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Legal Insight Vol. July 2026

ALCOHOL

Thailand Moves to Close Loopholes in Alcohol Sales Regulations

Thailand's Alcohol Control Committee is reviewing the existing alcohol control framework to address regulatory loopholes, particularly those involving self-service alcohol dispensers. The proposed changes aim to strengthen controls over alcohol sales and consumption while clarifying the obligations of businesses operating venues where alcohol is served.

The proposed amendments would expand the scope of restrictions applicable to self-service alcohol dispensers, which have raised concerns regarding compliance with existing alcohol control requirements. The government is considering clearer rules to ensure that businesses cannot use alternative sales or service models to circumvent restrictions applicable to conventional alcohol sales.

The review is part of the government's broader efforts to strengthen enforcement of Thailand's alcohol control laws. Businesses involved in restaurants, hotels, entertainment venues and other establishments selling or serving alcoholic beverages should therefore pay particular attention to whether their operating models, sales processes and equipment comply with the revised requirements once implemented.

The proposed changes may also increase compliance responsibilities for business operators, particularly those using automated or self-service systems. Operators should review their current alcohol sales practices and assess whether their business models could fall within the expanded regulatory scope.

The government's approach reflects a broader policy objective of closing gaps in the existing regulatory framework rather than creating entirely new restrictions on alcohol businesses. The final scope and requirements will depend on the outcome of the regulatory review and any amendments ultimately adopted.

Businesses engaged in the sale or service of alcoholic beverages should monitor the development closely and review their existing operations to identify potential compliance risks, particularly where self-service or automated alcohol dispensing systems are used.

CANNABIS

Thailand's Cannabis Policy Moves Toward a More Controlled Medical Framework

Thailand's cannabis policy is once again moving toward tighter regulation, as the governmentpushes for legislation that would formally restrict cannabis use primarily to medical purposes. The proposed cannabis-control bill reflects a significant development in Thailand's regulatory approach following the removal of cannabis from the Category 5 of narcotics list in June 2022. Rather than returning cannabis entirely to the narcotics regime, the proposed framework seeks to establish a dedicated legal structure governing cultivation, production, distribution, sale and use, while placing greater emphasis on medical and public-health considerations.

The proposed legislation should also be viewed against the regulatory tightening that has already taken place. Since June 2025, cannabis flower has been treated as a controlled herb under the Protection and Promotion of Thai Traditional Medicine Knowledge Act B.E. 2542, bringing commercial activities involving cannabis flower under a more formal licensing regime. The Ministerial Regulation (No. 2) B.E. 2569, published in April 2026, further introduced specific requirements for businesses seeking to sell, process or export cannabis flower. These include requirements concerning the premises, dedicated storage, qualifying business or professional status, trained personnel and effective odour and smoke elimination systems. Existing licences remain valid until expiry, but renewal is subject to the strengthened requirements.

From a legal perspective, the proposed bill is important because it may resolve the regulatory uncertainty created by the post-2022 transition. The removal of cannabis from the narcotics list significantly expanded commercial activity, but the absence of a comprehensive cannabis-specific statute created a fragmented regulatory environment in which different aspects of the industry could fall under different laws, including the traditional medicine, herbal products, drug and narcotics regimes. A dedicated cannabis-control law could consolidate these controls and provide clearer statutory authority over cultivation, supply chains, dispensing, advertising and consumption. This would also allow the Government to distinguish more clearly between legitimate medical activities and activities considered to constitute recreational or inappropriate use.

Ultimately, Thailand's evolving cannabis policy demonstrates a broader shift from liberalisation toward regulated commercial use. The Government appears increasingly focused on preserving legitimate medical and economic benefits while reducing the public-health and social risks associated with unrestricted access. If enacted, the proposed cannabis-control bill could provide a more stable statutory foundation for this policy by replacing the fragmented post-2022 regulatory environment with a dedicated framework. For Thailand's legal landscape, the key issue will be whether the new framework can achieve an appropriate balance between public-health protection, enforceable regulatory standards and the legitimate commercial interests that developed during the country's initial cannabis liberalisation.

Thailand Intensifies Enforcement Against Non-Compliant Cannabis Shops

Thai authorities are stepping up inspections of cannabis shops nationwide as the Government moves to tighten enforcement of the country's increasingly restrictive cannabis regime. Authorities have indicated that legal action will be taken against businesses operating without valid licences or otherwise violating applicable requirements. The intensified inspections reflect Thailand's broader policy shift since the 2022 decriminalisation of cannabis, moving away from relatively liberal access toward a framework that places greater emphasis on medical use, licensing and regulatory oversight.

The enforcement campaign is particularly significant given the large number of cannabis establishments that entered the market following decriminalisation. Many businesses have subsequently faced licensing and compliance issues as the regulatory framework has developed. Authorities have already indicated that a substantial number of existing licences have expired and that only a portion of operators have successfully renewed or maintained their licences. This demonstrates that continued operation of a cannabis shop cannot be assumed merely because the business was lawfully established under the earlier regulatory environment; operators must comply with the requirements applicable under the current regime.

From a legal perspective, cannabis operators should therefore review their licensing status and operational practices, particularly regarding the sale and distribution of cannabis flower, medical-use requirements, record keeping and other conditions imposed on licensed establishments. The authorities' increased inspection activity also signals that compliance is likely to be assessed in practice rather than merely through documentary licensing requirements. Businesses that continue operating without valid authorisation or breach applicable conditions may face administrative measures and other legal consequences. The Government has also been tightening oversight of cultivation through digital monitoring of licensed growers, indicating that enforcement is increasingly extending across the cannabis supply chain.

Ultimately, the intensified inspections confirm that Thailand's cannabis industry is entering a more mature and highly regulated phase. The regulatory direction is increasingly focused on legitimate medical and controlled commercial activities rather than the broad recreational market that emerged after 2022. For cannabis businesses, investors and prospective operators, regulatory compliance should therefore be treated as a core business consideration, including maintaining valid licences, meeting operational requirements and monitoring regulatory developments. The continuing transition demonstrates a broader trend in Thailand's legal landscape toward replacing the uncertainty following cannabis decriminalisation with more structured and actively enforced regulation.

