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CAPITAL MARKETS

Thai SEC Tightens Major Shareholder Rules to Unmask Ultimate Control

The Securities and Exchange Commission of Thailand (SEC) has revised regulations to scrutinize "Significant Financial Supporters" of major shareholders. Recognizing that financial backers often dictate business directions and represent the ultimate controlling persons, this proactive reform aims to prevent illicit capital such as money laundering or cybercrime proceeds from compromising market integrity and operator credibility.

Core Regulatory Pillars

- Prior SEC Approval Required: Any individual or entity providing direct or indirect financial support (including providing cash/assets, guarantees, contracts, or debt/equity instruments) to a major shareholder is legally deemed a "major shareholder" and must obtain prior SEC approval. This look-through rule also captures any intermediaries involved.

- Mandatory Share Aggregation: Shares held by different entities sharing the same Significant Financial Supporter must be aggregated to determine major shareholder thresholds, closing loopholes for fragmented holdings.

- Public Sector Exemption: Redundant structural checks are eliminated for government bodies, state agencies, public organizations, or independent statutory entities, which are audited only at the organizational level.

- Indirect Holding Clarification: The language governing indirect shareholding has been refined to align precisely with the SEC's original policy intent from public consultations.

Action Items and Compliance Timeline

- 90-Day Transition Window: Existing operators must immediately audit their funding structures and submit SEC approval requests for any newly captured "Significant Financial Supporters" or aggregated groups within 90 days of the effective date (by mid-November 2026).

- Enhanced KYC/KYB: Compliance teams must implement a "look-through" approach to identify ultimate beneficial owners and debt-guarantee providers backing their major shareholders.

Thailand Moves to Give the SEC More Investigative Muscle

Thailand's Cabinet has approved in principle amendments to four major capital-market laws aimed at modernising regulation and strengthening enforcement against serious market misconduct. The proposed changes cover the Securities and Exchange Act, the Derivatives Act, the Trust for Transactions in the Capital Market Act, and the Emergency Decree on Digital Asset Businesses. A central feature would allow the Securities and Exchange Commission (SEC) to participate as a joint investigating authority with the police or the Department of Special Investigation (DSI) in significant cases involving matters such as stock manipulation, fraud or substantial financial damage. The draft legislation will proceed to the Council of State and the government whip before being submitted to Parliament, with the authorities targeting implementation next year.

The proposed joint-investigation mechanism is intended to address a longstanding enforcement bottleneck. Under the current process described by the SEC, the regulator gathers evidence and files a complaint before handing the case to the police, who then conduct their own investigation. This duplication has contributed to an average police investigation period of more than two years before cases reach prosecutors. Allowing SEC officials to participate directly in qualifying investigations would combine the regulator's specialist ability to analyse financial statements and trace capital-market fund flows with the broader investigative powers and capabilities of law-enforcement agencies.

Importantly, the reform would not make every securities offence a joint investigation. The amended framework would empower the SEC board to establish criteria for determining which cases warrant the enhanced procedure. Relevant factors could include the amount of financial damage, the seriousness or nature of the alleged misconduct, and the broader impact on confidence in the capital market. This means a case involving a relatively modest financial amount could still qualify where the alleged conduct has particularly serious implications for investors or the integrity and credibility of the market.

The Cabinet approved package also reflects a wider effort to strengthen regulatory oversight beyond enforcement procedure alone, including expanded supervision relating to audit firms. Taken together, the reforms indicate a policy shift toward reducing fragmentation between specialist financial regulators and criminal-investigation authorities. Faster investigations may improve the prospect of timely enforcement in complex cases, while closer scrutiny of the professional and institutional infrastructure supporting listed companies could help identify governance and reporting risks before they develop into larger market failures.

From a legal and business perspective, the amendments could materially increase enforcement exposure for listed companies, directors, executives, intermediaries and other market participants involved in serious misconduct. Faster coordination between the SEC and criminal investigators may reduce the procedural distance between regulatory detection and criminal prosecution, making internal controls, financial reporting, transaction documentation and investigation-readiness increasingly important. However, the proposed amendments remain draft legislation and their final scope will depend on review by the Council of State and Parliament. Market participants should therefore monitor both the legislative process and the SEC's eventual criteria for determining which cases will be subject to joint investigation.

Thailand Tightens the Net on Stablecoin Transactions

The Securities and Exchange Commission (SEC) and Bank of Thailand (BOT) are preparing a new regulatory framework for stablecoin transactions, with the rules expected to be endorsed by the end of 2026. The initiative follows discussions with licensed digital asset operators and the rapid growth of major stablecoins such as USDT and USDC. The proposed measures are intended to reduce the use of digital assets for money laundering, technology-related crime and the circumvention of cross-border fund transfer controls, while remaining workable for legitimate digital asset businesses.

The initiative builds on a broader enforcement framework already being developed by Thai authorities. Since May 2026, the SEC, the BOT, Anti-Money Laundering Office and Central Investigation Bureau have been sharing financial information and suspicious transaction patterns. Licensed operators are also subject to stronger know-your-customer procedures, customer profiling, risk-based withdrawal limits and enhanced due diligence for high-risk customers. Blockchain analytics, transaction-tracing tools and screening of high-risk wallets are increasingly becoming part of this compliance framework.

The focus on stablecoins reflects their growing importance as a means of transferring value. Because stablecoins are designed to maintain a relatively stable value, they can be used efficiently for payments and transfers across digital platforms and borders. Those same characteristics can make illicit financial flows more difficult to detect when funds move rapidly through digital wallets. The regulatory response therefore appears to be moving beyond scrutiny of individual transactions toward an integrated model combining customer due diligence, transaction monitoring, blockchain tracing and inter-agency information sharing.

A key part of this shift will be the planned Travel Rule. The SEC is expected to issue the relevant rules in August 2026, with implementation scheduled for February 2027. The Travel Rule will require relevant information on parties to digital asset transfers to be identified and verified, improving transaction traceability between digital asset service providers. Operators are therefore likely to face additional investment in compliance systems, data-sharing processes and common enhanced due diligence standards, particularly for higher-risk customers, counterparties and wallets.

From a legal and business perspective, the development signals that stablecoin activity in Thailand is moving closer to the compliance expectations applied to regulated financial transactions. Digital asset operators should prepare for closer scrutiny of transaction flows, customer identification and cross-border transfers, while businesses using stablecoins for legitimate payments or treasury purposes may face additional verification and documentation requirements. Although stronger oversight may increase compliance costs, clearer and more consistent standards could also improve market confidence and support the sustainable development of Thailand's digital asset ecosystem.

COMPETITION LAW

TCCT's Unprecedented Crackdown on Digital Platforms and Commercial Credit Terms

In highly scrutinized marketplace, the Trade Competition Commission of Thailand (TCCT) is pivoting away from voluntary guidelines toward strict, punitive enforcement. For digital platforms in ride-hailing and on-demand delivery, upcoming directives set for enforcement in October and November will mandate rigid service standards. Platforms will be legally required to verify driver backgrounds and vehicle registrations to level the playing field with traditional transport. Furthermore, operators must maintain structured, searchable logs of driver data to instantly trace identities and physical addresses during customer emergencies. The directives also target "black-box" algorithms and "dark patterns" such as manipulating job allocation to prevent drivers from qualifying for bonuses while requiring transparency on surge pricing triggers. Crucially, the TCCT rejects the notion that platforms are "neutral intermediaries," establishing shared, joint liability for public safety and the supply chain. Non-compliance carries severe financial risks, with administrative fines of up to 10% of a company's sales revenue in the year the offense occurs.

