporting forms, including the Por Thor 27 form, which records cannabis source and inventory data, and the Por Thor 28 form, which tracks daily distribution and processing activities. Failure to maintain or submit these records, or submitting incomplete monthly reports, may result in a 30-day licence suspension.

Additional grounds for suspension include non-compliance with Good Agricultural and Collection Practices (or equivalent standards), failure to properly display or provide access to licences for inspection, and unauthorised advertising of cannabis products for commercial purposes. The regulatory approach reflects a heightened emphasis on traceability, product quality standards, and transparency in commercial cannabis operations.

More severe breaches may result in longer suspensions of up to 90 days or outright licence revocation. These include failure to notify authorities of export activities, sale of cannabis without the required PorThor 33 medical prescription, submission of false or misleading information, permitting on-site consumption, operating in prohibited locations, or engaging in restricted sales channels such as online platforms or vending machines. The regulations also impose strict safeguards on access, prohibiting sales to vulnerable groups, including individuals under 20 years of age, students, pregnant women, and breastfeeding mothers, as well as restricting sales in sensitive locations such as temples, dormitories, and public parks.

From an enforcement perspective, the guidelines also introduce cumulative penalty provisions, whereby multiple violations may result in combined suspension periods of up to 90 days, with repeat offenders subject to progressively harsher sanctions. This signals a more stringent regulatory stance by Thai authorities as the cannabis sector continues to develop following its partial decriminalisation, with a clearer shift towards controlled medical and commercial use under a structured licensing regime.

From a broader legal and commercial standpoint, the introduction of these penalty guidelines reflects Thailand's ongoing transition from a liberalised cannabis environment to a more tightly regulated controlled herbal product framework. Operators in the sector will need to strengthen compliance systems, particularly in relation to documentation, product traceability, and distribution controls. More broadly, the measures indicate a regulatory focus on aligning the cannabis industry with public health objectives and formalising enforcement standards, which may shape the future structure and sustainability of cannabis-related commercial activities in Thailand.

Thailand Seeks Public Input on Draft Cannabis and Hemp Act Ahead of Cabinet Submission

Thailand's Department of Thai Traditional and Alternative Medicine (DTAM) is currently conducting a public consultation on the draft Cannabis and Hemp Act, with feedback open until 1 July before the proposal is submitted to the Cabinet for consideration. The consultation forms part of the government's legislative process to refine the regulatory framework governing cannabis and hemp use in Thailand, particularly in relation to balancing public health concerns with economic and medical applications.

The DTAM has invited comments from members of the public, business operators, and other stakeholders through official online platforms, including the government's law consultation portal and the DTAM website. According to DTAM officials, the draft legislation is intended to establish clearer regulatory controls and preventive mechanisms to address potential misuse of cannabis, while also supporting sustainable economic development within the sector.

The public consultation process has been structured into two phases in line with a cabinet resolution. The first phase, conducted between 22 April and 21 May 2026, focused on gathering feedback on the overall principles of the draft legislation and has been completed. The second phase, currently ongoing from 2 June to 1 July, seeks more detailed input on specific provisions within the draft act before it proceeds further in the legislative process.

Following completion of the consultation period, the draft bill is expected to be reviewed by the Minister of Public Health before being submitted to the cabinet for formal consideration. The authorities have emphasised that the consultation process is intended to ensure that the regulatory framework reflects a balance between medical use, economic opportunities, and public health protection, while also improving regulatory clarity and reducing potential policy conflicts.

It has also been clarified that issues relating to the reclassification of cannabis as a narcotic fall outside the scope of this draft legislation and are being considered separately by other relevant government agencies. From a broader policy perspective, the consultation reflects Thailand's ongoing effort to transition from an initially liberalised cannabis environment towards a more structured and controlled regulatory regime, with increasing emphasis on governance, compliance, and public health safeguards.

CONSUMER PROTECTION

Bank of Thailand Amends Rules on Credit Card Cash Withdrawal Fees

On 1 June 2026, the Bank of Thailand ("BOT") published Notification of the Bank of Thailand No. SorNorSor. 24/2569 Re: Rules, Procedures and Conditions for Undertaking Credit Card Business (No. 2) (the "Notification") in the Government Gazette. The Notification amends the regulatory framework governing fees and expenses charged in connection with cash withdrawals or cash advances made using credit cards. It applies to both commercial banks and non-bank credit card business operators regulated under Thai law. The Notification became effective on 2 June 2026, being the day following its publication in the Government Gazette.

The BOT previously established a ceiling on fees that credit card business operators may charge customers for withdrawing cash using credit cards. According to the BOT, the relevant fee ceiling had been in place since 2002. Since then, technological developments have reduced certain operational costs associated with the provision of financial services. The BOT therefore considered it appropriate to review the existing requirements to ensure that the fees charged to consumers remain reasonable and fair and do not impose an unnecessary financial burden.

The amended requirements also seek to promote greater transparency and provide consumers with sufficient information to make informed decisions when using credit card cash withdrawal services. The Notification amends Clause 5.4.3(2) of Notification of the Bank of Thailand No. SorNorSor. 11/2563 Re: Rules, Procedures and Conditions for Undertaking Credit Card Business, dated 31 July 2020.

Under the amended provision, a credit card business operator providing a cash withdrawal service may charge fees and expenses associated with that service, in addition to interest, penalty interest, fines, fees and service charges permitted under Clause 5.4.3(1). However, the aggregate amount of the additional fees and expenses must not exceed the rate prescribed under the applicable BOT notification governing standard service fees for financial services.

The amendment therefore replaces the former standalone fee requirement with a cross-reference to the fee ceiling prescribed under the BOT's broader regulatory framework on standard financial service fees. Importantly, the Notification itself does not specify a numerical fee ceiling. Credit card business operators must consequently refer to the applicable BOT notification on standard financial service fees to determine the maximum amount that may lawfully be charged.

Public Hearing announced by the Department of Labour Protection and Welfare regarding the standards for portable fire extinguishers

The Public Hearing Announcement from the Department of Labour Protection and Welfare signifies a transition from general safety guidelines to a strictly defined regulatory framework for fire suppression in the workplace. Legally, this transition is rooted in the Ministerial Regulation on safety, occupational health, and environment regarding fire prevention and suppression, which empowers the Director-General to prescribe specific standards for portable fire extinguishers. By incorporating internationally recognized benchmarks such as NFPA, ANSI, AS, BS, and ISO, as well as certifications from laboratories like UL and FM Global, the Thai government is effectively codifying global technical standards into local law. This provides a precise legal definition of compliance, which shifts responsibility to employers to ensure that all fire suppression to be considered legally sufficient.