CORPORATE

Strategic Reform of SOE Governance and the "Golden Share" Framework

The State Enterprise Policy Office (Sepo) is considering legislative reforms based on OECD recommendations to strengthen the governance of state-owned enterprises (SOEs). A key proposal is the introduction of a Golden Share mechanism, which would allow the government to veto certain decisions affecting national security even if its shareholding falls below 50%. The broad principles would be prescribed by legislation, while the specific scope and implementation procedures would be set out in each SOE's internal regulations. This approach is intended to preserve government oversight of strategic matters without extending the veto right to routine corporate matters, such as dividend payments or audit committee appointments.

Sepo also proposes amending the Standard Qualifications of State Enterprise Directors and Employees Act of 1975 to increase the maximum age of SOE directors from 65 to 70. The proposal aims to retain experienced professionals, particularly those with legal and financial expertise, while ensuring that performance, suitability and excessively long tenures are appropriately addressed.

These developments may signal a shift toward preserving strategic state influence without requiring majority ownership. However, the proposals have not yet taken legal effect and must first be submitted to Parliament for consideration. Entities with state shareholding should therefore monitor the legislative process and review their internal regulations once the final framework becomes clearer.

DIGITAL / AI

TCCT Increases Regulatory Oversight of Digital Platforms

Thailand's Trade Competition Commission (TCCT) is stepping up its oversight of digital platforms by requiring major e-commerce operators, including Shopee, Lazada, and TikTok Shop, to disclose their fee structures and other relevant commercial information. The initiative follows increasing complaints from merchants regarding opaque platform fees, restrictions on the choice of logistics providers, mandatory participation in promotional campaigns, and return policies that are allegedly inconsistent with platform terms.

The TCCT intends to exercise its authority under the Trade Competition Act B.E. 2560 (2017) to assess whether these business practices may constitute unfair trade practices or otherwise have an adverse effect on market competition. In addition, the regulator has indicated that it will refer to the Electronic Transactions Development Agency (ETDA)'s Guidelines on Transparent and Fair Fee Practices when evaluating the conduct of digital platform operators.

This development reflects Thailand's broader regulatory focus on promoting transparency, fairness, and competition in the digital economy. Businesses operating digital platforms should review their commission structures, merchant agreements, promotional policies, and operational practices to ensure they are transparent, commercially reasonable, and compliant with applicable competition laws. With the TCCT also expanding its scrutiny to ride-hailing platforms and online travel agencies, platform operators should expect increased regulatory attention and proactively strengthen their competition law compliance programs.

Thailand Moves to Fully Digital Business Registration

Thailand's Department of Business Development (DBD) has transitioned the registration of newly established partnerships and limited companies to a fully digital process through the DBD Biz Regist system, effective from 1 July 2026. Walk-in applications are no longer accepted for these new registrations, marking a significant step in Thailand's broader digitalisation of corporate administration.

Under the new system, applicants can complete the registration process electronically, including submission of incorporation documents, identity verification and electronic signatures. The system is intended to reduce paperwork, travel requirements and processing costs while improving the transparency and auditability of company registration.

Importantly, the transition to digital registration does not change the substantive legal requirements for establishing a Thai company. Requirements concerning shareholders, directors, capital contributions and foreign ownership restrictions, including those under the Foreign Business Act B.E. 2542 (1999), continue to apply. The digital platform changes the registration process rather than relaxing the underlying corporate or foreign investment rules.

The change may be particularly relevant to foreign investors and companies with overseas shareholders or directors. Foreign participants may need to complete specific identity verification and electronic signing procedures, and certain documents may still require notarisation or legalisation depending on the circumstances. Businesses should therefore prepare the required documentation and verification procedures in advance to avoid delays.

The DBD's move also reflects a broader shift towards a more digital, transparent and traceable regulatory environment. While new company incorporations are now subject to the online-only process, certain filings concerning existing companies, such as changes to directors, registered addresses or capital, may remain subject to separate procedures and should be assessed individually.

Businesses planning to establish a new Thai entity should ensure that their incorporation documents, shareholder structures and identity verification arrangements are prepared in accordance with the DBD Biz Regist requirements. Foreign investors should also note that digital registration does not provide any exemption from Thailand's existing foreign ownership and licensing restrictions.

Thailand's Draft AI Act Introduces New Compliance Requirements for Businesses

On 9 July 2026, the Electronic Transactions Development Agency (ETDA) released the Draft Artificial Intelligence Act (the "Draft AI Act") for public consultation. If enacted, it would establish Thailand's first comprehensive AI regulatory framework. The Draft AI Act adopts a risk-based approach covering AI developers, providers, deployers, and platform operators, including certain overseas entities whose AI activities affect individuals in Thailand. AI systems would be classified according to risk, with different requirements applying to prohibited, high-risk, licensed, and transparency-regulated AI systems. The consultation is scheduled to close on 14 August 2026.

First, businesses will need to assess the classification and risk level of their AI systems and implement appropriate compliance measures. The Draft AI Act also introduces requirements concerning training data and personal data. Regulators may, in certain circumstances, obtain technical information relating to AI development, including training, validation, and testing data. Businesses participating in AI sandbox programmes may also receive access to government data subject to safeguards for personal data and data subjects' rights.

Second, new transparency obligations would apply to AI-generated content. Developers and platform operators may be required to identify or label AI-generated content, including deepfakes and chatbot-generated material. Users and employees may also be required to disclose AI use when publishing AI-generated or modified content concerning specified sensitive matters. Businesses should therefore consider implementing internal policies governing the use and disclosure of AI-generated content.

Third, overseas AI providers and vendors serving government agencies or critical information infrastructure (CII) may face additional requirements. Certain providers may be required to appoint a local representative, while AI services may be subject to mandatory contractual terms and data localisation requirements. Businesses should therefore review their existing technology, cloud, data-processing, and cross-border transfer arrangements.