Simultaneously, large enterprises with annual sales exceeding 500 million baht must rapidly align their commercial practices with strict new credit term regulations taking effect in early September. Designed to inject an estimated 100 billion baht of locked-up liquidity back into the SME ecosystem, the rules render any non-compliant credit clauses legally void. Credit terms must be secured in writing and are strictly capped at 45 days for trade, manufacturing, and services, and 30 days for agricultural products. The payment clock begins ticking immediately once the seller delivers compliant goods or services along with proper documentation. Any deviations are prohibited unless justified by provable business, marketing, or economic reasons, and unilateral contract modifications are banned without reasonable grounds or at least 60 days of prior notice. Violators face devastating administrative fines of up to 10% of their annual revenue, with the penalty capped at 1 million baht for new businesses.

DATA CENTER

BOI Seeks to Screen Data Center Projects Before Granting Investment Promotion Privileges

An important policy development by the Board of Investment ("BOI") is the establishment of the **Subcommittee on Energy Management to Support Investment and the Screening of Data Center Projects**. The Subcommittee is chaired by the Minister of Energy, with the BOI and the Energy Policy and Planning Office ("EPPO") jointly serving as its secretariat.

The Subcommittee is responsible for conducting a comprehensive review of Data Center projects before investors may proceed with the submission of the applications to BOI. The pre-screening process focuses on four key areas: **(i) energy, (ii) water resources, (iii) environmental considerations, and (iv) the creation of economic benefits for Thailand.**

This initiative reflects the BOI's commitment to working closely with relevant government agencies to ensure that Thailand is well prepared to support future investment. As the Data Center industry is expected to significantly increase demand for energy and water resources, the Government seeks to promote efficient resource management, strategic planning for suitable investment locations, and the development of infrastructure capable of supporting sustainable growth. At the same time, the policy aims to enhance Thailand's long-term economic value while strengthening investor confidence in the country as a destination for technology-driven investment.

Thailand Builds a Policy Framework for the Data Center Boom

Thailand is moving toward a more coordinated regulatory framework for data center businesses following the Cabinet's approval, on 5 August 2026, of a draft of Prime Minister Office's regulation establishing a Data Center Business Policy Committee. The proposed committee would be responsible for developing policies, standards and frameworks for regulatory approvals relevant to data center operations, including telecommunications licences, investment promotion certificate and other related permits. The draft also defines a data center broadly as infrastructure housing electronic equipment used to collect, store, process, host or transfer information electronically to non-affiliated third parties, subject to further prescription.

The initiative is significant because Thailand currently has no dedicated law governing data center operations. Instead, developers and operators must navigate a collection of generally applicable rules covering matters such as building control, land use, construction, foreign business activities and telecommunications licensing. The proposed committee would provide a central policy mechanism across this fragmented regulatory landscape and would also be empowered to conduct impact assessments on data center businesses. However, the Cabinet approval concerns the draft regulation and does not itself create a comprehensive new licensing regime for data centers.

The policy framework also shows that the government's approach to data center investment is expanding beyond conventional investment promotion. In developing policies and regulatory standards, the committee would be required to consider Thailand's economic interests alongside clean energy usage, energy security, efficient electricity and water consumption, town planning and public safety. These factors reflect the resource-intensive nature of large-scale data centers and the need to balance rapidly growing digital infrastructure investment with constraints on energy, water and surrounding communities.

This development comes as Thailand seeks to position itself as a regional destination for digital infrastructure while simultaneously increasing scrutiny of how data center projects are developed and operated. The proposed committee could influence the interaction among investment incentives, telecommunications regulation, infrastructure capacity and sustainability requirements. For investors, this means that regulatory assessment may increasingly consider not only the size of an investment but also its energy profile, resource efficiency and compatibility with broader national strategic interests.

From a legal and business perspective, data center developers, operators and investors should monitor the final regulation and any policies, standards or approval frameworks subsequently issued by the committee. Project planning may require increasingly integrated analysis of telecommunications licensing, BOI incentives, foreign ownership, land and construction requirements, electricity and water availability, and sustainability commitments. The initiative remains at the policy-development stage, but it signals a shift toward more centralised government oversight of a sector that has previously been regulated through multiple separate legal regimes. The eventual framework could therefore become an important factor in structuring and evaluating future data center investments in Thailand.

DIGITAL

Thailand Rethinks the Rulebook for Digital Platforms

Thailand is revising its proposed draft of Digital Platform Economy Act after the Ministry of Digital Economy and Society (DES) concluded that the European Union model on which the draft was initially based may be too stringent for Thailand's digital economy. The draft, influenced by the EU's Digital Markets Act and Digital Services Act, is intended to regulate digital service providers, strengthen consumer protection and promote fair competition in online markets. The government had previously planned to submit the legislation to the Council of State before seeking Cabinet approval and introducing it to Parliament, but the DES Ministry is reassessing the framework to better reflect Thailand's economic and regulatory circumstances.

The reconsideration suggests a move away from directly importing a highly prescriptive foreign regulatory model. Rather than focusing narrowly on particular platform charges, such as gross profit commission fees imposed on merchants, policymakers are considering the overall "take rate" deducted through commissions and other service fees. This reflects a concern that regulating one component of platform pricing may simply cause costs to shift elsewhere, without reducing the actual burden on merchants. The policy objective is therefore becoming broader: controlling unfair market practices while preserving sufficient commercial flexibility for platforms and the businesses that depend on them.

Thailand is also examining alternatives to the EU approach. These include India's Open Network for Digital Commerce, which promotes interoperability between participating digital commerce networks, and elements of China's framework combining specific legislation with specialised regulatory authorities. The government is considering a national platform or network operating under common governance standards, potentially supported by government incentives, as well as a dedicated regulator for digital platforms. These options indicate that Thailand may favour a hybrid model combining legislation, institutional oversight, industry cooperation and shared technical infrastructure rather than relying solely on extensive statutory obligations.

The policy review is also closely connected with Thailand's response to online fraud and the growing influence of major technology platforms. Discussions with platform operators have included digital identity, verification systems, artificial intelligence and know-your-customer measures, while the DES Ministry is studying whether elements of China's anti-scam framework could be adapted locally. This demonstrates that the proposed platform law is increasingly being viewed not only as a competition and consumer-protection measure, but also as part of a wider digital governance framework addressing fraud, platform accountability and cooperation between government and private operators.

From a legal and business perspective, the revision may reduce the risk of Thailand adopting platform obligations that are disproportionate to the size and maturity of its digital market, but it also creates uncertainty over the final compliance framework. Online marketplaces, e-commerce businesses and major technology platforms should monitor the redrafting closely, particularly rules concerning fee structures, consumer protection, platform governance, digital identity and anti-fraud responsibilities. For Thai merchants and smaller businesses, the eventual framework could materially affect bargaining power and platform costs. The key challenge for policymakers will be creating meaningful accountability without imposing regulatory burdens that discourage investment, innovation or participation in Thailand's digital economy.