From an employer's perspective, these regulations impose a dual-edged legal reality where the burden of increased procurement costs is balanced against the significant reduction of liability risks associated with workplace accidents and property loss. Employers can operate with greater legal certainty, knowing that their equipment is verified for safe usage, which directly protects them from potential negligence claims related to fire safety failures. Furthermore, the introduction of these clear legal requirements facilitates more efficient government oversight by providing safety inspectors with a definitive checklist for enforcement within their jurisdictions. This clarity is designed to minimize unintentional violations of the law by employers and reduce the long-term administrative burden on the state to resolve safety-related issues. Ultimately, the legal objective of this policy is to uphold the state's duty to protect its citizens by establishing a standard of care that significantly lowers the national statistics of fire-related occupational hazards.

Thailand's Landmark 'Lemon Law' and the Major Change in Product Liability

On June 16, 2026, the Thai Cabinet officially approved the draft Liability for Defective Goods Act, widely recognized as Thailand's "Lemon Law". Proposed by the Office of the Consumer Protection Board (OCPB) and improved over a decade of legal pushes, this important development represents a fundamental restructuring of commercial relationships in Thailand. The draft law is designed to increase buyer rights, set clear rules for seller responsibility, and match local product liability rules with advanced international standards.

For years, the Thai retail market has struggled with systemic imbalances, especially regarding complex consumer goods such as automobiles, smart electronics, and machines. The upcoming passage of this law signals the end of the traditional "buyer beware" era, introducing a highly regulated, consumer-focused liability system that will require immediate operational and legal adaptation from manufacturers, importers, distributors, and financial institutions.

The existing law (Civil and Commercial Code) states that a seller is responsible for defects that impair a product's value or use, its practical application has always disadvantaged consumers due to structural barriers in finding proof. Under the current rules, the burden of proof rests entirely on the buyer. For complex technology products, this proof requirement is often impossible to overcome without high inspection costs. Furthermore, the existing law heavily favors freedom of contract, clearly allowing parties to agree that the seller will take on no responsibility for defects. Businesses are allowedto use standard contracts and warranties that effectively disclaim statutory liability, leaving consumers trapped in endless repair loops without a clear legal way to demand a replacement or refund.

However, the new draft Act removes these barriers by acting as a strict law, expressly voiding any pre-dispute contractual agreements or warranty clauses that attempt to limit the seller’s liability or impose unfair burdens on the buyer. The most transformative legal mechanism in the draft Act is the automatic assumption of a defect, which strongly shifts the burden of proof from the consumer to the seller. If a product shows a defect within a specific time after delivery, the law automatically presumes the defect was a pre-existing manufacturing fault.

To avoid liability, the seller must provide technical evidence proving that the defect resulted from consumer misuse, changes made after delivery, or an outside event. The draft establishes specific presumption periods based on the product type. While general goods have a six-month protection period.

The draft Act replaces the unclear current rules with a strict list of consumer rights: repair, replacement, price reduction, and contract termination. A vital insight is an expansive jurisdictional scope, covering modern digital products and complex financing structures. The law clearly states that software and control systems installed by the seller are physical parts of the goods. In addition, the draft Act disrupts the consumer credit landscape by piercing the traditional separation between product retailers and financial institutions. The legal definition of a "seller" has been expanded to include leasing companies and hire-purchase providers.

The upcoming start of the Liability for Defective Goods Act will force a complete update of supply chain logistics, after-sales service operations, and B2B contracts across Thailand. Ultimately, companies that proactively optimize their compliance frameworks and diagnostic capabilities will secure a distinct competitive advantage in Thailand's newly elevated consumer protection landscape.

CUSTOMS & INTERNATIONAL TRADE

Customs Department Introduces Digital Tariff Classification E-Service to Enhance Trade Facilitation

The Customs Department is set to launch a new electronic customs tariff classification service in August as part of the Government's ongoing digital transformation initiative. The platform will enable importers, exporters, customs brokers, and other businesses engaged in international trade to obtain advance tariff classification rulings and verify whether imported goods require import licences through a fully online system. The initiative is intended to improve efficiency, enhance transparency, and provide businesses with greater certainty when planning cross-border transactions.

Tariff classification plays a critical role in determining the applicable customs duty rates and regulatory requirements for imported goods. Under the new e-service, users will be able to submit applications electronically, upload supporting documents and product images, track application progress in real time, and receive legally binding tariff classification rulings directly through the system. Each ruling will remain valid for three years, enabling businesses to plan import costs and compliance obligations with greater confidence. Notably, the service will also be accessible to individuals and new entrepreneurs without requiring prior registration as an importer or exporter.

The Customs Department currently administers approximately 21,000 tariff classifications.To improve the consistency and accuracy of customs decisions, the new platform will integrate advance tariff classification rulings, appeal decisions, and classification databases maintained by the World Customs Organization. In addition, the system will provide information on prohibited and regulated goods, including hazardous substances, narcotics, and protected plant species, helping businesses identify applicable legal requirements before importing goods into Thailand.

The introduction of the digital platform forms part of the Government's broader objective of creating a fully digital public administration while promoting transparency and reducing administrative discretion. In support of these governance reforms, the Customs Department has also announced the abolition of reward payments relating to seizures and arrests for senior customs officials, reflecting its commitment to strengthening integrity and minimising potential conflicts of interest.

The launch of the e-service represents a significant step towards modernising Thailand's customs administration and facilitating international trade. By providing businesses with easier access to legally binding tariff classifications and clearer information on import licensing requirements, the initiative is expected to reduce compliance risks, minimise customs disputes, and improve supply chain planning. From a broader legal perspective, the development demonstrates Thailand's continued commitment to digital governance and regulatory transparency, while encouraging businesses to adopt more proactive customs compliance and risk management practices in an increasingly complex global trading environment.

Thailand Strengthens Export and Re-Export Controls Through Dual-Use Items Licensing

Thailand is set to strengthen its strategic trade control framework through the implementation of a licensing requirements for the export and re-export of Dual-Use Items (DUIs), with enforcement on 30 July 2026.

This legal framework will focus on nuclear-related goods, materials, machinery, and technical equipment that could potentially be used in the development of weapons of mass destruction. Exporters of controlled goods will be required to obtain prior license before shipment. While, the Ministry of Commerce has also introduced an exemption mechanism, allowing goods that fall within relevant customs classifications but do not meet the technical specifications of controlled goods to pass through customs more efficiently.

In this relation, any business operating in high-technology, engineering, aerospace, marine, electronics, and advanced manufacturing sectors, in particular, may be affected by the new framework and subject to licensing requirements. Thus, such businesses engaged in manufacturing, exporting, or trading potentially controlled goods should begin reviewing product customs classifications, end-use and end-user screening procedures, and internal compliance programs.