Finally, the Draft AI Act would provide regulators with broad powers to investigate serious AI incidents, suspend services, and order recalls. It also proposes a strict and potentially joint liability regime, meaning responsibility for AI-related harm may extend across developers, providers, deployers, and platform operators. From a broader legal perspective, businesses should begin mapping their AI systems, reviewing contractual risk allocation and data governance arrangements, and preparing appropriate AI governance frameworks. Although the legislation remains subject to consultation and may be revised, early preparation will help businesses manage compliance risks as Thailand moves towards comprehensive AI regulation.

EMPLOYMENT

Public Hearing No. 39/2569 on the Provident Fund Act B.E. 2530

This legal insight examines the proposed Ministerial Regulation under the Provident Fund Act B.E. 2530 (1987) (the "PVD Act"), as detailed in the Securities and Exchange Commission ("SEC")'s public hearing document No. 39/2569 published on 7 July 2026. The draft aims to modernize fund governance and enhance member protection by standardizing mandatory items in a fund's articles of association.

1. Legal Basis and Regulatory Authority

SEC is exercising its authority under Section 9(11) of the PVD Act which allows for the prescription of additional mandatory items in the articles of association beyond standard requirements. This move shifts the regulatory landscape toward a more active oversight model to ensure fund rules effectively protect member interests and support retirement planning.

2. Enhanced Fiduciary Duty and Data Management

A primary driver for this regulation is the issue of unclaimed funds which reached approximately 915 million Baht at the end of 2025.

- Mandatory Data Provision: The regulation requires articles to include provisions for members to provide essential identification and contact data, such as ID numbers, addresses, and emails, to Asset Management Companies ("AMCs").

- Legal Purpose: This ensures AMCs have sufficient data to fulfill their fiduciary duty to track and pay members upon membership termination.

- Consent Mechanism: Legally, the collection of this data must be conducted through specified channels and requires the explicit consent of the members.

3. Protection Against Significant Impact Amendments

The draft introduces a critical safeguard regarding amendments that significantly affect the rights of members or employers.

- Defined Significant Changes: The regulation identifies specific actions as having a significant impact, including changing employer contribution rates, altering benefit payment conditions (e.g., for serious misconduct) or changing management of unpaid contributions.

- Special Resolution Requirement: To protect member interests, such amendments will require a "Special Resolution" from the general meeting of members, defined as at least three-quarters of the votes of members present and eligible to vote.

- Employer Consent: In cases where an amendment affects a specific employer, that employer's explicit consent must be obtained.

4. Administrative Oversight and Registration

The regulation reinforces the role of the Registrar under Section 8 of the PVD Act to ensure that fund articles remain fair and transparent.

- Registration Deadline: Any approved amendments must be submitted for registration within 15 days of the resolution.

- Discretionary Power: The Registrar maintains the authority to refuse registration if the articles are inconsistent with the law or the fund's objectives.

- No Criminal Penalties: The SEC has opted for a system of administrative oversight and licensing rather than imposing criminal penalties for noncompliance with these specific article requirements.

5. Implementation and Compliance Timeline

The legal transition for existing funds is structured to provide stability for all stakeholders involved.

- Effective Date: The regulation is expected to become effective in quarter 4 of 2027.
- Transitional Period: Existing funds that have already registered their articles will have one year from the effective date to update and register their revised articles with the SEC.

In summary, this regulation represents a significant legal evolution in the Thai retirement system, moving toward greater transparency and higher governance standards by codifying member rights and data-sharing obligations directly into the fund's foundational legal documents.

FAMILY LAW

Thailand Moves to Expand Access to Altruistic Surrogacy Following Marriage Equality

Thailand is considering amendments to the Protection for Children Born through Assisted Reproductive Technologies Act B.E. 2558 (2015) to align its surrogacy framework with the country's marriage equality legislation. The proposed amendments aim to broaden access to assisted reproductive technology while maintaining Thailand's prohibition on commercial surrogacy.

The proposed reforms are intended to address inconsistencies in the existing law, which was enacted before same-sex marriage was legally recognised and contains references to "husband" and "wife". The amendments would introduce gender-neutral terminology and potentially allow legally married same-sex couples to access altruistic surrogacy under the same framework applicable to other eligible married couples.

The draft also contemplates expanding access to certain foreign married couples. However, the specific eligibility requirements, including potential nationality, residency and other conditions, have not yet been finalised. The final scope of the proposed reforms may therefore change during the legislative process.

Importantly, the proposed amendments would not legalise commercial surrogacy. Under the current framework, only altruistic surrogacy is permitted, meaning surrogate mothers cannot receive compensation beyond legally permitted expenses. Commercial surrogacy remains prohibited and may result in criminal penalties. Existing requirements governing intended parents, surrogate mothers and regulatory oversight would also remain relevant.

If enacted, the amendments could have significant implications for fertility clinics, healthcare providers, prospective parents and legal practitioners involved in assisted reproductive services. In particular, the reforms could facilitate cross-border family-building arrangements involving eligible foreign couples while maintaining safeguards against exploitation and reproductive tourism.

The proposed amendments remain at the policy development and legislative drafting stage and have not yet entered into force. Accordingly, businesses, healthcare providers and prospective intended parents should continue to comply with the existing legal framework and monitor further developments before relying on any proposed changes.

FOREIGN NOMINEE

Strengthened Scrutiny of Nominee Landholding in the EEC

The increasing acquisition of land for industrial development in the Eastern Economic Corridor ("EEC") has raised concerns regarding the potential use of Thai individuals or Thai-incorporated companies to hold land on behalf of foreign investors. As a general principle, foreign individuals and foreign juristic entities are restricted from owning land in Thailand unless they obtain permission under applicable laws.

A nominee arrangement may arise where a Thai individual or Thai-incorporated company is registered as the legal owner of the land, while the purchase funds and effective management control belong to a foreign investor. Such an arrangement may expose both the foreign investor and the Thai nominee to criminal liability and other legal consequences under the relevant laws.

Although Thailand has effective laws in place regulating foreign land ownership and nominee arrangements, concerns remain that enforcement may not be sufficiently comprehensive. The private sector has therefore called for closer coordination among the relevant government authorities, including the Ministry of Interior, the Ministry of Industry, the Ministry of Commerce, and the Ministry of Natural Resources and Environment. The Department of Lands and relevant local authorities should also strengthen their monitoring of land transactions and issue alerts where unusual or suspicious transfer activities are identified. Anyone involved in such nominee arrangements will therefore be subject to increased scrutiny and severe penalties.

