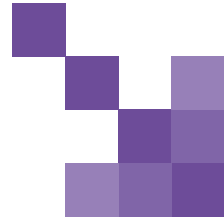


# Doing business in Thailand



Charunun Sathitsuksomboon, Pimvimol Vipamaneerut,  
Cynthia Pornavalai, Sriwan Puapondh, Siraprapha Rungpry,  
Clemence Gautier and Rachel Walkup  
Tilleke & Gibbins International Ltd (Lex Mundi Member Firm)

[www.practicallaw.com/4-382-9226](http://www.practicallaw.com/4-382-9226)

## LEGAL SYSTEM

### 1. What is the legal system (civil law, common law or a mixture of both)?

Thailand has a civil law legal system.

## FOREIGN INVESTMENT

### 2. Are there any restrictions on foreign investment (including authorisations required by central or local government)?

Foreign investment is restricted to certain types of business activities (*Foreign Business Act 1999 (FBA)*).

Potential investors should check with the FBA to determine which of the following categories their proposed business activity falls into:

- **List 1.** Foreign investment is prohibited in these activities, which include, among others:
  - newspaper business;
  - radio broadcasting;
  - TV station business;
  - farming;
  - land trading.

- **List 2.** Foreign investment is only allowed in these activities with either:

- permission from the Minister of Commerce (which must be approved by the Cabinet);
- authorisation from the Board of Investment or from the Industrial Estate Authority of Thailand.

Activities in this list include, among others:

- the production, sale and maintenance of firearms and armaments;
- domestic transportation by land, water and air.

- **List 3.** Foreign investment is only allowed in these activities with either:

- permission from the Director-General of the Department of Business Development at the Ministry of Commerce (which must be approved by the Foreign Business Committee);
- authorisation from the Board of Investment or from the Industrial Estate Authority of Thailand.

Activities in this list include, among others, the following services:

- accounting;
- legal;

- architectural;
- engineering;
- retail and wholesale;
- hotel.

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### 3. Are there any exchange control or currency regulations?

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Foreign exchange transactions are regulated by the Exchange Control Act 1942 (as amended).

Commercial banks are authorised by the Bank of Thailand to approve the following foreign exchange transactions in its name:

- Remittance of an unlimited amount in payment of imported goods.
- Remittance of up to US\$100 million (EUR70 million) or its equivalent per year for direct foreign investment abroad by a listed company.
- Remittance of up to US\$50 million (EUR35 million) or its equivalent per year for direct investment by a parent company in Thailand to subsidiary abroad.
- Remittance of up to US\$20 million (EUR14 million) or its equivalent per year for direct investment by subsidiary in Thailand to parent company abroad.
- Remittance of up to US\$1 million (about EURO.7 million) or its equivalent per year for the purchase of real property in a foreign country.

Sums that exceed the limitations, or are for purposes other than those specified, require the Bank of Thailand's approval.

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### 4. What grants or incentives are available to investors? Are any of these aimed specifically at foreign investors?

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The Board of Investment grants fiscal and non-fiscal incentives to attract foreign investment.

## BUSINESS VEHICLES

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### 5. What is the most common form of business vehicle used by foreign companies to conduct business in your jurisdiction? In relation to this vehicle, please provide details on:

- **Registration formalities (including timing).**
- **Minimum (and maximum) share capital.**
- **Whether shares can be issued for non-cash consideration, such as assets or services (and any formalities).**
- **Any restrictions on the rights that can attach to shares.**
- **Any restrictions on foreign shareholders.**
- **Management structure and any restrictions on foreign managers.**
- **Directors' liability.**
- **Parent company liability.**
- **Reporting requirements (including filing of accounts) and cost of compliance.**

The most common form of business vehicle used by foreign companies is the private limited company.