DATA PROTECTION

An Overview the PDPC Notification on Personal Data Protection Certification Standards B.E. 2569

The Office of the Personal Data Protection Commission (PDPC) issued this notification to develop and promote data protection standards, aiming to foster trust and sustainability in both the public and private sectors. The notification comes into effect starting from its publication date in the Royal Gazette on June 18, 2026.

A primary mechanism for driving this initiative is the establishment of the "Working Group on Screening the Assessment of Personal Data Protection Standards". This group is chaired by the Deputy Secretary-General (Promotion and Regulatory Affairs) and includes five experts from key national organizations: the National Cyber Security Agency, the Thai Industrial Standards Institute, the Electronic Transactions Development Agency, the Federation of Thai Industries, and the Thai Chamber of Commerce.

Organizations seeking to apply for the standard certification and mark must meet specific qualifications and not possess any prohibited characteristics:

- Entity Type: It mustbe a government agency or a private entity that the PDPC requires to have a Data Protection Officer (DPO).
- Establishment and Location: Private entities must be established under Thai law with an office located in the Kingdom. Foreign entities must either have a branch office in Thailand or appoint an authorized representative.
- Initial Assessment: It must have successfully passed the Privacy Maturity Model assessment with a score at Level 5.
- Application History: It must not have been rejected for standard certification within 45 days prior to the application date.

- Revocation History: It must not have had a standard certification revoked within 1 year prior to the application date.

- Legal Record: If previously penalized under the Personal Data Protection Act, the entity must have fully complied with the judgment, and a period of at least 2 years must have elapsed since full compliance.

The certification process is designed to be systematic, transparent, and verifiable. The main steps are as follows:

1. The applicant must prepare the certification request form and attach relevant supporting evidence (e.g., entity establishment documents, power of attorney) to verify preliminary qualifications via designated channels or an electronic system.

2. An assessor will review the submitted documents. If the documents are correct and complete, the applicant must pay the service fee within 7 days of being notified. If the documents are incomplete, the applicant has 7 days to submit the required additions (failure to comply will result in automatic cancellation of the request). Payments must be made via the e-Banking system of Krungthai Bank or other specified channels.

3. Upon payment of the fee, the assessor will conduct the evaluation, which may involve a document review or an on-site inspection at the applicant's premises. If the applicant fails to meet the criteria, they are given a 15-day window to make necessary corrections.

4. Once the applicant meets the criteria, the Working Group reviews the results and forwards them to the Secretary-General for final certification approval. Following this approval, the applicant must pay the fee for issuing the standard certificate or mark within 15 days.

FOREIGN INVESTMENT

Thailand Intensifies Scrutiny of Nominee Structures in Foreign Property Ownership

Recent enforcement actions against alleged nominee structures linked to foreign land ownership on Koh Phangan have renewed attention on Thailand's restrictions governing foreign ownership of land. Although the investigations have focused on a particular location, the issue is widely recognised across other high-demand property markets, including Phuket, Koh Samui, Pattaya and Bangkok. The renewed scrutiny highlights the Thai authorities' commitment to addressing arrangements that may circumvent existing foreign ownership laws while maintaining an appropriate balance between regulatory enforcement and foreign investment.

Under Thai law, foreigners are generally prohibited from owning land unless a specific statutory exemption applies. While foreign investors may lawfully acquire condominium units within the foreign ownership quota, or utilise legal mechanisms such as long-term lease agreements, superficies, usufruct rights, or land ownership through Board of Investment-promoted businesses, some investors have reportedly relied on Thai-registered companies with nominee shareholders to obtain indirect control over land. These arrangements typically involve Thai shareholders who have limited financial involvement or decision-making authority, with foreign investors exercising effective control through contractual arrangements such as loan agreements or powers of attorney. If established, such structures may contravene the spirit and intent of Thailand's land ownership and foreign business regulations.

The recent debate has also drawn attention to the role of intermediaries in facilitating nominee arrangements. Property brokers, legal advisers, accounting firms, and company registration service providers may assist foreign investors in establishing corporate structures or identifying Thai shareholders. In addition to raising concerns over compliance with land ownership restrictions, authorities have highlighted the potential misuse of corporate structures to avoid transfer fees and taxes through changes in company shareholding rather than direct transfers of property ownership. These practices may result in significant losses of government revenue while undermining the integrity of Thailand's regulatory framework.

In response, there have been increasing calls for more robust and coordinated enforcement by relevant government agencies, including enhanced verification of beneficial ownership, examination of shareholders' financial capacity, and closer monitoring of corporate structures holding land assets. At the same time, policymakers have emphasised that enforcement should remain transparent, proportionate, and consistent across all nationalities, recognising the continued importance of legitimate foreign investment to Thailand's economy. Comparative approaches adopted in jurisdictions with stricter foreign ownership oversight have also been suggested as potential models for future regulatory reform.

The renewed focus on nominee structures reflects a broader policy objective of strengthening regulatory compliance and preserving the integrity of Thailand's property market. For foreign investors, the recent developments serve as an important reminder that property acquisitions should be structured through legally recognised mechanisms rather than arrangements that may be viewed as attempts to circumvent statutory restrictions. Businesses, investors, and professional advisers involved in Thai real estate transactions should carefully review their ownership structures and ensure compliance with applicable laws, as continued regulatory scrutiny is likely to result in more rigorous investigations and enforcement actions in the future. A transparent and well-enforced regulatory framework will not only safeguard public confidence but also support the long-term sustainability and attractiveness of Thailand's property sector for genuine investment.

Thailand Cabinet Approves in Principle Amendments to Foreign Business Act to Reduce Regulatory Barriers for Foreign Investors

Thailand may move towards a partial liberalisation of its foreign investment regime following the Cabinet’s approval in principle on 12 May 2026 of proposed amendments to the Foreign Business Act B.E. 2542 (1999) (FBA). The proposed reforms, initiated by the Ministry of Commerce, form part of a broader policy objective to modernise Thailand's regulatory framework, reduce unnecessary administrative burdens, and enhance the country's attractiveness to foreign direct investment. Importantly, the changes are targeted rather than broad in scope and are intended to streamline regulation in selected sectors rather than materially relax Thailand's foreign ownership restrictions.

The proposed legislative package comprises two instruments: a draft Royal Decree revising the list of restricted business activities under the FBA, and a draft Ministerial Regulation prescribing additional categories of business that may be undertaken by foreign investors without requiring FBA approval. Collectively, these measures would remove nine business activities from the scope of FBA restrictions, subject to the completion of the legislative process. The reforms are designed to eliminate regulatory duplication in sectors already governed by specialised regulatory frameworks, while maintaining the integrity of Thailand's foreign ownership policy.