Thailand Expands Investigation into Foreign Nominee Businesses

Thai authorities are expanding their investigation into suspected nominee business structures involving foreign investors, with approximately 200 additional companies reportedly identified for further scrutiny. The intensified enforcement reflects the government's continuing efforts to prevent foreigners from using Thai nominees to circumvent restrictions under the Foreign Business Act B.E. 2542 (1999) (FBA).

The investigation focuses on companies where Thai shareholders may hold shares on behalf of foreign investors without having genuine financial participation or control. Such arrangements can potentially constitute nominee structures designed to allow foreigners to exercise effective ownership or control over businesses that are restricted under the FBA.

The expanded investigation highlights the importance of beneficial ownership and source-of-funds verification. Authorities may examine the financial capacity of Thai shareholders, the flow of funds used to acquire shares, corporate decision-making arrangements and other evidence to determine whether Thai shareholders are genuine investors or merely acting on behalf of foreign parties.

The development is particularly relevant to foreign-owned businesses operating in sectors subject to the FBA's foreign ownership restrictions, including businesses in tourism, property-related activities and other service sectors. Companies using Thai-majority shareholding structures should ensure that their Thai shareholders have genuine ownership interests and that corporate governance, financing and operational arrangements accurately reflect the registered ownership structure.

The intensified enforcement also demonstrates that formal compliance with the 51% Thai shareholding requirement may not, by itself, be sufficient if the underlying arrangement indicates that foreign investors exercise beneficial ownership or control through Thai nominees. Businesses should therefore review shareholder arrangements, financing documents, powers of attorney and other agreements that could potentially indicate indirect foreign control.

Foreign investors and Thai companies with foreign participation should conduct a compliance review of their ownership and governance structures and ensure that all shareholders have genuine economic participation and decision-making rights. Given the expanded investigations, businesses should also be prepared to substantiate the legitimacy of their ownership arrangements if requested by the relevant authorities.

INVESTMENT

BOI Partners with Citi to Strengthen Thailand's Investment Attraction

Thailand's Board of Investment (BOI) has partnered with Citi Thailand to strengthen efforts to attract foreign direct investment (FDI), particularly in strategic industries that support Thailand's long-term economic development. The collaboration reflects the Government's continuing efforts to position Thailand as an attractive investment destination amid increasing competition for international capital. The BOI has increasingly focused on industries such as digital technology, advanced electronics, electric vehicles, renewable energy and other high-value sectors, where foreign investment can contribute to technological development and economic competitiveness.

From a legal and regulatory perspective, the partnership highlights the importance of Thailand's investment-promotion framework in facilitating foreign investment. The BOI can provide eligible projects with incentives such as corporate income tax benefits, exemptions or reductions on import duties and certain permissions relating to foreign ownership and the employment of foreign skilled workers.

These incentives can significantly affect the legal and commercial structure of an investment project, although eligibility remains subject to the applicable investment-promotion criteria and conditions imposed by the BOI.

The collaboration may also be particularly relevant to multinational companies considering Thailand as a regional investment or production hub. Access to BOI incentives, combined with Thailand's strategic location and established industrial infrastructure, can improve the attractiveness of projects in targeted sectors. However, investors should assess the regulatory framework comprehensively rather than relying solely on investment incentives. Matters such as the Foreign Business Act, land ownership restrictions, environmental regulations, employment requirements and sector-specific licences may continue to apply even where a project receives BOI promotion.

Ultimately, the BOI–Citi partnership demonstrates Thailand's increasingly proactive approach to competing for global investment. The Government's challenge is not only to attract capital but also to create a predictable legal environment in which foreign investors can establish and expand their operations efficiently. As Thailand continues to target higher-value and technology-driven investment, the effectiveness of BOI incentives and the broader regulatory framework will be critical in determining whether investment commitments translate into sustainable economic activity. The development therefore reinforces the importance of a coordinated investment policy that combines financial incentives with clear, efficient and investor-friendly

Thailand's Startup Act Opens a New Growth Frontier

Thailand's proposed Startup Act marks a significant step toward creating a dedicated legal framework for the country's growing startup ecosystem. Led by the National Innovation Agency (NIA), the proposed legislation aims to address regulatory and financing barriers that have historically limited startups' ability to scale. Among the proposed reforms are greater flexibility in fundraising and corporate restructuring, including allowing qualifying startups to offer shares to the public, issue debentures, issue new shares to outside investors and facilitate debt-to-equity conversions, subject to applicable regulatory requirements.

The proposed framework also seeks to address the challenge of attracting and retaining skilled employees. Startups would potentially be permitted to repurchase up to 20% of their shares for Employee Stock Ownership Plans (ESOPs), providing greater flexibility to use equity-based incentives. In addition, the NIA is expected to play a more active role in startup financing by participating in investments, joint ventures and a proposed private equity trust fund, potentially alongside private-sector investors. This represents a shift from the Government's traditional grant-based support model toward a more investment-oriented approach.

From an investment perspective, the proposed reforms could help address Thailand's "missing middle" problem, where startups often struggle to secure funding between early-stage financing and larger Series A investment. The NIA has indicated that it intends to support startups in strategic sectors such as artificial intelligence, health and wellness, agricultural technology, the circular economy and the creative economy. Combined with existing tax incentives for qualifying startup investments, the proposed framework could improve access to capital and encourage greater private and foreign investment in Thailand's innovation sector.

Ultimately, the proposed Startup Act could represent an important development in Thailand's legal landscape by moving beyond fragmented government support measures toward a more comprehensive framework governing startup growth and financing. However, its effectiveness will depend on the final legislation and its interaction with existing corporate, securities and investment laws. If properly implemented, the framework could provide startups with greater legal and financial flexibility while maintaining appropriate investor-protection and corporate-governance standards, strengthening Thailand's position as a regional hub for innovation and technology-driven businesses.