Thailand's Cybersecurity Bill Pushes Duties Beyond CII Operators

Thailand is considering significant draft amendments to the Cybersecurity Act B.E. 2562 (A.D.2019) that could broaden cybersecurity obligations beyond organisations formally designated as Critical Information Infrastructure (CII). The National Cyber Security Committee (NCSC) has released the draft amendments for public consultation, after which they are expected to proceed to the Cabinet and the Parliament for consideration. Among the proposed changes are a clearer distinction between a "cyber threat" and a "cyber threat incident", expanded incident-reporting obligations for certain private-sector organisations, greater oversight of external service providers to CII organisations, and the addition of the industrial sector as a new CII category. The proposals remain draft legislation and are not yet in force.

One of the most consequential changes is the potential expansion of cyber incident reporting beyond the existing CII framework. Private-sector organisations to be identified under future subordinate regulations could be required to report incidents that affect or may affect cybersecurity, including matters connected with national or military security, economic security, international relations or public order. Failure to make a required report without reasonable grounds could attract criminal penalties. The practical scope of this obligation will therefore depend heavily on the organisations and incidents ultimately prescribed by implementing regulations.

The draft would also extend the reach of cybersecurity regulation indirectly to vendors serving CII organisations. CII operators would be required to oversee and monitor external providers for compliance with prescribed cybersecurity standards and the Cybersecurity Act. If a provider fails to remedy non-compliance within 60 days, the NCSC could require the CII organisation to consider discontinuing the relevant service. The NCSC would also notify government agencies, relevant regulators and CII organisations of non-compliant providers, effectively establishing a regulatory blacklist. Notably, the proposal as described does not provide the service provider an opportunity to respond before being placed on that list.

These measures reflect the increasing dependence of critical operations on third-party technology and outsourced infrastructure. Cybersecurity risk no longer sits solely within the systems directly operated by a regulated organisation; vulnerabilities may arise through cloud services, enterprise software, AI solutions, maintenance providers and other external technology relationships. By placing responsibility on CII organisations to supervise their vendors, the draft would use procurement and contractual relationships as an additional regulatory channel. The proposed inclusion of the industrial sector as a CII category would further broaden the range of businesses potentially brought within Thailand's heightened cybersecurity framework.

From a legal and business perspective, the amendment could significantly reshape cybersecurity compliance for technology vendors as well as regulated operators. Cloud providers, software companies, AI service providers and outsourcing businesses supplying CII customers may find cybersecurity standards incorporated into service agreements, tenders, terms of reference and purchase orders even where those vendors are not directly designated as CII organisations. Businesses should therefore monitor the legislative process, future subordinate regulations and the eventual scope of the blacklist mechanism, while reviewing incident-response procedures and vendor-management arrangements. Until the amendment is enacted, however, these requirements should be treated as proposed reforms rather than existing legal obligations.

ESG, ENERGY & ENVIRONMENT

CBAM and Thailand's Climate Change Framework

The EU Carbon Border Adjustment Mechanism (CBAM), which entered its definitive regime on 1 January 2026, may have a significant impact on Thai exporters of covered products, particularly iron, steel and aluminium. CBAM requires EU importers to account for the carbon emissions embedded in imported products, creating an additional cost for exporters where applicable.

From a legal and regulatory perspective, CBAM also highlights the importance of Thailand establishing a credible domestic carbon-pricing and emissions-reporting framework. Where a carbon price has already been effectively paid in the country of origin, EU rules may allow the corresponding amount to be taken into account in determining the CBAM liability, subject to applicable requirements. Therefore, a legally recognised carbon tax or emissions trading system, together with reliable and verifiable emissions data, could help Thai exporters reduce the risk of paying carbon costs twice.

Thailand's proposed draft Climate Change Act is relevant in this regard, as it contemplates mechanisms such as carbon pricing, greenhouse-gas emissions reporting, an Emissions Trading System (ETS), and carbon taxation.

Therefore, Thai businesses exporting CBAM-covered products should assess their HS classification, country of origin, embedded emissions, applicable carbon costs and supporting verification requirements. Establishing a clear domestic carbon-pricing and reporting framework could help Thai businesses manage CBAM exposure and retain more of the economic value of carbon pricing within Thailand.

Thailand Puts Platform Power and SME Payment Practices on Notice

Thailand's Trade Competition Commission (TCCT) is preparing tougher competition rules on two fronts: ride-hailing and on-demand delivery platforms, and credit terms imposed by large businesses on small and medium-sized enterprises (SMEs). For digital platforms, the TCCT is developing guidelines covering service standards, deceptive or manipulative "dark patterns", driver verification, data traceability, algorithmic and pricing transparency, and platform responsibility. A public consultation is planned before stricter enforcement later in 2026. Separately, the TCCT has finalised draft credit-term regulations under the Trade Competition Act B.E. 2560 (2017), targeting payment practices between businesses with annual sales exceeding THB 500 million and SMEs.

The proposed platform rules represent a significant shift in how competition authorities view the role of digital intermediaries. The TCCT rejects the idea that platforms are merely neutral marketplaces where they control core elements of the transaction, including pricing, job allocation, payment systems, incentives and refunds. The planned framework would require platforms to verify drivers and vehicle legality, maintain structured and traceable driver information, explain pricing mechanisms such as surge pricing, and provide greater transparency over how algorithms allocate jobs and bonuses. Violations may ultimately expose operators to administrative fines of up to 10% of sales revenue in the year of the offence.

The policy rationale is increasingly focused on the market power created by platform design itself. Algorithms can influence what consumers pay, which drivers receive work and whether workers qualify for incentives, even where those decisions are not visible to users. By targeting dark patterns and black-box decision-making, the TCCT is moving competition oversight beyond conventional questions of price fixing or market concentration toward the architecture through which platforms shape commercial behaviour. Driver verification and traceability requirements also seek to narrow the regulatory gap between platform-based transport services and traditional public transport operators that already bear licensing and compliance costs.

The SME credit-term rules address a different form of bargaining-power imbalance. The draft would generally require payment within 45 days for trade, manufacturing and services and within 30 days for agricultural products and simple primary processed agricultural goods, subject to justified exceptions. Credit periods must be recorded in writing, while unjustified changes to payment terms or other contractual conditions—and changes made without at least 60 days' prior notice—would be prohibited. Contractual provisions that violate the rules would be legally void, and non-compliance could result in administrative fines of up to 10% of annual revenue, with a THB 1 million ceiling for a new business.

From a legal and business perspective, the two initiatives reflect a common regulatory objective: limiting the ability of businesses with superior bargaining or technological power to dictate opaque or unfair commercial conditions. Digital platforms should review driver onboarding, pricing algorithms, incentive structures, data retention and contractual allocations of responsibility, while large retailers, wholesalers and other businesses dealing with SMEs should reassess payment clauses and internal accounts-payable practices. The broader development signals a more interventionist phase of Thai competition enforcement in which algorithmic control, contractual leverage and actual market behaviour—not merely formal contractual terms—are increasingly likely to determine whether a business practice is considered fair.

FINANCIAL & BANKING

BOT Scrutinises Cash-Funded Property Deals

The Bank of Thailand (BOT) has opened a public hearing on proposed rules that would strengthen financial institutions' risk management for cash-related transactions of at least THB 5 million. The consultation, running from 5 August to 3 September 2026, covers large cash withdrawals and deposits, banknote exchanges, cash used for cheques and drafts, and certain foreign-banknote transactions. Under the proposal, banks would be expected to assess whether a customer's transaction behaviour, stated purpose and need for using cash are reasonable. The BOT specifically identifies a large cash withdrawal to purchase land or high-value property—where safer and more convenient payment methods are available—as an example that may warrant further scrutiny.