The activities proposed for exemption fall broadly into three categories. First, certain regulated sectors such as telecommunications services, treasury centre operations, securities-related lending, derivatives advisory services, and specific agricultural futures activities are already subject to comprehensive oversight by sector-specific regulators, including the National Broadcasting and Telecommunications Commission, the Bank of Thailand, and relevant capital markets authorities. Second, the proposal includes intra-group services such as administrative, human resources, information technology support, and domestic debt guarantee services provided exclusively within corporate groups, which do not directly compete in the open market. Third, certain supporting operational activities, including leasing limited space for electronic financial service equipment, vending machines and automated systems, as well as petroleum drilling services provided to concessionaires, are also included within the proposed scope of exemption.

If implemented, foreign investors operating in these sectors would no longer be required to obtain a foreign business licence under the FBA. However, the removal of FBA licensing requirements does not eliminate the need for regulatory compliance. Businesses will remain subject to the applicable licensing regimes administered by their respective sector regulators. For example, telecommunications operators will continue to require licences from the National Broadcasting and Telecommunications Commission, treasury centres will remain regulated by the Bank of Thailand, and petroleum-related activities will continue to fall under the supervision of the Ministry of Energy. The practical effect of the reforms is therefore expected to be a reduction in duplicative approval processes rather than a substantive deregulation of underlying activities.

At the same time, Thailand continues to maintain a strict enforcement approach towards foreign business compliance, particularly in relation to nominee structures and arrangements designed to circumvent foreign ownership restrictions. The authorities have repeatedly indicated that enforcement against non-compliant structures remains a regulatory priority, even as certain sectors are liberalised. Against this backdrop, foreign investors are expected to ensure that their corporate structures, shareholding arrangements, and operational models are fully aligned with Thai legal requirements.

From a broader legal perspective, the proposed amendments reflect a calibrated approach to regulatory reform within Thailand's foreign investment framework. By selectively removing FBA restrictions in sectors already subject to specialised supervision, the government seeks to improve regulatory efficiency while preserving core policy safeguards on foreign participation in the economy. If enacted, the reforms are likely to enhance ease of doing business for multinational companies and reduce procedural delays in affected sectors. However, they also reinforce the continued importance of robust compliance structures, as Thailand maintains a dual track approach of facilitating investment while intensifying scrutiny of ownership arrangements. Businesses should therefore monitor the legislative process closely and assess the potential impact of the changes on their licensing requirements and overall market entry strategies in Thailand.

Thailand Continues Review of Long-Term Commercial and Industrial Lease Framework to Support Investment Efficiency

Thailand is currently undertaking a policy review of its long-term commercial and industrial lease framework under the Immovable Property Lease for Commercial and Industrial Purposes Act B.E. 2542 (A.D. 1999), administered by the Department of Land. The review forms part of a broader regulatory assessment aimed at determining whether the existing legal framework continues to adequately support investment activity, commercial development, and industrial land use in light of evolving economic conditions and foreign investment trends in Thailand.

The Act, which has been in force since 1999, provides a legal mechanism for long-term leasing of immovable property for qualifying commercial and industrial purposes. Under the framework, eligible projects may obtain lease terms of up to 50 years, subject to specific conditions relating to zoning, investment thresholds, and regulatory approval. These typically include requirements that the land be located in designated commercial or industrial zones or within industrial estates, as well as minimum investment criteria or approval under Thailand's investment promotion regime.

The current review focuses on assessing the practical effectiveness of the regime, including its usage in practice, registration volume, scale of leased areas, and its overall contribution to facilitating economic activity. Authorities are also examining whether the framework remains sufficiently flexible to support modern investment structures, particularly in sectors requiring long-term land use certainty, such as manufacturing, logistics, and large-scale commercial development.

A key policy consideration underlying the review is whether the current legal framework appropriately balances investment facilitation with land use regulation and national economic policy objectives. While long-term commercial leases provide an important alternative to land ownership for foreign investors, the regime remains subject to strict statutory conditions and registration requirements, and must operate within the broader constraints of Thailand's land ownership restrictions and planning regulations.

From a broader legal and commercial perspective, the review signals a potential shift towards improving regulatory efficiency in Thailand's land use framework rather than fundamentally altering foreign ownership rules. Any future amendments are therefore more likely to focus on procedural simplification, enhanced clarity of eligibility criteria, and improved alignment with investment promotion policies, rather than a liberalisation of land ownership rights.

For businesses and investors, the ongoing assessment highlights the importance of structuring long-term property arrangements in compliance with the existing statutory framework while monitoring potential regulatory developments that may affect project structuring and investment planning. As Thailand continues to position itself as a regional investment hub, reforms to the long-term lease regime may play a key role in enhancing legal certainty and improving the ease of doing business in commercial and industrial property sectors.

INTERNATIONAL TRADE

Thailand and the United Kingdom Strengthen Trade Cooperation Amid OECD Accession Push

Thailand and the United Kingdom have reaffirmed their commitment to strengthening bilateral trade and economic cooperation, as Thailand continues to advance its long-term objective of joining the Organisation for Economic Co-operation and Development (OECD). The discussions, held between Thailand's Commerce Minister and the British Ambassador to Thailand, reflect a broader policy direction aimed at enhancing international economic integration and reinforcing Thailand's position as a regional trade and investment hub in a period of global economic uncertainty.

The Thailand–UK Joint Economic and Trade Committee (JETCO) continues to serve as a key institutional mechanism for facilitating bilateral cooperation across multiple strategic sectors. These include automotive manufacturing, agriculture, food and beverages, healthcare, education, and customs administration. The framework is designed to support both trade expansion and regulatory coordination, while providing a structured platform for addressing market access issues and promoting investment flows between the two jurisdictions.

Recent trade data indicates continued growth in bilateral economic activity. Over the past five years, trade between Thailand and the United Kingdom has increased by approximately 24%, rising from around USD 5.5 billion to USD 6.8 billion. In 2025, total trade reached approximately USD 6.84 billion, representing a year-on-year increase of 2.75%. Thailand maintained a trade surplus, exporting goods valued at USD 4.43 billion to the United Kingdom, while importing USD 2.41 billion. Key Thai exports include processed chicken, gems and jewellery, machinery and automotive products, while imports from the United Kingdom are dominated by machinery, integrated circuits, scientific and medical equipment, pharmaceuticals, and beverages.

