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DBD to continue investigating Thai juristic persons used as nominees by foreign businesses in 2025.

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Following complaints from local business operators and information provided by relevant government agencies, the Department of Business Development ("DBD"), the Ministry of Commerce investigated 26,019 business entities in 4 industries: tourism, land and property sales, hotels and resorts, and transport and logistics. Of these, the DBD identified 498 entities for intense scrutiny, of which 64 were charged with accounting irregularities, 63 were under further investigation, and 4 were suspected of being used as nominees.

For the upcoming 2025, the DBD plans to examine 27,000 juristic persons operating in tourism, real estate, hotels and resorts, transport and logistics, and e-commerce platforms and warehouses nationwide. (Bangkok Post, 24 November 2024)

Author's Note:



According to Section 36 of the Foreign Business Act, B.E. 2542 ("FBA"), a Thai natural or juristic person, who assists, supports, or participates in the operations of the restricted business by a foreigner, will be liable to up to 3-year imprisonment or a fine of Baht 100,000 to Baht 1.0 million, or both. The court will order the cessation of the assistance, or support, or participation. Failure to do so would be subjected to a fine of Baht 10,000 to Baht 50,000 per day throughout the period of violation. A foreigner who operates a business violating the FBA will be liable to similar sanctions under Section 37 of the FBA.

Do it right the first time. Wishing to engage in a restricted service or trading business in Thailand, one should consider the business settings and probe into possible legal remedies that matches with their business conditions. These remedies may include business license, certificate from the Board of Investment ("BOI"), minimum capital exemption, proper shareholding structure, or participation of Thai investors who prefer financial compensation to voting control, for instance.

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