- **Registration formalities.** At least three promoters are required to establish a private limited company. The company must reserve a company name and file a copy of its memorandum and articles of association (articles) with the Ministry of Commerce. The registration fee, which includes both the incorporation registration fee and the Memorandum of Association registration fee, is about 0.55% of the registered capital, with a minimum of THB5,500 (about US\$163) and a maximum of THB275,000 (about US\$8,163). The formation process takes one to three days.
- **Share capital.** The minimum share capital for a foreign majority-owned company is THB2 million (about US\$59,367). If the intended activity is listed in the FBA, the minimum share capital is THB3 million (about US\$89,050) or 25% of the company's average estimated annual expenses during the first three years. The par value of each share, whether or not the activity is listed in the FBA (see *Question 2*), must be at least THB5 (about US\$0.15). A minimum share capital of 25% must be paid on or before the date of filing the application for incorporation.
- **Non-cash consideration.** Future services to the company can be used as consideration for shares.

- **Rights attaching to shares.** There are no restrictions on rights attaching to shares other than any identified in the articles.
  - **Foreign shareholders.** In some activities listed in the FBA (see *Question 2*), foreign investors cannot hold a majority of shares.
  - **Management structure.** A private limited company is managed by a board of directors, which is elected by the shareholders in a general meeting. Nationality requirements only apply to business activities in List 2 of the FBA (see *Question 2*).
  - **Directors' liability.** Directors can be personally liable under civil law if:
    - they do not exercise their duties in the best interests of the company;
    - they do not act in a fair and honest way;
    - they fail to avoid a conflict of interest;
    - the memorandum of association states that they have unlimited liability.
  - **Parent company liability.** A parent company is only liable for the debts and losses of its subsidiary up to the amount unpaid on its shares. It is also liable when the shares have been fully paid if it has given a guarantee.
  - **Reporting requirements.** The following must be filed with the Ministry of Commerce within five months from the end of the tax year (that is, the company's 12-month accounting period):
    - a balance sheet certified by an auditor and approved by the annual general meeting of the shareholders;
    - a statement of profit and loss.
- Sections 575 to 586 of the Civil and Commercial Code on Hire of Services.
  - The Labour Relations Act.
  - The Social Security Act.
  - The Compensation Fund Act.
  - The Alien Employment Act (AEA).
  - The Royal Decree Naming Professions Prohibited to Aliens (RD).
- In addition, most laws provide for the promulgation of ministerial regulations.
- Except for the AEA and the RD, Thai labour law applies to all employees working in Thailand, regardless of nationality. The AEA and the RD apply only to foreign employees working in Thailand.
- With rare exceptions, none of the laws apply to Thai employees working abroad.
- Courts usually uphold provisions on choice of law, but only to the extent that the application of the foreign law is not contrary to the public order or good morals of Thailand.

## EMPLOYEES

### 6. What are the main laws regulating employment relationships?

The main laws regulating employment relationships are:

- The Labour Protection Act of 1998.

### 7. Is a written contract of employment required? Are any agreements and/or implied terms likely to govern the employment relationship?

Employment contracts need not be in writing. However, in proceedings before the Labour Court, either party may introduce evidence of a contract in attempting to prove particular terms relevant to an employment relationship. There are no implied terms governing employment relationships besides those contained in applicable Thai labour laws.

### 8. Are employees entitled to management representation and/or to be consulted in relation to corporate transactions (such as redundancies and disposals)?

Without an agreement to the contrary, employees are not entitled to management representation or to be consulted in relation to corporate transactions.

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## 9. How is the termination of individual employment contracts regulated?

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A distinction is made between fair/justified and unfair/unjustified dismissal. Grounds for fair/justified dismissal include necessary or reasonable grounds, including certain circumstances of employee fault. Examples of employee fault justifying termination include:

- Acting dishonestly in connection with duties.
- Intentionally committing a criminal act against the employer.
- Intentionally causing the employer to suffer loss.
- Causing the employer to suffer severe loss as a result of an act of gross negligence.
- Continuing to violate the employer's work rules and regulations or lawful orders, despite having received a written warning, or committing an initial violation so serious that no written warning is required.
- Abandoning work for three consecutive working days, whether or not holiday is taken in between, without justifiable reasons.
- Receiving a prison sentence by a final court judgment. If the imprisonment is for offences committed by negligence or a petty offence, damage must have been caused to employer.