Alongside trade expansion, Thailand has reiterated its commitment to OECD accession, which is increasingly viewed as a central pillar of its economic reform strategy. Thai authorities have highlighted ongoing reforms in areas such as human capital development, innovation, digital infrastructure, and green technology as part of efforts to align domestic regulatory and economic frameworks with OECD standards. These reforms are complemented by targeted foreign direct investment (FDI) policies and supply chain development initiatives, which aim to transition Thailand further into a high-value manufacturing and services-based economy.

From a policy perspective, the strengthening of Thailand–UK economic relations is closely linked to Thailand's broader ambition to enhance its global competitiveness through regulatory modernisation and international alignment. Increased engagement with OECD member states is expected to support Thailand's reform agenda by encouraging greater transparency, regulatory predictability, and adherence to international economic governance standards.

From a broader legal and commercial standpoint, the development signals continued momentum in Thailand's integration into global trade and regulatory networks. For businesses operating across both jurisdictions, enhanced bilateral cooperation may translate into improved market access, more structured regulatory dialogue, and potential facilitation of customs and trade procedures. As Thailand progresses toward OECD membership, further alignment with international trade and investment norms is likely to influence both domestic regulatory reform and cross-border commercial opportunities.

SECURITIES

Thailand's SEC Anti-Financial Crime Framework

The Securities and Exchange Commission's (SEC) new anti-financial crime framework marks a significant shift in Thailand's capital market regulation. Effective from 16 August 2026, the measures require brokers, asset managers, and other intermediaries to strengthen customer due diligence (CDD), transaction monitoring, and beneficial ownership verification.

The framework reflects a risk-based approach aligned with international anti-money laundering (AML) standards and positions market intermediaries as key gatekeepers in preventing illicit financial activity. Firms are expected to strengthen onboarding procedures, identify ultimate beneficial owners (UBOs), verify funding sources, and monitor transactions that may be inconsistent with customers' risk profiles. In addition, stricter traceability requirements are expected to increase compliance obligations while reducing the use of mule accounts and suspicious fund transfers.

Failure to implement adequate controls may expose firms to regulatory sanctions and reputational risks. Accordingly, capital market operators should review and update their AML and Counter Financing of Terrorism (CFT) policies, internal controls, and reporting procedures before the new rules take effect.

Overall, although the measures may increase compliance costs, they are expected to strengthen market transparency, investor confidence, and the integrity of Thailand's capital markets in the long term.

Thailand SEC Tightens Internal Audit and Governance Standards to Strengthen Fraud Prevention in Listed Companies

The Securities and Exchange Commission (SEC) of Thailand has introduced strengthened corporate governance requirements for listed companies, focusing on enhancing internal audit standards as part of a broader effort to prevent fraud, conflicts of interest, and irregular transactions in the capital market. The initiative responds to several high-profile corporate governance failures in recent years that resulted in investor losses and reduced confidence in listed entities.

Under the new framework, which has been approved in principle by the Capital Market Supervisory Board and is currently undergoing public consultation, listed companies will be required to place greater emphasis on the qualifications and professional competence of internal audit personnel. In particular, the head of the internal audit function will be subject to stricter qualification criteria designed to ensure higher levels of professional expertise and independence in internal control systems.

The proposed requirements stipulate that chief internal audit executives must hold recognised professional certifications, either at national or international level, and possess at least five years of relevant professional experience, including a minimum of three years specifically in internal auditing. Acceptable qualifications include certifications such as Certified Internal Auditor (CIA), Internal Audit Practitioner credentials, and Thailand's Certified Professional Internal Auditor qualification, all of which are intended to align with internationally recognised auditing standards.

Audit committees will be responsible for assessing and selecting suitably qualified candidates, while listed companies will also be required to disclose relevant information to investors to enhance transparency and accountability. The SEC's approach reflects an increasing regulatory focus on strengthening internal control systems at the organisational level, rather than relying solely on external enforcement mechanisms.

In parallel, the SEC has intensified its enforcement actions against market misconduct and financial crime. During the first five months of 2026, the regulator pursued multiple criminal and civil cases involving offences such as market manipulation, corporate fraud, false disclosures, director misconduct, and unauthorised securities or digital asset activities. The SEC also reported significant recovery of illicit gains through civil proceedings and continued efforts to disrupt fraudulent schemes, including the blocking of hundreds of scam-related cases and suspicious digital platforms.

From a broader regulatory perspective, the SEC is also advancing additional measures targeting risks associated with customer onboarding, nominee structures, and potential money laundering vulnerabilities in securities and digital asset markets. These developments are complemented by a risk-based supervisory approach to know-your-customer (KYC) and customer due diligence obligations, with sanctions applicable to financial intermediaries that fail to adequately monitor client identity and transaction risks.

From a legal and commercial standpoint, the strengthened internal audit requirements signal a clear shift towards more proactive governance enforcement within Thailand's capital markets. Listed companies will need to reassess their internal control frameworks, audit committee responsibilities, and talent requirements for key compliance functions. The increased emphasis on professional certification and experience requirements is likely to raise the governance baseline across the market, while also increasing compliance expectations for issuers and regulated intermediaries. More broadly, the reforms reflect Thailand's ongoing effort to align its capital market regulatory regime with international best practices, enhance investor protection, and reinforce market integrity in response to evolving financial and technological risks.

TAXATION

Thailand Advances Global Minimum Tax Framework Through OECD Information Exchange Measures

On 16 June 2026, the Thai Cabinet approved in principle two significant international tax measures that support Thailand's implementation of the OECD's Global Anti-Base Erosion (GloBE) Rules under Pillar Two of the Base Erosion and Profit Shifting (BEPS) 2.0 initiative. The measures represent an important milestone in Thailand's adoption of the 15% Global Minimum Tax (GMT) framework and reinforce the country's commitment to aligning its international tax regime with globally accepted standards. Although domestic legislation implementing the GMT has yet to be enacted, the Cabinet's approvals establish the international cooperation mechanisms necessary for the regime to operate effectively.

The first measure authorises Thailand to amend Annex A of the Multilateral Convention on Mutual Administrative Assistance in Tax Matters (MAC) to include Global Minimum Tax-related top-up taxes within the scope of the Convention. This will enable the Thai Revenue Department to exchange tax information and cooperate with overseas tax authorities in relation to the Qualified Domestic Minimum Top-up Tax (QDMTT) and the Income Inclusion Rule (IIR). The second measure approves Thailand's participation in the Multilateral Competent Authority Agreement on the Exchange of GloBE Information Returns (MCAA GIR), which establishes a framework for the automatic exchange of GloBE Information Returns between participating jurisdictions. Once operational, the Thai Revenue Department will be able to receive information filed by multinational enterprise (MNE) groups in other jurisdictions, supporting the effective administration and enforcement of Thailand's future Global Minimum Tax regime.