The proposal should therefore be understood as a financial-sector compliance measure rather than a new restriction on the legal right to purchase property with cash. Its focus is on how banks identify and respond to unusual cash activity before the financial system can be used to facilitate money laundering or other illicit transactions. If a customer's explanation is inconsistent with the transaction profile, or the transaction otherwise lacks a reasonable commercial rationale, the financial institution would be expected to take appropriate risk-management action. In practice, this is likely to make source-of-funds explanations and supporting financial records increasingly important for large cash transactions.

The timing is significant. Thai regulators have been broadening their response to financial crime beyond conventional cybersecurity and account-level fraud. Large cash transactions remain comparatively difficult to trace once funds leave the banking system, while property can provide a vehicle for converting substantial sums into high-value assets. The proposed THB 5 million threshold therefore reflects a shift toward identifying financial-crime risk at the point where cash enters or exits regulated financial institutions, rather than relying only on investigations after suspicious funds have already moved through the economy.

For the property sector, the practical impact may extend beyond banks. Buyers intending to fund land, condominium or other high-value property acquisitions through substantial cash withdrawals should expect more questions regarding the purpose of the transaction and the origin of the funds. Developers, brokers and legal advisers may also need to prepare clients for additional documentation and possible delays where a transaction involves unusual payment arrangements. The proposal does not itself alter Thailand's land-ownership restrictions or the rules governing foreign ownership of property, but it may make opaque funding structures more difficult to execute through regulated banks.

From a legal and business perspective, the direction of travel is clear: high-value transactions are increasingly being assessed not only by whether they are formally permissible, but also by whether the movement of funds is economically credible and sufficiently transparent. If adopted, the BOT's proposal would place greater operational responsibility on financial institutions while indirectly raising compliance expectations for property purchasers and businesses handling high-value transactions. Parties planning significant cash-funded acquisitions should therefore maintain a clear documentary trail showing the source, purpose and commercial rationale of the funds and consider using traceable payment methods where appropriate.

OIC Registrar's Notification Re: Capital Adequacy Report of Life Insurance Companies (No. 6)

On August 26, the Office of Insurance Commission (OIC) published the Registrar's Notification Re: Prescription of Rules, Procedures, and Conditions for the Preparation of Capital Adequacy Reports of Life Insurance Companies (No. 6). This Notification shall come into force from March 31, 2026, onwards, to improve the requirements for reporting financial status and Risk-Based Capital (RBC) maintenance, ensuring they are more rigorous and aligned with standards.

The key contents of the regulatory updates in this Notification consist of four main points as follows:

This Notification explicitly specifies the cycles for preparing and submitting capital adequacy reports to the Registrar, which include:

- Annual Report: The first part of the data must be submitted within four months from the end of the calendar year, and the remaining data must be submitted within five months from the end of the calendar year.
- Quarterly Report (specifically for Q1, Q2, and Q3): For the months of March, June, and September, the report must be submitted within 45 days from the end of each respective quarter.
- Q4 Report (December): Must be submitted within four months from the end of the calendar year.
- Monthly Report: For other months that are not quarter-end months (Jan, Feb, Apr, May, Jul, Aug, Oct, Nov, and Dec), the report must be submitted by the end of the month.

FOREIGN INVESTMENT

Thailand Opens More Business Activities to Foreign Investors

Thailand has taken another step toward easing foreign investment restrictions under the Foreign Business Act B.E. 2542 (1999) (FBA). On 28 August 2026, the Ministry of Commerce issued ministerial regulations removing eight categories of business from the requirement to obtain a Foreign Business License (FBL) or Foreign Business Certificate (FBC). The exemptions are in effect and apply to qualifying foreign majority-owned companies and foreign entities operating in Thailand. The reform follows the government's earlier proposal to remove regulatory duplication for activities already supervised under sector-specific laws or considered to have limited competitive impact on Thai businesses.

The first group of exemptions covers activities already subject to specialised regulatory regimes. These include certain telecommunications services conducted under Type 1 licences by operators without their own telecommunications networks, treasury centre businesses, lending for the purchase of securities, reverse repurchase transactions, and specified derivatives activities. The underlying policy is that requiring an additional approval under the FBA may be unnecessary where another regulator already exercises substantive oversight. The changes therefore reduce overlapping licensing requirements without removing the sector-specific approvals that continue to apply to those businesses.

A second important category concerns services provided between related juristic persons. Administrative management, human resources management and IT management services, together with domestic financial guarantees, may qualify for exemption where the entities satisfy the relationship characteristics prescribed by the relevant ministerial regulation. This exemption is narrower than a general group-company exemption: according to the legal update, it applies only to specified relationships and should not be assumed to cover affiliated or group companies automatically. Foreign-owned corporate groups should therefore confirm that their particular structure satisfies the prescribed criteria before relying on the exemption.

The regulations also remove FBA approval requirements for certain supporting activities with limited competitive impact, including qualifying petroleum drilling services provided directly to concessionaires, production-sharing contractors or service contractors under petroleum laws, and leasing space for electronic financial-service machines or vending machines for employee convenience. A separate Royal Decree removing agricultural futures trading on a derivatives exchange from FBA requirements is also expected. These developments show a more targeted approach to foreign business regulation, focusing restrictions on activities where foreign participation raises substantive competition or policy concerns rather than retaining duplicative approval requirements across regulated sectors.

From a legal and business perspective, the exemptions can simplify market entry and intra-group operations for foreign investors, but they do not amount to a general liberalisation of the FBA. Businesses must still determine whether their precise activities fall within an exempt category, satisfy any relationship or transaction-specific conditions, and comply with licences and approvals requirements imposed under other applicable laws. Foreign-owned companies currently operating under an FBL or FBC should also consider how the new rules affect their regulatory position and future restructuring. The reform reduces one layer of approval for selected activities, but careful activity-by-activity analysis remains essential before concluding that an FBA licence is no longer required.

IMMIGRATION

Thailand Sets a Clearer and Faster Path to Deportation

Thailand has introduced a new framework for deporting foreign nationals following the publication of the Prime Minister Office 's Regulation on Deportation B.E. 2569 in the Royal Gazette. The regulation is intended to make deportation procedures faster and more effective in protecting public order, morality and safety. It authorises the Permanent Secretary of the Ministry of Interior, or an authorised representative, to refer cases involving foreigners whose conduct threatens public order to the Interior Minister for a deportation decision. The framework applies to a range of conduct, including illegal entry or stay, unlawful employment, violations of the Foreign Business Act, forgery of official documents, serious criminal offences punishable by at least five years' imprisonment, and participation in such offences as a principal, instigator or supporter.

The regulation creates a more structured link between criminal proceedings and immigration enforcement. Where a foreign national has served a prison sentence following a final conviction, the Interior Minister may order deportation immediately upon release. To facilitate this, the Corrections Department must provide the Permanent Secretary with the individual's name, nationality and case information at least 15 days before release. Court must also promptly notify the authorities where a sentence is suspended or a fine is imposed. A deportation order may additionally prohibit the individual from re-entering Thailand, giving the framework consequences beyond the immediate removal process.