IMMIGRATION

Cabinet Approves Stricter Deportation Framework for Foreign Nationals

The Cabinet's approval of amendments concerning the deportation of foreign nationals represents a significant development in Thailand's immigration enforcement framework. The proposed changes seek to strengthen the authorities' ability to deport foreigners who violate Thai law or immigration requirements, reflecting the Government's broader policy of tightening oversight of foreign nationals residing in Thailand. The reform is particularly relevant as Thailand continues to attract long-term residents, tourists, investors and foreign workers, making clear and effective immigration enforcement increasingly important.

From a legal perspective, the proposed amendments would provide authorities with greater flexibility in dealing with foreign nationals who become subject to deportation. Thailand's existing immigration framework already empowers authorities to remove foreigners in various circumstances, including where their presence is considered contrary to public order or national security, or where they have violated immigration requirements. The proposed changes may therefore strengthen the procedural and enforcement mechanisms available to the authorities, while also potentially clarifying the circumstances in which deportation may be pursued.

The development also highlights the importance for foreign nationals and businesses employing foreigners to maintain strict compliance with immigration and related legal requirements. Visa status, permitted activities, work authorisation and reporting obligations should be carefully monitored, as immigration violations can have consequences extending beyond fines or administrative penalties. In more serious cases, violations may affect a foreign national's ability to remain in Thailand or obtain future immigration permission. Employers should similarly ensure that foreign employees hold the appropriate status and work authorisation for their activities.

Ultimately, the Cabinet's approval signals a continued shift toward more active immigration enforcement in Thailand. While stronger deportation powers may support public order and improve the effectiveness of immigration administration, their implementation should be balanced with clear procedures and appropriate legal safeguards for affected individuals. As the amendments progress through the legislative process, foreign residents, investors and businesses should closely monitor the final provisions, particularly any changes concerning grounds for deportation, procedural protections and the potential impact on future entry or residence in Thailand.

INTERNATIONAL TRADE

Key Thai Exports Avoid Additional US Tariffs

The United States' decision to exempt 2,120 Thai export products from an additional 12.5% tariff under Section 301 represents an important development for Thailand's international trade and export sector. The exemptions cover a range of significant products, including agricultural goods, food products, electrical equipment and machinery. While the measure provides some relief for Thai exporters, it also demonstrates the increasing importance of product-specific tariff classifications and the ability of businesses to navigate a more complex US trade regime.

From a legal and regulatory perspective, the development highlights the importance of accurate tariff classification, rules of origin and customs documentation for businesses engaged in Thailand–US trade. Whether a product benefits from an exemption may depend on its specific tariff classification and whether it satisfies the conditions imposed by US trade measures. Exporters should therefore maintain appropriate documentation demonstrating the origin, composition and classification of their products, particularly where goods are manufactured using components or raw materials sourced from multiple jurisdictions.

The exemptions may also influence supply-chain and investment decisions. Thai manufacturers whose products remain subject to additional tariffs may face higher costs and reduced competitiveness in the US market, potentially encouraging businesses to restructure sourcing arrangements or production processes. At the same time, exempted product categories could become more attractive for investment and expansion in Thailand. This makes customs compliance and supply-chain traceability increasingly important, particularly for businesses seeking to demonstrate that their products qualify for preferential treatment or specific tariff exclusions.

Ultimately, the US tariff measures illustrate the increasingly strategic role of trade regulation in Thailand's investment and export environment. While the exemptions provide short-term support for affected Thai industries, Thailand remains exposed to changes in US trade policy and should continue negotiations aimed at reducing trade barriers and improving market access. For Thai exporters and international investors, the key lesson is that tariff exposure should be assessed as part of broader legal and supply-chain planning rather than simply as a cost of doing business. Strengthening customs compliance, origin documentation and supply-chain transparency will be increasingly important to maintaining Thailand's competitiveness in the US market.

Thailand Targets Completion of EU Free Trade Agreement Talks

Thailand's objective to conclude negotiations for a free trade agreement (FTA) with the European Union within 2026 represents a significant development in the country's international trade policy. The proposed agreement is expected to reduce trade barriers, improve market access and strengthen economic ties between Thailand and the EU. Given the EU's importance as a major trading partner and investment source, a completed FTA could have substantial implications for Thai businesses seeking to expand into European markets, as well as European investors operating in Thailand.

From a legal perspective, an EU–Thailand FTA could introduce important changes to the regulatory environment governing cross-border trade and investment. Areas potentially affected include tariffs, customs procedures, rules of origin, trade in services, intellectual property protection, government procurement and competition policy. The agreement may also require Thailand to align or improve certain domestic laws and administrative practices with international commitments. Businesses should therefore consider not only the potential reduction in tariffs but also the broader regulatory obligations that may arise once the agreement enters into force.

The agreement could be particularly relevant to sectors with significant international supply chains, including automotive, electronics, food and agriculture, pharmaceuticals and digital services. Reduced tariffs and clearer trade rules could improve the competitiveness of Thai exporters in the EU market, while greater investment certainty could encourage European companies to expand their presence in Thailand. At the same time, increased market access may expose domestic businesses to stronger competition from European goods and services, making compliance with applicable technical, environmental, consumer-protection and intellectual property requirements increasingly important.

Ultimately, the proposed EU–Thailand FTA could represent a major step in Thailand's efforts to deepen economic integration with global markets. However, the practical benefits will depend on the final terms of the agreement and Thailand's subsequent implementation of its commitments through domestic legislation and regulatory measures. Businesses should closely monitor the negotiations and assess how changes to tariffs, market access and regulatory requirements could affect their operations and investment strategies. Successful conclusion and implementation of the FTA could strengthen Thailand's position as a regional production and investment hub while providing a more predictable legal framework for Thailand–EU commercial relations.

PDPA

Thailand Proposes Amendments to PDPA to Clarify Government Data Processing and Legal Bases

On 16 July 2026, the Thai Parliament opened a new draft amendment to the Personal Data Protection Act B.E. 2562 (2019) (PDPA) for public consultation. The proposed amendments seek to address several practical and legal uncertainties under the existing framework, particularly concerning the scope of government agencies, exemptions from PDPA requirements, and the legal bases available for processing personal data. Stakeholders may submit comments during the consultation period, which is scheduled to close on 15 August 2026.