In relation to fair/justified dismissals, the minimum notice is one entire payment cycle between notice and effect, or payment in lieu of notice. Severance pay varies from one to ten months of salary based on employee tenure.

After termination, an employee can bring proceedings before the Labour Court, claiming damages for unfair termination. The court can order reinstatement or award damages. There is no maximum amount of damages set by statute. Aside from payments that may be required by statute, such as severance and payment for unused annual leave, the award of damages is subject to the court's discretion, considering the employee's age, tenure, and termination-related hardship, as well as the cause of the termination. Typically, the court awards two month's wages for the first year of service and an additional one month's wages for each subsequent year of service.

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## 10. Are redundancies/mass layoffs regulated? If so, please give details.

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Redundancies/mass layoffs are subject to little regulation. However, when employees are terminated due to certain kinds of restructuring related to technology or machinery, employers must give 60 days' advance notice to the Labour Inspector. In addition, employers must give 60 days' advance notice to the affected employees, or make payment in lieu of notice. These terminations are subject to normal severance requirements, described above. Also, employers must pay special severance to employees who have at least six years' tenure.

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## 11. Do foreign employees require work permits and/or residency permits? If so, how long does it take to obtain them and how much do they cost?

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Subject to certain exceptions, foreign employees require work permits. Applications can be made to one of the following:

- The Alien Occupational Control Division of the Ministry of Labour and Social Welfare, which takes seven days to process.
- A Provincial Employment Office, which takes seven days to process.
- The One Stop Service Centre, which takes one day to process, but available only to applicants who meet certain qualifications.
- Subject to some exceptions, the work permit fees for employees performing skilled labour are as follows:
  - Work permit valid for not more than three months: THB850 (about US\$25).
  - Work permit valid for more than three months, but not more than six months: THB1,600 (about US\$47).
  - Work permit valid for more than six months, but not more than one year: THB3,100 (about US\$92).

Other fees may apply. Subject to some exceptions, the fees may be lower in relation to employees performing unskilled labour.

## TAX

### 12. In relation to employees, what constitutes tax residency in your jurisdiction?

A person (Thai or foreign) who resides in Thailand for a total (not necessarily consecutive) period of 180 days or more in any tax (calendar) year is considered a resident of Thailand for tax purposes.

### 13. What income tax or social security contributions must the following pay:

- Tax resident employees?
- Non-tax resident employees?
- Employers, in relation to their employees?

#### Tax resident employees

Tax resident employees are subject to personal income tax at the progressive rate of 10% to 37%. The tax year is from 1 January to 31 December.

#### Non-tax resident employees

Non-tax resident employees are subject to income tax in the form of a withholding tax on the gross amount of their Thai source income at the flat rate of 15%. Tax payable is withheld at source at the time of the payment.

#### Employers

Employers must withhold income tax at the progressive rate or at the flat rate of 15%, as the case may be, and remit the tax to the Thai tax authority no later than the seventh day of the month following the month of payment.

#### Social Security Fund

Employers and employees must each contribute to the Social Security Fund an amount equal to 5% of the employee's gross wages up to a maximum of THB750 (about US\$22) a month.

#### Workmen's Compensation Fund

Employers must contribute annually to the Workmen's Compensation Fund between 0.2% and 1% of an employee's annual earnings (up to a maximum of THB240,000 (about US\$7,124)), depending on the classification of the employer.

### 14. In relation to business vehicles, what constitutes tax residency in your jurisdiction?

Companies incorporated in Thailand are deemed to be tax residents of Thailand.

### 15. Please give details of the main taxes that potentially apply to a tax resident business vehicle (including rates).

Thai companies must pay the following taxes on their worldwide income.

#### Corporate income tax

This must be paid at the rate of 30% on the net profit earned during a tax year.