The apparent policy objective is to reduce procedural delays and enable authorities to act more quickly where foreign nationals have committed serious offences or otherwise breached Thai immigration, employment or business law. By requiring information sharing before a prisoner's release and establishing a defined referral process to the Interior Minister, the regulation seeks to avoid situations in which deportation proceedings begin only after the individual has already completed the criminal process. The government has also linked the measure with a broader "zero tolerance" approach toward foreign visitors who violate Thai law or engage in conduct considered contrary to public order or social peace.

At the same time, the regulation expressly requires deportation to comply with applicable laws, Cabinet resolutions and Thailand's international obligations. Foreign nationals will ordinarily be returned to their country of nationality or, where nationality is uncertain, their last reported country of residence before entering Thailand. The framework also allows a foreign country or international organisation to request transfer to its territory or a third country where concerns exist over torture, cruel or inhumane treatment, threats to dignity or enforced disappearance. Such a request must generally be made within seven days of the deportation order, the requesting party must bear the expenses, and the deportee must provide written consent. The transfer is generally to be completed within 30 days, subject to limited extensions.

From a legal and business perspective, the regulation makes immigration consequences more immediate for foreign nationals whose activities breach Thai law. Foreign employees, investors, directors and business operators should recognise that violations involving immigration status, work authorisation, unlawful business operations or serious criminal conduct may trigger a more coordinated path from enforcement proceedings to deportation and possible re-entry restrictions. For employers and businesses engaging foreign personnel, the development reinforces the importance of immigration, work-permit and Foreign Business Act compliance. More broadly, the regulation strengthens Thailand's enforcement machinery while leaving the practical application of its safeguards—particularly where removal may expose an individual to serious harm—as an important area to monitor.

INTERNATIONAL TRADE

Thailand Redraws the Rules for Postal and Parcel Delivery

The Digital Economy and Society (DES) Ministry is conducting a fresh review of the proposed draft amendment to the Postal Act after almost two years of drafting and public consultation. The existing Postal Act has been in force since 1934, while the postal and delivery market has since evolved into a competitive ecosystem involving Thailand Post, private parcel operators, logistics businesses and digital platforms. The latest review focuses on the proposed regulatory structure, the composition and authority of the regulator, and—most importantly—the legal classification of postal and delivery services. The Ministry aims to establish a clearer framework for bringing relevant operators into the regulatory system while strengthening competition and consumer protection.

Under the draft, a seven-member Postal Business Regulatory Commission would be established with powers to issue, suspend and revoke licences, register operators, prescribe service standards and consider consumer complaints. Operating without the required licence or registration could face fines ranging from THB 250,000 to THB 1 million. Thailand Post would initially retain responsibility for reserved postal services and universal basic services and receive an initial licence automatically before becoming subject to renewal requirements. The draft also contemplated a fund for universal postal services financed partly through licensing and registration fees, administrative fines and contributions from regulated operators, while Thailand Post's reserve and universal basic services would be exempt from the revenue-sharing requirement.

The renewed review appears to reflect a fundamental difficulty in applying a traditional postal law to a market whose boundaries have become increasingly blurred. Parcel delivery is no longer performed only by conventional postal businesses. E-commerce platforms may simultaneously operate marketplaces, logistics networks and delivery services, while app-based operators can connect merchants, drivers and consumers within the same ecosystem. The legal classification of these activities is therefore critical because it determines whether an operator must register, obtain a licence, pay regulatory fees, comply with prescribed service standards or face penalties. An overly broad definition could impose postal-style regulation on businesses whose principal activities lie elsewhere, while an overly narrow definition could leave significant delivery operators outside the regulatory framework.

Fair competition between Thailand Post and private operators is another central issue. The DES Ministry has indicated that identical rules do not necessarily produce a level playing field where market participants have different public-service obligations or structural advantages. The revised framework must therefore balance Thailand Post's role in providing universal services with the need to avoid unnecessary competitive advantages over private businesses. Consumer choice is also becoming part of the regulatory debate, particularly where digital platforms integrate marketplace and delivery functions and may influence which delivery provider a customer can use.

From a legal and business perspective, the eventual amendment could reshape the compliance landscape for parcel delivery, logistics and platform businesses in Thailand. The key issue for operators will be where the final legislation draws the boundary between a regulated postal business, a parcel delivery provider and a digital platform offering delivery as part of a broader service. That classification could directly affect licensing, registration, fees, service standards and exposure to administrative penalties. Businesses operating across e-commerce and logistics should therefore monitor the revised draft closely and assess whether their existing operating models could fall within the new regulatory perimeter. For policymakers, the challenge will be modernising a law designed for the postal market of 1934 without imposing a framework that distorts competition in platform-driven delivery economy.

US-Thailand Trade Talks Target a More Strategic Economic Partnership

Thailand and the United States are seeking to deepen their economic relationship through expanded investment, more balanced trade and stronger supply-chain cooperation. At the Thai-US Trade and Investment Summit 2026, Commerce Minister Suphajee Suthumpun called for stronger trade and investment ties and presented Thailand as a potential secure manufacturing and supply-chain base amid geopolitical uncertainty. The discussions also point toward continued negotiations on a US-Thailand Agreement on Reciprocal Trade (ART), with Thailand seeking a balanced outcome that creates benefits for both countries.

The policy direction reflects Thailand's effort to reposition itself within changing global trade patterns rather than relying primarily on traditional export competitiveness. The government is promoting investment in digital technology, artificial intelligence, robotics, automation, semiconductors, clean energy, biotechnology and next-generation vehicles, while emphasising a transparent and predictable regulatory environment. With Thai companies having invested more than US$19 billion in the United States, the relationship is also increasingly being framed as a two-way investment partnership rather than simply a market-access discussion.

Trade imbalances remain a central issue. US officials have identified Thailand as a key supplier of products including seafood, rubber, automotive parts and electronics, while Thailand has indicated that it could expand imports from the United States in areas such as energy, advanced machinery and equipment, agricultural products, farming technology, seafood-processing materials, wine and spirits. The proposed ART therefore appears intended to address reciprocal market access and create a framework for negotiating trade barriers, while also responding to US concerns over the bilateral trade balance.

For Thailand, however, negotiations will require careful management of domestic interests. Increased imports may support industrial upgrading and supply-chain resilience, but agricultural negotiations in particular could expose Thai producers to greater competition. Industry representatives have therefore called for agricultural trade discussions to be separated from broader negotiations to ensure fair treatment for farmers. The talks also take place against concerns over transshipment, meaning that rules of origin, customs compliance and verification of the genuine Thai origin of exports are likely to remain important elements of the wider trade relationship.

From a legal and business perspective, progress toward an ART could have implications well beyond tariff reductions. A negotiated framework may affect customs procedures, market-access conditions, rules of origin, regulatory standards and investment decisions across sectors linked to US-Thailand trade. Exporters and manufacturers should therefore monitor the negotiations not only for changes in tariff treatment, but also for compliance requirements that may influence sourcing and supply-chain structures. If Thailand can combine greater market access with predictable regulation and protection of sensitive domestic sectors, the negotiations could strengthen its position as a strategic production and investment base in an increasingly fragmented global trading environment.