These developments complement Thailand's ongoing efforts to introduce domestic legislation implementing the GloBE Rules, which apply to MNE groups with annual consolidated revenue of at least EUR 750 million. Under the OECD framework, jurisdictions may impose a Qualified Domestic Minimum Top-up Tax on low-taxed profits earned locally, while the Income Inclusion Rule allows parent entities to pay top-up tax on the low-taxed income of foreign subsidiaries. The Cabinet's approvals do not themselves introduce new tax liabilities but establish the treaty and information-sharing infrastructure required to support the future application of these rules.

For multinational groups operating in or through Thailand, the Cabinet's decisions underscore the importance of preparing for a more transparent and coordinated international tax environment. Businesses benefiting from preferential tax regimes, including investment incentives granted by the Thailand Board of Investment (BOI) or other special tax regimes, should carefully assess their effective tax rates under the GloBE methodology, as these may differ significantly from domestic statutory tax rates. Similarly, groups using Thailand as a regional holding, financing, or operating hub should review their global tax structures and reporting obligations in anticipation of increased information exchange between tax authorities.

Thailand's continued progress towards implementing the Global Minimum Tax reflects a broader shift towards enhanced international tax transparency and cross-border administrative cooperation. While further domestic legislation is required before the regime becomes fully operational, the recent Cabinet approvals demonstrate that Thailand is laying the legal foundation for effective enforcement of the OECD's Pillar Two framework. Businesses should therefore closely monitor forthcoming legislative developments and begin evaluating the potential impact of the Global Minimum Tax on their tax planning, compliance processes, and cross-border investment structures to ensure they remain well positioned in an evolving international tax landscape.

Thailand’s Transition to a Negative Income Tax System

The Finance Ministry is currently transitioning toward a Negative Income Tax system, which is a workfare model designed to replace traditional welfare with targeted cash transfers for employed individuals whose income falls below a specified threshold. Under this framework, eligibility is strictly contingent upon mandatory employment and the filing of a Personal Income Tax return, ensuring that benefits act as a work incentive rather than a deterrent. The proposed structure involves three stages consisting of the phase in for annual income of 32,000 baht or less, the plateau for annual income between 32,000 to

36,000 baht, and the phase out for annual income between 36,000 to 60,000 baht, with a maximum annual transfer of 12,000 baht. By leveraging existing tax infrastructure, the system aims to lower administrative costs while incentivizing the massive informal sector in Thailand, which accounts for 57.2 percent of GDP, to enter the formal tax system. Unlike minimum wage mandates or crop subsidies, this approach is noted for its ability to address income inequality without distorting market mechanisms, making it a pivotal shift in Thai fiscal policy that requires strategic attention regarding its impact on labor formalization and compliance

Thailand Introduces 200% Tax Deduction Incentive to Accelerate SME Digital Transformation

Thailand has introduced a significant corporate tax incentive aimed at accelerating the digital transformation of small and medium-sized enterprises (SMEs), following the issuance of Royal Decree No. 802 B.E. 2569 (2026). The measure, approved in principle by the Cabinet, forms part of the Government's broader strategy to enhance productivity, strengthen competitiveness, and promote digital adoption among domestic businesses. The incentive reflects a policy shift towards supporting SMEs in transitioning to technology-driven operations within Thailand's evolving digital economy.

Under the scheme, eligible SMEs are entitled to claim a corporate income tax deduction of up to 200% of qualifying expenditures incurred on approved digital products and services. In practical terms, this allows businesses to deduct twice the value of eligible expenses when calculating taxable income, subject to a cap of THB 300,000 per accounting period. The measure applies to costs incurred between 24 June 2025 and 31 December 2027 and covers purchases or subscriptions of qualifying software, hardware, smart devices, and digital services, provided they are registered on the Thailand Digital Catalog maintained by the Digital Economy Promotion Agency (DEPA).

Eligibility for the incentive is limited to SMEs that meet specific financial thresholds, namely companies or juristic partnerships with paid-up capital not exceeding THB 5 million and annual revenue not exceeding THB 30 million. The policy is designed to ensure that benefits are targeted at smaller businesses with limited resources, while also encouraging formal participation in the digital economy. Only expenses meeting the prescribed criteria and sourced from approved providers qualify for the enhanced deduction, reinforcing regulatory oversight of eligible digital transactions.

The mechanism operates as an additional tax benefit on top of normal expense deductibility, rather than a separate subsidy or credit. As a result, qualifying businesses effectively reduce their taxable income base by more than the actual cash outlay for digital investment. However, the incentive is subject to detailed conditions, including product eligibility and vendor registration requirements, and does not extend to all forms of digital expenditure. Businesses must therefore ensure proper documentation and compliance with the applicable criteria when claiming the deduction.

From an administrative perspective, the measure reflects Thailand's broader push to integrate fiscal incentives with digital infrastructure policy. By requiring registration of eligible products in a centralised digital catalog, the Government aims to improve transparency, standardise qualifying expenses, and encourage the development of a structured digital services ecosystem. The incentive also aligns with Thailand's long-term objective of improving SME competitiveness and reducing barriers to technology adoption in traditional business sectors.

From a broader legal and commercial standpoint, the 200% tax deduction represents a targeted fiscal policy tool designed to stimulate structural transformation within the SME sector rather than a general tax reduction. While the incentive may provide meaningful cost relief for eligible businesses, its effectiveness will depend on practical accessibility, awareness among SMEs, and the administrative efficiency of the claiming process. Businesses should carefully assess eligibility criteria and maintain appropriate documentation to optimise tax benefits. More broadly, the measure signals Thailand's continued movement towards a digitally integrated regulatory and tax framework, where fiscal incentives are increasingly linked to formalised digital ecosystems and compliance-based eligibility structures.

Thailand Extends Reduced E-Withholding Tax Rate and Enhances Digital Tax Incentives Through 2027

The Thai Cabinet has approved the extension of the reduced e-withholding tax regime until the end of 2027, continuing a key fiscal measure aimed at improving business liquidity and supporting the country's ongoing digital transformation agenda. The extension applies retroactively from the original expiry date in 2025 and is expected to provide significant cash flow benefits to the private sector, with the Revenue Department estimating liquidity enhancement of approximately THB 27 billion.

Under the extended regime, the e-withholding tax rate remains reduced at 1%, compared to standard withholding tax rates of 5%, 3%, and 2% depending on the category of income. The regime applies to assessable income paid electronically to both individuals and juristic persons, covering a wide range of payments including rent, commissions, royalties, service fees, contract work payments, and fees for independent professional services. The policy is designed to incentivise the use of electronic payment systems while simplifying tax withholding processes for businesses.