#### Value added tax (VAT)

VAT is payable at the rate of 7% (or 0% for export of goods and services) on the following categories of business transactions:

- Sale of goods.
- Provision of services.
- Export sales.
- Import of goods for any purpose.

Some business activities are exempt from VAT (such as sales of agricultural products).

#### Specific business tax (SBT)

Some business activities are subject to SBT in lieu of VAT, such as:

- Banking or similar activities.
- Credit foncier (that is, the business of lending money on the security of mortgage of immovable property in the ordinary course of business).
- Securities.
- Life insurance.
- Pawn shop services.

- Commercial sales of immovable property or sales of immovable property for profit.

The rate payable varies between 0.1% and 3% of gross monthly receipts.

### Municipal tax

This applies to anyone subject to SBT and is charged at the rate of 10% of the SBT payable. Municipal tax is already included in the 7% of VAT paid.

### Stamp duty

There are 28 transaction documents subject to stamp duty (*Stamp Duty Schedule, Revenue Code*). The rate of stamp duty payable depends on the document executed.

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### 16. How are the activities of non-tax resident business vehicles taxed?

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Non-tax resident business entities (foreign companies) not carrying on business in Thailand must pay a withholding tax on the gross amount of their Thai source income (such as service fees, royalties, interest and rental income) at the flat rate of 15% (or 10% for dividends). Tax payable is withheld at source at the time of the payment.

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### 17. Please explain how each of the following is taxed:

- Dividends paid to foreign corporate shareholders.**
  - Dividends received from foreign companies.**
  - Interest paid to foreign corporate shareholders.**
  - Intellectual property (IP) royalties paid to foreign corporate shareholders.**
- 
- Dividends paid.** Dividends are subject to a withholding tax at the rate of 10%.
  - Dividends received.** Dividends are taxed as ordinary income of the Thai company.
  - Interest paid.** Interest is subject to a withholding tax at the rate of 15%.
  - IP royalties paid.** Royalties paid to foreign corporate shareholders are subject to a withholding tax at the rate of 15%, which can be reduced to 5% or 10% under some tax treaties.

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### 18. Are there any thin capitalisation rules (restrictions on loans from foreign affiliates)? If so, please give details.

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Thailand does not have thin capitalisation rules.

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### 19. Must the profits of a foreign subsidiary be imputed to a parent company that is tax resident in your jurisdiction (controlled foreign company rules)?

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There are no controlled foreign corporation rules in Thailand. A Thai parent company is only subject to tax on dividends paid to it by a foreign subsidiary.

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### 20. Are there any transfer pricing rules? If so, please give details.

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The Revenue Department can assess, without justification:

- Transfers of assets without or with below-market-value compensation.
- The provision of services without or with below-market-value service charges.
- Monetary loans without or with below-market-value interest.

Market value is defined as the remuneration that an independent party would fairly set in business practice.

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### 21. How are imports and exports taxed?

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Customs duty is imposed mainly on imported and selected exported goods. Customs duty is levied in accordance with the Harmonised Commodity Description and Coding System.

As a signatory to the General Agreement on Tariffs and Trade and a member of the World Trade Organisation, Thailand complies with all relevant standards and codes when determining customs duty.

Imports and exports are also subject to VAT (*see Question 15*).

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**22. Is there a wide network of double tax treaties? If so, please give details.**

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Thailand has signed 52 double tax treaties including with the US, and European and Asian countries.

## COMPETITION

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**23. Are restrictive agreements and practices regulated by competition law in your jurisdiction? If so, please give brief details.**

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The Trade Competition Act 1999 aims to create fair competition in Thailand. The act established the Trade Competition Commission to oversee and ensure compliance with its provisions.

## INTELLECTUAL PROPERTY

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**24. Please outline the main intellectual property rights that are capable of protection in your jurisdiction. In each case, please state:**

- **Nature of right.**
  - **How protected.**
  - **How enforced.**
  - **Length of protection.**
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### Patents

- **Nature of right.** The three different types of patent rights available (*Thai Patent Act 1979, as amended (Patent Act)*) are:

- invention patents;
- petty patents;
- design patents.