LABOUR LAW

Thailand Expands Labour Protection Beyond the Traditional Workplace

Thailand's Cabinet has approved a package of four labour measures designed to close gaps in existing protections for seafarers, home-based workers and state enterprise employees. The package comprises two draft legislative amendments and two regulations, reflecting changes in employment models as well as the legal consequences of Thailand's marriage equality law. The proposed amendments concern the Maritime Labour Act and the Home Workers Protection Act, while the regulations would revise welfare terminology and entitlements for state enterprise employees.

Under the proposed draft amendment to the Maritime Labour Act, employers would be required to enrol qualifying seafarers directly in the social security and workers' compensation systems, extending access to all seven categories of social security benefits and protection for work-related accidents. The draft would also restrict shipowners from allowing seafarers under 18 to work between 10pm and 6am, subject to limited exceptions for training or legally permitted duties. The measure, which would apply to workers on transport vessels rather than fishing boats, is intended to bring Thai law into closer alignment with the International Labour Organisation's Maritime Labour Convention, 2006.

The proposed draft amendment to the Home Workers Protection Act addresses a different regulatory gap created by the expansion of non-traditional and platform-enabled work.

Coverage would be extended to work obtained through online platforms and would encompass industrial, commercial, agricultural and service-sector activities. The draft would set a minimum working age of 15, prohibit workers under 18 and pregnant women from hazardous work, and impose significant penalties for employing children below the minimum age. It would also introduce fair remuneration standards and require employers that fail to pay workers or delay returning security deposits to pay annual interest of 15%.

The remaining measures respond directly to the implementation of marriage equality. Two regulations governing state enterprise employees would replace gender-specific references to “husband” and “wife” with the gender-neutral term “spouse”. As a result, legally married spouses of all genders would have equal access to compensation, medical benefits and funeral assistance, with the changes applying retroactively from the date the marriage equality law took effect. This illustrates how marriage equality is producing consequential amendments beyond family law, requiring employment and welfare frameworks to be reviewed for provisions that continue to distinguish benefits by gender.

From a legal and business perspective, the package demonstrates a broader effort to modernise Thai labour protection around the reality of how people now work and form legally recognised families. Employers and businesses engaging seafarers or home-based and platform-connected workers may need to reassess social security registration, remuneration, working conditions, age restrictions and payment practices once the relevant amendments are enacted. State enterprises will likewise need to update benefit administration to recognise spouses equally regardless of gender. More broadly, the measures suggest that businesses should expect labour compliance obligations to extend increasingly beyond conventional employer-employee arrangements as Thai law adapts to platform work, informal employment and wider social reforms.

Thailand’s Refugee Framework Faces an OECD Rule-of-Law Test

Thailand’s treatment of refugees and asylum seekers is receiving renewed attention as the country simultaneously serves on the United Nations Human Rights Council for 2025–2027, advances its accession to the Organisation for Economic Co-operation and Development (OECD), and pursues closer economic relations with the European Union. Thailand does not have a dedicated refugee law, and the Immigration Act does not generally distinguish an undocumented migrant from a person seeking international protection. The National Screening Mechanism (NSM), introduced in 2019 and implemented since 2023, allows eligible foreigners who cannot safely return to their countries to be recognised as “Protected Persons”, but applicants may remain exposed to immigration enforcement while their protection claims are pending.

The issue has become more significant following Cabinet’s initial approval on 14 July of a draft regulation concerning deportation. Concerns raised in the commentary focus on whether the proposed process provides adequate safeguards for refugees and asylum seekers who may face serious harm if returned. Particular issues include the need for protection screening before removal, the treatment of stateless persons, delays caused by receiving countries, safeguards for children and access to effective judicial review. The central legal question is therefore not whether Thailand may enforce its immigration laws, but whether deportation procedures are sufficiently connected to the NSM and other protection mechanisms before removal takes place.

Although Thailand is not a party to the 1951 Refugee Convention, its domestic and international obligations still impose limits on removal in certain circumstances. Thailand is a party to the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment and the International Convention for the Protection of All Persons from Enforced Disappearance. Section 13 of the Prevention and Suppression of Torture and Enforced Disappearance Act also prohibits the removal of a person where there are reasonable grounds to believe that the person would face torture, cruel, inhuman or degrading treatment, or enforced disappearance. The legal challenge is therefore ensuring that immigration enforcement procedures operate consistently with these non-refoulement protections.

The timing matters because OECD accession involves more than economic liberalisation. Thailand's laws, policies and administrative practices are being reviewed across areas including investment, labour, social policy and governance, placing greater emphasis on predictable, transparent and consistent implementation of the rule of law. The commentary argues that refugee and deportation policy therefore forms part of the wider institutional picture against which Thailand's international commitments may be assessed. The European experience is cited to illustrate that stronger migration controls can coexist with individual assessment and non-refoulement safeguards rather than requiring a choice between border enforcement and human-rights protection.

From a legal and broader economic perspective, the development highlights the increasing connection between migration governance, institutional credibility and Thailand's international economic ambitions. A clearer legal interface between the NSM and deportation procedures could reduce uncertainty for officials and individuals while demonstrating that removal decisions incorporate Thailand's existing protection obligations. More broadly, predictable legal status and access to lawful employment may also reduce exploitation and enable refugees and migrants to participate more productively in the economy. As Thailand pursues OECD membership and closer ties with the EU, the effectiveness of its refugee framework may therefore become relevant not only as a human-rights issue, but also as an indicator of rule-of-law standards and responsible governance.

TAXATION & EXCISE

Bangkok Considers New Hotel Tax and Land Tax Measures

The Bangkok Metropolitan Administration (BMA) is considering amendments to its legal framework to introduce new local tax measures, including a proposed 3% tax on hotel and accommodation room charges. The proposal is intended to provide the BMA with additional revenue, potentially generating approximately THB 1 billion annually. However, the proposed tax rate has raised concerns among tourism operators regarding its potential impact on businesses already facing challenging market conditions.

The Thai Hotels Association has suggested that the BMA initially impose a lower rate of 0.5–1%, rather than the proposed 3%. Hotel operators have also called for greater clarity on how the additional revenue would be used, including potential reinvestment in tourism promotion, sustainability initiatives and measures supporting the hospitality sector. The proposal also highlights the importance of ensuring that any new tax does not place compliant hotel operators at a competitive disadvantage compared with illegal or unlicensed accommodation providers.

From a legal and regulatory perspective, the proposed hotel tax would require amendments to the BMA's existing statutory framework, as the BMA currently does not have specific authority to impose such a levy. This differs from provincial administrative organisations, which may impose hotel maintenance fees under the Provincial Administrative Organization Act. The development therefore demonstrates the potential expansion of local governments' fiscal powers and may have broader implications for businesses operating in Bangkok.

The BMA is also considering adjustments to land and building tax rates applicable to agricultural land. The proposed changes are intended to address arrangements where landowners maintain only minimal agricultural activities to benefit from lower tax rates. While the measure seeks to close potential tax loopholes and encourage productive land use, higher tax liabilities based on land value and location could affect investment decisions, particularly where landowners are unable to generate sufficient commercial returns from development.

Overall, the proposed measures reflect the BMA's broader efforts to strengthen local revenue collection and address perceived gaps in the existing tax system. However, the implementation of new local taxes will need to balance revenue objectives with the competitiveness of Bangkok's tourism sector and the potential economic impact on property owners and businesses.

