



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.

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