In parallel, the Cabinet has also approved an extension of tax incentives supporting electronic tax systems, including e-tax invoices, e-receipts, and e-withholding tax mechanisms, until 31 December 2027. Businesses and registered partnerships investing in or using these systems may continue to benefit from a 200% tax deduction on qualifying expenditures. Eligible costs include investments in software, hardware, electronic data storage systems, and service fees paid to approved electronic tax service providers, thereby reinforcing incentives for digital tax compliance infrastructure.

In addition, a new incentive has been introduced for expenses related to information system assessments conducted by electronic service providers and certified by the Electronic Transactions Development Agency. This measure is intended to enhance the security, reliability, and integrity of Thailand's digital tax ecosystem by encouraging compliance with recognised technical and governance standards among service providers.

From an administrative perspective, the Revenue Department continues to expand private sector participation in digital tax infrastructure, with multiple approved providers supporting e-tax invoices, e-receipts, e-filing, and e-stamp duty systems. These developments are particularly significant for SMEs, which may lack internal capacity to develop proprietary digital systems, and therefore rely on certified third-party providers to comply with evolving electronic tax requirements.

From a broader legal and commercial standpoint, the extension of the e-withholding tax and associated digital tax incentives reflects Thailand's continued policy direction toward digitalising tax administration while maintaining short-term liquidity support for businesses. The measures are expected to reduce compliance costs, improve efficiency in tax collection, and accelerate adoption of electronic tax systems across the economy. More broadly, the reforms reinforce Thailand's strategic objective of building a fully integrated digital tax infrastructure, where fiscal incentives are increasingly aligned with technology adoption and compliance-based governance standards, creating both opportunities and ongoing regulatory obligations for businesses operating in Thailand.

Thailand Reviews Investment Promotion Strategy Following OECD Global Minimum Tax Implementation

The Ministry of Finance is set to hold discussions with relevant state agencies to reassess the country's investment promotion framework in light of the implementation of the OECD Global Minimum Tax (GMT) rules. The policy review reflects the growing need to align Thailand's investment incentives regime with the global shift towards a minimum effective corporate tax rate of 15% for large multinational enterprise groups.

Thailand has already adopted the OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) Pillar Two rules, including the introduction of a domestic top-up tax mechanism. The measure enables Thai authorities to levy additional tax on multinational groups whose effective tax rate in Thailand falls below the 15% threshold. As a result, traditional incentive-based competition through corporate tax exemptions is expected to be constrained, requiring a recalibration of Thailand's investment promotion strategy.

In response to these developments, the Board of Investment (BOI) is currently reviewing how investment incentives can be structured to remain effective under the global minimum tax regime. While tax exemptions may become less impactful for in-scope multinational groups, alternative incentive mechanisms such as tax credits, grants, and non-tax benefits are expected to play a more prominent role in attracting foreign direct investment. Thailand has also enacted an executive decree implementing the top-up tax regime, with collection expected to commence this year.

The Cabinet has further approved Thailand's participation in an international tax information exchange framework to support the implementation of the global minimum tax system. This step is intended to enhance cross-border cooperation between tax authorities and ensure the effective enforcement of top-up tax rules. According to official estimates, the measure may generate approximately THB 10 billion in additional annual tax revenue, although the broader economic impact of the regime remains under assessment as many jurisdictions are still in the early stages of implementation.

From a broader legal and policy perspective, the shift towards a global minimum tax framework represents a structural change in how countries compete for foreign investment. Thailand's reliance on tax incentives as a primary investment attraction tool is expected to diminish for large multinational enterprises, prompting a transition towards more targeted, non-tax-based incentive structures and productivity-driven investment promotion. At the same time, the uncertain global status of OECD Pillar One reforms adds a further layer of complexity, as international consensus on profit allocation rules remains unresolved. Businesses operating in Thailand should therefore closely monitor ongoing policy adjustments, particularly in relation to the BOI incentive framework and the evolving interaction between domestic tax law and international tax standards.

TECHNOLOGY, AI & INTELLECTUAL PROPERTY

Thailand Accelerates SME Digital Transformation Through AI Adoption and Public–Private Technology Initiatives

Thailand is witnessing a coordinated push by both public and private sector organisations to accelerate the digital transformation of small and medium-sized enterprises (SMEs), with a particular focus on artificial intelligence (AI), data-driven tools, and smart infrastructure. These initiatives form part of a broader national objective to enhance SME competitiveness, reduce operational inefficiencies, and support long-term economic resilience in an increasingly technology-driven business environment.

Private sector-led initiatives are playing a central role in this transition. Advanced Info Service (AIS), in collaboration with Microsoft Thailand, has launched the "AI Ready for SMEs" programme to support secure and practical adoption of AI technologies among Thai SMEs. The initiative integrates Microsoft 365 and Copilot solutions with dedicated support services, training programmes, and nationwide roadshows. It also includes tailored packages, workshops, and on-site training for eligible SMEs, aimed at enabling businesses to integrate AI tools into core operations such as customer management, productivity enhancement, and workflow optimisation.

Beyond productivity tools, AI adoption is increasingly being positioned as a strategic necessity rather than a discretionary upgrade. The programme reflects the recognition that SMEs, which account for a significant share of Thailand's GDP, employment base, and total number of enterprises, may face structural disadvantages without access to scalable digital technologies. AI-driven solutions are therefore being promoted as a means of levelling the competitive landscape between smaller enterprises and larger corporations by providing access to similar technological capabilities at lower entry costs.

In parallel, other private sector initiatives are focusing on operational efficiency gains, particularly in relation to energy management and cost reduction. For example, AI and Internet of Things (IoT)-based "smart energy" systems are being deployed to reduce electricity consumption and address inefficiencies arising from undetected energy losses in commercial operations. These solutions highlight a broader trend in which digital transformation is extending beyond administrative functions to core operational infrastructure, including energy usage, logistics, and facility management.

On the public sector side, the Electronic Transactions Development Agency (ETDA) has launched nationwide programmes aimed at increasing digital maturity among SMEs, with a focus on improving adoption beyond basic digital tools such as social media. Government-supported initiatives include workshops, roadshows, business matching activities, and consultation services across key provinces and priority industries such as trade, services, tourism, and manufacturing. Despite gradual improvements in digital maturity indicators, SMEs are still generally categorised as "digital followers", reflecting limited integration of technology into core business processes such as data analytics, inventory management, and operational optimisation.

From a broader legal and commercial perspective, the increasing integration of AI and digital systems into SME operations signals a structural shift in Thailand's regulatory and economic landscape. While these initiatives are largely facilitative in nature, they are also likely to influence future regulatory expectations regarding data governance, digital compliance, and operational transparency. As SMEs become more dependent on digital ecosystems and third-party technology providers, issues relating to data protection, cybersecurity, and contractual allocation of technology risk may become increasingly significant.