One-Year Extension of the Reduced Value Added Tax (VAT) Rate to be 7%

The Thai Cabinet has officially resolved to extend the reduced Value Added Tax (VAT) rate of 7% for an additional year. This statutory extension will be effective from October 1, 2026, through September 30, 2027.

On 27 July 27 2026, the Cabinet approved in principle the draft Royal Decree issued under the Revenue Code Regarding the Reduction of Value Added Tax Rates This legislative instrument formally extends the current reduced rate, which was otherwise scheduled to expire on September 30, 2026. The stipulated 7% rate is inclusive of the designated local/municipal tax component.

The Revenue Department, the Ministry of Finance proposed this extension as a strategic response to current macroeconomic pressures. The primary policy rationales driving this legislative extension include:

1. Mitigating the potential economic impact of ongoing instability in the Middle East region.
2. Cushioning the anticipated increases in freight and logistics costs, as well as the rising prices of general consumer goods.
3. Supporting the continuous expansion of the Thai economy by deliberately delaying widespread price increases for domestic goods and services.
4. Maintaining stable domestic consumption levels to ensure that overall economic growth continues to align with national targets.

Tax Incentives Aim to Get U-Tapao Back on the Runway

The Thai government is preparing a package of tax and investment measures intended to accelerate the long-delayed U-Tapao Airport and Eastern Aerotropolis project in the Eastern Economic Corridor (EEC). The Cabinet has acknowledged urgent measures approved by the EEC Policy Committee to improve the investment environment and attract target industries. A key proposal would allow qualifying businesses to deduct twice the amount of eligible capital expenditure (CapEx) and operating expenditure (OpEx) for corporate income tax purposes. Other measures under consideration include additional incentives linked to highly skilled workers, advanced technology, clean energy, high-value assets and technology transfer, together with a special EEC visa and reduced corporate income tax rates for international air transport operators.

The incentives form part of a broader effort to restart momentum around a strategically important EEC development that has faced significant delays. The EEC Office entered into a 50-year public-private investment agreement with U-Tapao International Aviation Co in June 2020, but development has not progressed as originally anticipated. The government is seeking to move beyond construction of airport infrastructure by stimulating wider economic activity around the project. The EEC Office has been instructed to accelerate the necessary legal and administrative work so that the measures can take effect by 30 September 2026.

The proposed approach also shows that the government is using tax policy to influence the type and quality of investment attracted to the area, rather than simply offering a general reduction in tax costs. Additional benefits may favour businesses deploying skilled labour, modern technology and clean energy or making high-value investments accompanied by technology transfer. The measures are expected to be granted for five-year periods and reviewed before any extension, allowing the government to reassess whether the incentives continue to deliver the intended investment and economic outcomes.

The airport project is also being positioned as the centre of a broader transport, tourism and industrial ecosystem. The government plans to study cruise and yacht ports and feeder transport links connecting U-Tapao with surrounding tourism and business activities. According to the government figures reported, the project is expected to attract approximately THB 1.3 trillion in private investment over its lifetime, create more than 63,700 jobs and generate around 400,000 additional foreign tourist arrivals annually. These projections underline why the government is treating the project's acceleration as both an infrastructure priority and an economic-development initiative.

From a legal and business perspective, the package could create significant opportunities for investors in aviation, logistics, technology, clean energy and other EEC target industries, but the practical value of the incentives will depend on the detailed eligibility criteria and implementing rules. Businesses considering investment should monitor which CapEx and OpEx categories qualify for the double deduction, the conditions attached to enhanced incentives, and how the special visa and aviation tax measures will operate. As the measures remain subject to further legal and administrative implementation, the coming rules will be critical in determining whether the new incentive package can translate the government's ambitious U-Tapao investment targets into actual project activity.

Thailand Reassesses Auto Tax Policy as the EV Market Matures

Thailand is preparing a broad review of its automotive excise tax structure as the government seeks to retain investment and adapt its policies to the rapid expansion of the electric vehicle (EV) market. The Finance Minister has instructed the Excise Department to review applicable tax rates and related rules with the aim of maintaining fair competition while supporting businesses that invest, manufacture vehicles and components, and create employment in Thailand. The review will cover electric, hybrid and internal-combustion engine vehicles, signalling that the government is reassessing the tax framework across the automotive sector rather than focusing exclusively on EVs.

A key issue will be the relationship between domestic production incentives and Thailand's free trade agreement commitments. Existing FTAs can provide tariff advantages for fully assembled vehicles imported from certain trading partners, potentially affecting the competitive position of manufacturers producing locally. The government therefore intends to consider measures that encourage importers to progress toward longer-term investment, with new models and technologies initially introduced for market assessment before potentially being expanded into domestic production.

The review reflects a change in policy priorities as Thailand's EV industry enters a more mature phase. Earlier incentive programmes were designed primarily to attract EV investment and accelerate adoption, helping Thailand establish itself as an important regional production base. With investment now in place and competition intensifying, the government is considering how tax incentives can generate broader and more durable benefits for the domestic economy. This includes strengthening local supply chains, supporting Thai component manufacturers and encouraging movement into higher-value technologies aimed principally at increasing vehicle sales rather than relying indefinitely on tax aimed principally at increasing vehicle sales incentives only..

The policy also seeks to reinforce Thailand's position as a regional hub for EV and environmentally friendly vehicle production and exports. A tax structure that differentiates effectively among technologies, production models and levels of domestic economic contribution could influence future investment decisions across the automotive value chain. At the same time, policymakers will need to balance support for local manufacturing against consumer choice, international trade obligations and technological neutrality as electric, hybrid and conventional vehicle technologies continue to evolve.

From a legal and business perspective, the review could affect vehicle manufacturers, importers, component suppliers and investors planning future production in Thailand. Businesses should monitor potential changes to excise rates, eligibility conditions and the treatment of imported versus locally manufactured vehicles, particularly where investment structures rely on existing EV incentives or FTA tariff benefits. No revised tax rates have yet been announced, and the review remains a policy exercise. The eventual framework will therefore be important in determining whether Thailand's next phase of automotive incentives continues to reward market entry or increasingly links tax benefits to local investment, production, employment and technology development.

Thailand Weighs Gold Tax to Trace Grey Capital

The Finance Ministry and the Bank of Thailand are considering taxes on gold imports and domestic gold trading as part of a broader effort to prevent "grey capital" from being channelled through the financial system. The proposal remains under study and no tax rate or final framework has been announced. According to the Finance Minister, the authorities are examining both gold-trading transactions and imports of bullion that has not been processed into jewellery. The stated objective is not primarily to raise government revenue, but to improve visibility over who is buying and selling gold and how transactions are conducted.

The proposal reflects concern that the existing gold market may provide insufficient transaction information for authorities seeking to identify suspicious financial flows. The government's Data Bureau committee has reportedly been monitoring relevant information and identified activity suggesting that gold transactions can be used to conceal illicit funds. A relatively low tax could therefore function not simply as a fiscal charge, but as a regulatory mechanism that creates a clearer transaction trail and gives authorities greater ability to identify participants and follow the movement of funds.

The initiative also forms part of a wider policy response to financial crime across different asset classes. The Finance Minister indicated that the government is examining channels used by grey capital beyond gold, including digital assets, where the Securities and Exchange Commission and the Bank of Thailand are also cooperating on transaction monitoring. This suggests an increasingly coordinated approach in which regulators seek greater transparency over assets and transactions that may sit outside conventional banking visibility, rather than treating each market as an isolated enforcement issue.