To qualify for an invention patent, an invention must:

- be new;
- involve an inventive step; and
- have an industrial application.

An invention that lacks an inventive step (a utility model) can be protected by a petty patent.

To qualify as a design patent, a product design must be:

- composed of lines or colours which give a special appearance to a product;
- new; and
- for industrial use.

The owner of an invention patent or petty patent has the sole right to produce, import, use or sell the protected product or process.

The owner of a design patent has the sole right to use the patented design with a product and to possess, import or sell any product which uses the design.

- **How protected.** Applications for a patent must be submitted to the Department of Intellectual Property.
- **How enforced.** Criminal and civil enforcement is possible. Unauthorised use of a patent is a criminal offence under the Patent Act. Penalties for infringement include:
  - fines from THB20,000 (about US\$594) to THB400,000 (about US\$11,873);
  - imprisonment of between six months and two years.

Civil enforcement is through a tort action under the Civil and Commercial Code.

- **Length of protection.** The length of protection depends on the type of patent being applied for:
  - invention patents: a non-renewable period of 20 years;
  - petty patents: six years, which is renewable for a further two years on two occasions (up to a maximum of ten years);
  - design patent: a non-renewable ten-year period.

## Trade marks

- **Nature of right.** Both registered and unregistered trade marks can be protected in Thailand. The Trademark Act 1991 (as amended) provides a framework for the registration and protection of:
  - trade marks;
  - service marks;
  - certification marks;
  - collective marks.

To be capable of registration, a mark must:

- be distinctive;
- not be excluded by the Trademark Act; and
- not be identical or similar to trade marks already registered.

Registered trade mark owners have the exclusive right to use the mark on any goods for which registration has been obtained.

There is no specific legislation relating to unregistered trade marks in Thailand. The owner of an unregistered trade mark can obtain indirect protection under the Civil and Commercial Code if identifiable ownership rights to the unregistered mark (such as established reputation and goodwill) can be established.

- **How protected.** Applications for trade mark registration must be submitted to the Department of Intellectual Property. The protection for unregistered trade marks depends on the extent to which reputation or goodwill has been established or created by the owner in that mark in Thailand.
- **How enforced.** Both civil and criminal enforcement is possible. If the mark is registered, it is a criminal offence to:
  - forge or imitate a mark without authorisation;
  - import, sell or offer for sale products bearing forged or imitative marks.

Penalties for infringement include:

- fines from THB200,000 (about US\$5,937) to THB400,000 (about US\$11,873);
- imprisonment of two to four years.

Civil enforcement is through a tort action under the Civil and Commercial Code.

For unregistered marks, enforcement can be through an action for passing-off under the Civil and Commercial Code and the Penal Code.

- **Length of protection.** Protection lasts for ten years from the date of filing an application for registration, renewable indefinitely for ten-year periods. There is no defined term of protection for unregistered marks.

## Registered designs

- **Nature of right.** Registered designs are protected by the Thai Patent Act of 1979, as amended (Patent Act).

To qualify, a product design must be:

- composed of lines or colours which give a special appearance to a product;
- new; and
- for industrial use.

Owners of a design patent have the sole right to use the patented design with a product and to possess, import or sell any product which uses the design.

- **How protected.** Applications for a design patent must be submitted to the Department of Intellectual Property.
- **How enforced.** Both criminal and civil enforcement actions are possible.

The Patent Act makes unauthorised use a criminal offence with penalties including:

- fines from THB20,000 (about US\$594) to THB400,000 (about US\$11,874);
- imprisonment of six months to two years.

Civil enforcement is through a tort action under the Civil and Commercial Code.

- **Length of protection.** Protection is for a non-renewable ten-year period.