A key proposal is the introduction of a specific definition of "government agency" for purposes of the PDPA. The proposed definition would expressly cover central, provincial and local government administration, state enterprises, public organisations, Parliament, courts, constitutional independent organisations, the State Attorney Organ, and public higher education institutions. The clarification is intended to establish greater certainty regarding which public bodies fall within the relevant regulatory framework.

The draft would also introduce additional exemptions for certain government agencies carrying out statutory functions relating to the prevention and suppression of corruption and misconduct. Activities undertaken by agencies performing such functions, including relevant anti-corruption authorities, may therefore fall outside the scope of the PDPA. If enacted, the provision could facilitate the performance of statutory investigative and enforcement functions while establishing a clearer boundary between data protection requirements and public-sector anti-corruption activities.

Another significant amendment concerns the legal basis for processing general personal data under Section 24 of the PDPA. The proposed framework would expressly recognise consent as one of the available lawful bases for processing, rather than treating consent as the default basis subject to specified exceptions. This restructuring is intended to provide greater clarity regarding the circumstances in which organisations may lawfully process personal data and how consent interacts with other available legal bases.

The draft further proposes to expand the public interest legal basis to cover disclosures by government agencies where such disclosure is required under laws governing official information or other legislation requiring information to be made publicly available. If adopted, this amendment could provide a clearer statutory foundation for certain government disclosure activities and help reconcile data protection obligations with transparency requirements under other Thai legislation.

From a broader legal and commercial perspective, the proposed amendments indicate an effort to clarify the interaction between Thailand's data protection regime and public-sector functions, rather than fundamentally altering the PDPA's overall regulatory framework. Businesses that regularly interact with government agencies, provide services to public-sector entities, or process personal data in connection with government-related activities should monitor the legislative process and consider participating in the public consultation. The proposed changes may ultimately affect how personal data is exchanged with government bodies and how organisations assess the appropriate legal basis for processing personal data under Thai law.

SECURITIES

SEC Tightens Scrutiny of Securities Self-Reporting

Thailand's Securities and Exchange Commission (SEC) has intensified its investigation into inaccurate securities acquisition reports submitted through its electronic disclosure system, following a case involving reports filed under the name of Ms Supaporn Phimpong. The matter came to public attention after a Form 246-2 filing appeared to show that Ms Supaporn had acquired an additional 3.2174% of the voting rights in True Corporation Public Company Limited (TRUE) on 15 June 2026, bringing her reported holding to 7.0992%. The disclosure attracted significant market attention because of the size and value of the reported investment. However, TRUE subsequently indicated that certain information in the filing appeared inconsistent with its corporate records, prompting the SEC to conduct a broader investigation.

The incident is particularly significant because Form 246-2 is an important mechanism for maintaining transparency in Thailand's capital market. Under the Securities and Exchange Act B.E. 2535, any investor who acquires or disposes of securities resulting in their holdings reaching or crossing prescribed thresholds is subject to reporting obligations. The purpose is not merely administrative: disclosure of substantial shareholdings allows investors to assess changes in ownership, potential changes in control and the influence that significant shareholders may exercise over listed companies. Accordingly, the accuracy of information submitted through the SEC's disclosure system is fundamental to the integrity of the market.

The SEC's investigation demonstrates that the reporting obligation extends beyond simply submitting information within the required timeframe. The regulator identified several discrepancies among seven Form 246-2 reports concerning six listed securities, including cases where the reported person did not appear in the relevant shareholder registers, certain securities reportedly acquired did not exist during the relevant period, and some reported transactions did not correspond with the records of the relevant listed companies. The SEC therefore removed the disputed reports from its disclosure system and marked the information as being subject to accuracy verification. These actions illustrate the SEC's willingness to scrutinise information after publication where there are reasonable grounds to question its reliability.

From a legal perspective, the case also highlights the potential consequences of inaccurate regulatory filings. The SEC has indicated that it is investigating whether the information was intentionally submitted falsely, rather than treating the matter merely as an administrative error. This distinction is important because deliberate submission of false or misleading information to the regulator may expose the relevant person to liability under the Securities and Exchange Act. The SEC's enforcement database subsequently recorded action against Ms Supaporn concerning multiple Form 59 and Form 246-2 reports, stating that she had reported transactions that she did not in fact undertake. The case therefore demonstrates that the submission of inaccurate information through an electronic regulatory platform can potentially develop into a substantive securities-law enforcement matter.

For listed companies, substantial shareholders and other persons subject to securities-reporting obligations, the case serves as a practical reminder that regulatory filings should be supported by reliable documentary evidence and carefully reconciled with transaction and shareholder records before submission. Particular attention should be given to the identity of the securities, transaction dates, percentage holdings, acquisition or disposal details and any relevant relationships or indirect holdings. Where a filing is made through an intermediary or on behalf of another person, businesses should also maintain clear internal records demonstrating who prepared, reviewed and authorised the information. The increasing use of electronic disclosure systems does not reduce the underlying legal responsibility for the accuracy of information submitted.

Ultimately, the SEC's expanded investigation reflects a broader development in Thailand's capital-market regulatory landscape: market transparency is increasingly being supported not only through mandatory disclosure requirements but also through active verification and enforcement of the information disclosed. The incident demonstrates how a single inaccurate filing can affect market perception and investor confidence even before its accuracy has been established. Going forward, regulators, listed companies and investors are likely to place greater emphasis on the reliability and traceability of regulatory disclosures. For market participants, accurate and properly documented reporting should therefore be regarded not simply as a procedural compliance requirement, but as an essential component of good corporate governance and responsible participation in Thailand's capital market.

Thailand SEC Proposes Travel Rule for Digital Asset Businesses

The Securities and Exchange Commission (SEC) has proposed the introduction of the Travel Rule for digital asset transactions as part of Thailand's efforts to strengthen anti-money laundering (AML) controls and align its regulatory framework with international standards. The proposed requirements would apply to licensed digital asset business operators and are intended to improve the traceability of digital asset transfers.

Under the proposed framework, digital asset operators would be required to establish risk management procedures for transfers, collection and verification of information concerning customers and counterparties, and transmit information relating to both the originator and beneficiary alongside each transfer. Operators would also be required to conduct due diligence on other digital asset service providers involved in transactions.