However, the proposal raises concerns over its potential impact on Thailand's established gold market. The Gold Traders Association has opposed the tax, arguing that it could weaken the domestic investment ecosystem and reduce Thailand's prospects of developing as a regional gold-trading hub. The association has also pointed to Thailand's previous experience with a gold tax, which was abolished in 1998, and questioned whether its reintroduction would be appropriate in the present economic environment. The government has acknowledged the need to consult the industry and balance stronger oversight against the risk of disrupting legitimate trading activity.

From a legal and business perspective, the eventual design of the measure will be more important than the headline introduction of a tax. Gold traders, importers, investors and financial institutions should monitor whether the government proceeds with a transaction tax, an import tax, or a combination of measures, as well as any accompanying reporting and identification requirements. Because the proposal remains under consideration, businesses should not yet treat a new gold tax as an enacted obligation. Nevertheless, the policy direction indicates that transaction traceability and source-of-funds transparency are becoming increasingly important components of Thailand's response to money laundering and grey capital.

The Public Hearing announced by the Excise Department regarding the draft regulation on tobacco export tax exemptions and refunds

The Public Hearing Announcement from the Excise Department signifies a transition from an upfront tax-exempt model to a strictly regulated "pay-first, refund-later" framework for tobacco products designed for export. Legally, this transition is rooted in the Draft Ministerial Regulation on Tobacco Export Tax Exemptions and Refunds, which modifies the implementation of tax privileges under Section 103 of the Excise Tax Act B.E. 2560 . By shifting from immediate tax exemption to a mandatory upfront excise payment coupled with post-export verification, the Thai government is effectively codifying a rigorous anti-smuggling mechanism into local tax administration. This provides a precise legal definition of compliance, which shifts responsibility to domestic industrial operators and importers to ensure that actual exportation is verified before any tax relief is legally granted.

From an operator’s and importer’s perspective, these regulations impose a dual-edged legal reality where the burden of upfront tax payments and cash-flow constraints is balanced against the operational simplification of excise stamp exemptions. Industrial operators can operate with greater legal certainty, knowing that once excise taxes are paid, they are exempt from the requirement to affix physical excise stamps on their export packages. Furthermore, the introduction of these clear legal requirements facilitates more efficient government oversight by providing excise officers with a definitive verification checklist for actual shipments, rather than relying on the "FOR EXPORT ONLY" package marking which has failed to halt domestic smuggling. This clarity is designed to minimize tax evasion by illicit re-importation and reduce the long-term administrative burden on the state to trace undocumented products in the local market. Ultimately, the legal objective of this policy is to uphold the state's duty to collect public revenue and ensure market fairness by establishing a rigorous standard of tax enforcement that significantly lowers the national statistics of tobacco smuggling.

UN Tax Convention Challenges Where Multinationals Pay Tax

Countries are negotiating a proposed United Nations Framework Convention on International Tax Cooperation that could reshape the rules governing how multinational enterprises are taxed across jurisdictions. The latest negotiating round in New York concluded with further talks scheduled for Nairobi in November 2026, while a final treaty text is currently targeted for 2027. A central issue is whether international tax rules should move away from taxing multinational profits primarily where companies report them and place greater emphasis on where the underlying economic activity, employees and customers that generate those profits are located.

The debate reflects longstanding concerns over profit shifting and the ability of multinational groups to allocate taxable income to low- or no-tax jurisdictions through cross-border structures and intra-group transactions. Research cited in the commentary by Public Services International and the Tax Justice Network estimates that governments could collect substantially more corporate tax if profits were allocated according to where businesses actually operate. The proposed approach is described as a shift from “pay-where-you-say” toward “pay-where-you-play”, with the objective of reconnecting taxing rights to substantive economic activity rather than the jurisdiction in which profits are ultimately booked.

Such an approach would represent a significant departure from the existing international tax architecture, particularly the reliance on transfer pricing to determine the allocation of profits between related entities. Under current rules, multinational groups generally price transactions between associated enterprises by reference to arm’s-length principles. The model advocated in the commentary would instead place greater weight on factors such as employees, sales and operational presence when allocating taxable profits among countries. If reflected in the eventual Convention, this could materially change how multinational groups structure cross-border operations and how taxing rights are divided between source, market and residence jurisdictions.

Transparency is another important element of the negotiations. The commentary argues for stronger country-by-country reporting (CbCR), under which multinational enterprises disclose key financial information separately for each jurisdiction in which they operate. Existing OECD rules already require certain large multinational groups to provide CbCR information confidentially to tax authorities, but access is not uniform across jurisdictions. A global framework providing broader access—or potentially public reporting—could give tax authorities, particularly in lower-income countries, greater visibility over the geographic distribution of revenue, profits, employees and taxes within multinational groups.

From a legal and business perspective, the UN negotiations should be viewed as a potentially important development in the continuing shift toward taxation based on economic substance and greater cross-border transparency. The final Convention has not yet been agreed, and the eventual allocation rules and reporting obligations will depend on the negotiating process. Nevertheless, multinational groups should monitor whether the Convention moves toward a more formula-based allocation of profits and expanded CbCR requirements, as either development could affect transfer pricing policies, holding and financing structures, tax risk management and the allocation of taxable profits across jurisdictions. For countries such as Thailand that participate extensively in multinational supply chains, any eventual change in international taxing rights could also influence both tax administration and investment structuring.

TRANSPORTATION

Proposed Amendments to Thailand's Land Transport Act

The Department of Land Transport ("DLT") is currently holding a public hearing on the Draft Amendment to the Land Transport Act ("Draft"). Recognizing that public transport directly impacts citizens' daily lives and safety, the DLT aims to maintain a robust, committee-based licensing framework to ensure transparent oversight, fair fares, and orderly services. However, to make this regulatory system more agile, the Draft introduces a significant shift toward decentralization. By delegating key regulatory and operational powers to Local Government Organizations ("LGOs") and Provincial Land Transport Control Committees, the amendment seeks to empower local authorities to respond effectively to their communities' specific needs without compromising national transport standards.

The Draft legislation introduces five major updates:

1. Empowering Local Governments: LGOs that have statutory duties regarding transportation will be explicitly granted the right to apply for transport operation licenses. This covers regular route transport, non-

regular route transport, and small vehicle transport.

2. Decentralized Routes and Fares: Provincial Land Transport Control Committees will be granted the authority to determine transport routes and set passenger fares for regular transport services strictly within their respective provinces. This removes the previous bottleneck of requiring approval from the Central Land Transport Control Committee.
3. Station Zoning Authority: The power to designate locations for establishing transport stations within a province will shift from the Central Committee to the Provincial Committees, as delegated by the Central Committee.
4. DLT Station Establishment: When the DLT establishes transport stations, it will require approval from the Central Committee for stations in Bangkok, or the respective Provincial Committee for stations in other provinces.
5. Private Station Licensing: Entities seeking to establish and operate transport stations must obtain a license from either the Central Registrar, with Central Committee approval, or the Provincial Registrar, with Provincial Committee approval, depending on the station's jurisdiction.

The public hearing period is scheduled from 14 August 2026 to 13 September 2026.

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