Overall, Thailand's SME digital transformation agenda reflects a convergence of technological innovation, economic policy, and workforce development objectives. While AI and digital tools present significant opportunities for productivity gains and cost reduction, their successful adoption will depend on SMEs' ability to integrate these technologies into core business functions and adapt organisational mindsets accordingly. Businesses should therefore not only consider the operational benefits of AI adoption, but also prepare for an evolving regulatory and commercial environment in which digital capability becomes a key determinant of competitiveness.

Thailand Moves Toward AI-Enabled Intellectual Property Examination and OECD-Aligned Governance Reform

The Department of Intellectual Property (DIP) is advancing a significant modernisation agenda through the introduction of artificial intelligence (AI)-assisted examination tools, enhanced digital governance systems, and anti-corruption safeguards. These initiatives form part of a broader policy direction aimed at improving administrative efficiency, strengthening transparency, and aligning Thailand's intellectual property (IP) administration with international governance standards, including those promoted by the Organisation for Economic Co-operation and Development (OECD).

A key development is the introduction of AI-enabled tools to support trademark and patent examination processes. In the trademark context, AI-based image recognition and search functions are being developed to assist examiners in identifying potentially similar or conflicting marks at an early stage of the registration process. This is intended to improve the efficiency of preliminary assessments and reduce the risk of filing applications that may face objections on the basis of similarity or lack of distinctiveness.

In relation to patents, AI tools are being deployed to enhance prior art searches and support preliminary assessments of patentability. By processing large volumes of technical data and global patent databases, these systems assist examiners in identifying relevant prior disclosures more efficiently. However, final determinations on key legal requirements, including novelty, inventive step, and sufficiency of disclosure, remain subject to human legal analysis and decision-making, ensuring that statutory standards continue to govern substantive outcomes.

Alongside technological enhancements, the DIP is also pursuing governance and transparency reforms aimed at reducing corruption risks and improving public confidence in the IP system. These measures include expanded digital filing systems, improved electronic service platforms, and enhanced complaint-handling mechanisms. A proposed centralised "sandbox" mechanism is also being considered to monitor and manage complaints relating to administrative conduct, with the objective of improving oversight, traceability, and accountability in decision-making processes.

The reforms further reflect broader concerns regarding the legal treatment of artificial intelligence in relation to copyright and enforcement. While AI adoption is increasing across administrative functions, the authorities have maintained a cautious approach to copyright issues, with protection continuing to be grounded in human authorship principles. At present, there is no indication of broad statutory exemptions for the use of copyrighted materials in AI training, reflecting a regulatory balance between innovation and the protection of rights holders.

From a broader legal perspective, these developments indicate that Thailand's intellectual property framework is entering a more technology-driven and internationally aligned phase of development. The integration of AI into administrative processes is expected to enhance efficiency, consistency, and predictability in IP examination, while governance reforms aim to strengthen institutional integrity and transparency. For businesses, innovators, and rights holders, the changes may lead to more efficient registration processes but will also require continued attention to evolving compliance expectations, particularly in relation to digital enforcement and AI-related legal developments within Thailand's IP regime.

TRANSPORTATION & LOGISTICS

Proposed Ministerial Regulation on Rail Transport Operation Licenses

A public hearing is currently underway for the Draft Ministerial Regulation governing the criteria, methods, and conditions for Rail Transport Operation Licenses ("Draft").

While the Rail Transport Act B.E. 2568 mandates a formal licensing system to ensure operators have sufficient capital and specialized personnel, the absence of detailed subordinate laws currently prevents its full enforcement. This regulatory gap poses potential risks to the safety, standards, and uninterrupted operation of public rail services.

To resolve this issue, the new Draft establishes clear licensing mechanisms—covering applications, issuance, and renewals—to guarantee that only fully qualified operators manage the rail transport system and maintain rigorous safety standards

The Draft proposes key principles and mechanisms for rail transport licensing as follows:

1. Establishment of Licensing Criteria and Capital Requirements: The draft prohibits anyone from operating a rail transport business without a license and outlines the strict financial prerequisites for corporate applicants. For example, registered and paid-up capital requirements are scaled and based on the project's value, ranging from a minimum of 25 million baht to at least one-third of the project value for projects exceeding one billion baht.

2. Review and Issuance Procedures: The Draft details the workflow for government officials, requiring them to verify applications and supporting documents within 60 days. Once verified, the application is forwarded to the Director-General and then the Minister for approval, with the actual license to be issued within 7 days of authorization.

3. License Duration and Renewal Terms: The regulation establishes that rail transport operation licenses will generally be valid for 30 years, or not exceeding the remaining duration of an operator's concession or employment contract. Operators wishing to continue their business must submit a renewal application at least 90 days before their current license expires.

4. Maintenance and Substitution of Licenses: The Draft provides administrative mechanisms for operators whose licenses are lost, destroyed, or substantially

damaged, allowing them to apply for a substitute license within 15 days of becoming aware of the issue. Additionally, operators are required to notify officials within 15 days regarding any material changes to their corporate information or application documents.

Proposed Ministerial Regulation on Transportation Safety by DLT

The Department of Land Transport ("DLT") is currently holding a public hearing on the Draft Ministerial Regulation on Transportation Safety ("Draft"). The update is driven by the critical need to enhance safety in public passenger transport. By ensuring that passengers are well-informed about the location and operation of emergency equipment, the regulation aims to increase survival chances and minimize losses to life, body, and property in the event of an accident or emergency.

To resolve these safety concerns, the Draft proposes key principles and mechanisms for transport operators and their staff as follows:

Operator Supervision on Safety Instructions: The Draft mandates that licensed transport operators shall control and supervise their vehicle staff. Operators are strictly required to ensure that the vehicle staff instructs passengers on the installation locations and proper usage of vehicle components, tools, and emergency equipment needed for assistance or incident resolution during accidents or emergencies.

Mandatory Training Requirements: The Draft stipulates that licensed transport operators shall send their vehicle staff to undergo specialized training. This training must be conducted with the DLT or an assigned agency. Alternatively, operators may organize the training for their vehicle staff themselves, provided that the curriculum, duration, and standards adhere to those officially announced.

Responsibilities of Licensed Vehicle Staff: The regulation places a direct duty on the vehicle staff to proactively provide instructions to passengers, ensuring they know exactly where emergency tools and vehicle parts are located and how to operate them safely to mitigate harm during an unexpected accident or emergency

The public hearing period is scheduled from 23 June 2026 to 22 July 2026.

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