The requirements would extend to transfers involving self-hosted wallets. Operators would need to verify information concerning the ownership or control of such wallets when digital assets are transferred to or from them. Transaction records would also need to be retained for at least five years, with records from the first two years readily available for regulatory inspection.

The proposed rules would increase compliance responsibilities for digital asset businesses, particularly in relation to KYC, transaction monitoring, counterparty due diligence, recordkeeping and wallet verification. Operators may therefore need to review and update their existing AML policies, internal controls and technological systems to ensure that the required information can be collected, verified, transmitted and retained effectively.

The Travel Rule is intended to enable regulators and relevant authorities to identify the origin and movement of digital assets more effectively and detect suspicious transactions associated with money laundering, terrorist financing and other financial crimes. It also reflects Thailand's broader efforts to strengthen cooperation between the SEC and the Anti-Money Laundering Office (AMLO) in monitoring suspicious financial transactions.

The proposed regulations remain subject to the consultation and legislative process. Digital asset business operators should monitor the final requirements and begin assessing their AML and transaction-monitoring frameworks to identify any operational or technological changes that may be required once the Travel Rule comes into effect.

Thailand Strengthens Corporate Governance Rules for Listed Companies

Thailand is strengthening its corporate governance framework for listed companies as regulators seek to improve transparency, accountability and investor confidence in the capital market. The enhanced requirements reflect concerns over recent cases involving corporate misconduct, conflicts of interest, inadequate internal controls and transactions that have adversely affected investors.

The new framework places greater emphasis on the responsibilities of boards of directors, audit committees and management in ensuring that effective internal control and risk management systems are in place. Listed companies are expected to strengthen mechanisms for identifying and preventing fraud, conflicts of interest and irregular transactions, rather than relying solely on enforcement after misconduct occurs.

Internal audit functions are also receiving greater regulatory attention. Companies should ensure that their internal audit functions are appropriately qualified, independent and capable of identifying material risks. Audit committees will play an important role in overseeing these functions and ensuring that identified issues are properly addressed.

The enhanced requirements also reinforce the importance of accurate and timely disclosure to investors. Listed companies should review their procedures for reporting material information, related-party transactions, conflicts of interest and other matters that may affect investment decisions. Weaknesses in disclosure or internal controls may expose companies and responsible directors or executives to increased regulatory scrutiny.

In light of these developments, listed companies should proactively review their corporate governance frameworks, including internal audit procedures, board and audit committee oversight, related-party transaction controls, whistleblowing mechanisms and disclosure processes. Companies preparing for a future listing should likewise consider establishing these systems at an early stage.

The strengthened framework reflects Thailand's broader movement towards stronger corporate accountability and investor protection. Listed companies should therefore treat corporate governance not merely as a regulatory requirement, but as an essential component of risk management and long-term business sustainability.

TAXATION

New Revenue Department Order No. Paw. 369/2569 Updating Criteria for the Waiver or Reduction of Penalties and Surcharges

The Director-General of the Revenue Department issued Revenue Department Order No. Paw. 369/2569 on July 2, 2026, to establish new criteria for the waiver or reduction of penalties and surcharges concerning Income Tax, Value Added Tax (VAT), and Specific Business Tax (SBT). This order shall come into force on the day following its issuance. This article summarizes the key points of these updated criteria to assist taxpayers and business operators in understanding and correctly applying them.

General Principles for the Waiver or Reduction of Penalties

Assessment officials will only consider waiving or reducing penalties if they determine that the taxpayer had no intention to evade taxes and has fully cooperated with the investigation.

The taxpayer must submit a written request to an assessment official stating the reasons for the waiver or reduction, which must be submitted before the official issues a notice of assessment.

In cases where the taxpayer files a tax return and pays the tax (either VAT or SBT) without having received a "direct written warning or summons for investigation," the filing of the tax return itself shall be deemed as the request for penalty reduction.

The term "direct written warning or summons for investigation" refers to instances where an assessment official has discovered an offense and has already recorded it in a letter or memorandum.

Penalty Reduction Rates for Value Added Tax (VAT)

This order updates the penalty reduction criteria for VAT under Section 89 of the Revenue Code, categorizing them as follows:

Case 1: Filing the return and paying the tax voluntarily without receiving a written warning

- If paid within 15 days from the tax payment deadline, the penalty is reduced to 2%.
- If paid after 15 days but not exceeding 30 days from the deadline, the penalty is reduced to 5%.
- If paid after 30 days but not exceeding 60 days from the deadline, the penalty is reduced to 10%.
- If paid after 60 days from the deadline, the penalty is reduced to 20%.

Case 2: The official issues a notice to file a return (Form Por.Por. 71) and the taxpayer complies and pays the tax

- If completed within the specified time in the notice, the penalty is reduced to 40%.
- If completed after the specified time in the notice, the penalty is reduced to 50%.

Case 3: The official has discovered the offense and recorded it in writing

- If the offense occurs within one year from the date of becoming a VAT-registered operator, the penalty is reduced to 40%.
- If the offense occurs after one year from the date of becoming a VAT-registered operator, the penalty is reduced to 50%.
- If the official has discovered the offense but the assessment is not yet complete, and the taxpayer files the return and pays the tax before receiving the notice of assessment, the assessment official has the authority to reduce the penalty using the 40% or 50% rates under this section.

<u>Penalty Waiver or Reduction for Businesses Not Registered for VAT</u>

The new order adds Clause 5/1 specifically to address operators who have not registered for VAT, applying the following criteria:

- Full Penalty Waiver: If the taxpayer submits an application for VAT registration within 30 days from the date their tax base value exceeds the threshold for a small business and files the VAT return while paying the tax simultaneously, the statutory penalty shall be fully waived.
- Penalty Reduction: If the application for VAT registration is submitted late, or not submitted due to business cessation, but the taxpayer voluntarily files the return and pays the tax without receiving a written warning, the penalty will be reduced based on the same delayed timeframe scale as general operators (i.e., reduced to 2%, 5%, 10%, and 20%).

However, if the official has already discovered the offense and recorded it in writing, the penalty will be 40%.

<u>Surcharge Reduction for Half-Year Corporate Income Tax (Section 67 Terd)</u>

Taxpayers must submit a written request to the assessment official before receiving a notice of assessment.

If the taxpayer files the half-year corporate income tax return and pays the tax without receiving a written warning, the tax return itself shall be deemed as the request to reduce the surcharge.

Officials will consider reducing the surcharge only if they determine that the taxpayer had no intention to evade taxes and has cooperated fully with the investigation.

Revenue Department Notification on Calculation of Foreign Currency Value at the End of the Accounting Period

The Revenue Department has issued an announcement, dated July 7, 2026, regarding the calculation of the value or price in foreign currency of currency, assets, or liabilities remaining on the last day of the accounting period into Thai Baht. This establishes the criteria for converting these balances to calculate net profit for corporate income tax purposes under Section 65 Bis (5) of the Revenue Code. According to the announcement, juristic persons must use the exchange rate calculated by the Bank of Thailand (BOT) on the last day of the accounting period, with specific rules applied depending on the type of entity.

General companies or juristic partnerships, excluding commercial banks or financial institutions, can choose to apply one of two calculation methods. They may opt to use the average rate between the buying and selling rates of commercial banks, as calculated by the BOT, for all currency, assets, and liabilities. Alternatively, they may use a separate rate method, applying the average buying rate (choosing either the buying rate for bills or wire transfers in accordance with their recognized accounting policies) for currency and assets, and the average selling rate for liabilities. A critical requirement is the consistency principle; once a specific calculation method is chosen, it must be applied consistently in all subsequent accounting periods. It cannot be changed unless formal prior approval is granted by the Director-General of the Revenue Department.

In contrast, commercial banks or other financial institutions designated by the Minister are strictly required by law to use only the average rate between the buying and selling rates of commercial banks, as calculated by the BOT, for all currency, assets, and liabilities. Furthermore, for any juristic person, if the last day of the accounting period coincides with a Bank of Thailand holiday—such as December 31st, which is typically a year-end holiday for financial institutions—the entity must use the BOT exchange rate from the last working day prior to that holiday to record its exchange rate adjustments and unrealized gains or losses.

Thailand Proposes Comprehensive Tax Reform Package to Strengthen Government Revenue

Thailand's Ministry of Finance has proposed a package of 10 tax reforms aimed at strengthening the country's revenue base and ensuring sufficient government funding for increasing public expenditure. The proposed measures are projected to generate approximately THB 435 billion in additional annual government revenue.

The reform package reflects Thailand's broader efforts to modernise its tax system, improve revenue collection and align its fiscal framework with international standards. The proposed measures would be implemented progressively between 2026 and 2030.

The proposed VAT increases would represent the most significant revenue-generating measures, with the 8.5% rate estimated to generate approximately THB 115 billion annually and the subsequent increase to 10% expected to generate approximately THB 230 billion.

The proposed reforms indicate a potentially significant shift in Thailand's tax environment. Businesses should anticipate that the government may increasingly rely on a combination of broader tax bases, reduced exemptions, consumption taxes and targeted taxation rather than relying primarily on traditional corporate income tax revenues.

In particular, businesses should monitor the proposed VAT increases, changes to excise taxes and environmental taxation, as these measures may directly affect operating costs, pricing structures and consumer demand.

For individuals, the proposed reform of personal income tax deductions and allowances may have a direct impact on tax planning. Individuals who currently rely on significant deductions should monitor whether existing tax benefits will remain available and assess the potential effect on their future tax liabilities.

Multinational enterprise groups should separately monitor the implementation of Thailand's Global Minimum Tax, which forms part of the broader international tax reform agenda and may affect groups benefiting from Thailand's existing tax incentives.

Although the proposed measures establish a clear direction for Thailand's tax policy, the proposals do not necessarily constitute final legislation. Businesses and individuals should therefore distinguish between measures that have already been implemented and those that remain subject to further legislative and policy processes.

Nevertheless, the proposed reforms signal a long-term move towards a broader and more diversified tax base and stronger revenue collection framework. Businesses operating in Thailand should proactively review their tax exposure, pricing models, available incentives and deductions, and monitor developments closely as the reforms progress.

TOURISM

Ministry Restructuring Signals Thailand's Push for Tourism Reform

The proposed restructuring of Thailand's tourism administration reflects the Government's intention to strengthen the country's tourism sector through a more integrated institutional framework. The initiative reportedly involves reorganising responsibilities among government agencies to improve coordination and reduce overlapping functions. From a legal and regulatory perspective, the proposal is significant because Thailand's tourism industry is governed by multiple laws and agencies covering tourism promotion, accommodation, transportation, employment, immigration and foreign investment. A more streamlined administrative structure could therefore improve regulatory consistency and reduce procedural burdens for businesses operating in the sector.

A key consideration is whether the restructuring will result in clearer allocation of statutory powers between the relevant authorities. Tourism businesses frequently need to comply with requirements administered by different government bodies, including licensing, safety, environmental and consumer-protection regulations. Where responsibilities overlap or administrative authority is unclear, businesses may face delays and uncertainty in obtaining approvals or complying with regulatory requirements. A revised institutional structure could provide an opportunity to clarify these functions and establish more efficient approval and enforcement mechanisms.

The restructuring may also have implications for private investment in Thailand's tourism industry. A more coordinated regulatory system could improve the investment environment for hotels, tourism operators, transportation businesses and related service providers, particularly where projects require approvals from multiple agencies. However, institutional restructuring alone will not remove substantive restrictions applicable to foreign investors or regulated tourism businesses. Foreign participation, licensing requirements and land ownership restrictions will continue to require careful consideration under existing legislation, including the Foreign Business Act and sector-specific laws.

Ultimately, the proposed restructuring demonstrates that Thailand's tourism policy is increasingly focused not only on attracting visitors but also on improving the regulatory infrastructure supporting the industry. The success of the reform will depend on whether the Government can translate institutional changes into clearer statutory responsibilities, faster administrative procedures and more consistent enforcement. If effectively implemented, the restructuring could strengthen Thailand's tourism competitiveness while providing businesses and investors with greater regulatory certainty, supporting the broader development of Thailand's legal and investment landscape.

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