### Unregistered designs

- **Nature of right.** Thailand law does not provide protection for unregistered designs. However, a design may be protected under section 4(7) of the Copyright Act of 1994, as works of applied art.
- **How protected.** A work of applied art is a protected work that is used for a practical purpose rather than just for artistic appreciation. Copyright protection arises automatically on creation or publication of the work.
- **How enforced.** Both civil and criminal enforcement of copyright is possible. Infringement of copyright is a criminal offence under the Copyright Act.

Criminal penalties include:

- fines from THB20,000 (about US\$594) to THB800,000 (about US\$23,747);
- terms of imprisonment between six months and four years.

Repeat offenders (within five years) can be liable to double punishment.

Civil enforcement is through a tort action under the Civil and Commercial Code.

- **Length of protection.** Works of applied arts are protected for 25 years from the date the work was created or, if published, 25 years from its publication.

### Copyright

- **Nature of right.** Copyright can subsist in the following original works (*Copyright Act 1994*):
  - literary (including computer programs);
  - artistic;
  - dramatic;
  - musical;

- audio-visual;
- cinematographic;
- sound and video broadcasting;
- compilations;
- any other original works of a literary, scientific or artistic nature.

A copyright owner has the exclusive right to:

- reproduce or adapt the work;
- disseminate the work to the public;
- rent out the work;
- grant licences for the work;
- sell the copyright.

- **How protected.** Copyright protection arises automatically on creation or publication of the work. The copyright owner can record his ownership with the Department of Intellectual Property, which can be used when seeking to enforce his rights.
- **How enforced.** Both civil and criminal enforcement of copyright is possible. Infringement of copyright is a criminal offence under the Copyright Act.

Criminal penalties include:

- fines from THB20,000 (about US\$594) to THB800,000 (about US\$23,747);
- terms of imprisonment between six months and four years.

Repeat offenders (within five years) can be liable to double punishment.

Civil enforcement is through a tort action under the Civil and Commercial Code.

- **Length of protection.** Protection for most works lasts for the lifetime of the creator plus 50 years. Works of applied arts are protected for 25 years from the date the work was created. An applied art is a protected work that is used for a practical purpose rather than just for artistic appreciation.

### Confidential information (trade secret)

- **Nature of right.** To qualify as a trade secret under the Trade Secrets Act 2002, information must:
  - not be known to the public;
  - not yet be known to those who would usually deal with it;
  - have commercial value as a result of its secrecy; and
  - be controlled using reasonable measures to ensure it remains secret.

The owner of a trade secret has the right to:

- disclose it;
  - use it;
  - permit others to use it.
- **How protected.** Trade secrets are automatically protected (no application procedure is necessary). The rights often arise from contractual relationships, although this is not always necessary. Trade secret rights can be infringed by:
    - disclosing the trade secret;
    - preventing the owner from using the trade secret;
    - using the information without the consent of the owner and in a manner contrary to honest trade practices (such as breach of contract and bribery).
  - **How enforced.** Both civil and criminal enforcement is possible. Infringement of trade secret rights is a criminal offence.

Criminal remedies include:

- fines of between THB200,000 (about US\$5,937) and THB2 million (about US\$59,386);
- terms of imprisonment of between one and ten years.

Civil enforcement is through a tort action under the Civil and Commercial Code.

- **Length of protection.** Trade secrets are protected for as long as they remain secret.

### Layout designs of integrated circuits

- **Nature of right.** The layout-designs of semi-conductor chips can be registered provided that they are not commonplace in the integrated circuit industry (*Protection of Layout-Designs of Integrated Circuits Act 2000*). A layout design is any pattern, layout or image made for displaying the arrangement of an integrated circuit.

The right holder has the exclusive right to reproduce, import, sell or distribute the design, in any manner, for commercial purposes.

- **How protected.** Designs must be registered with the Department of Intellectual Property to qualify for protection.
- **How enforced.** Infringement of layout design rights is a criminal offence with fines of between THB20,000 (about US\$594) and THB500,000 (about US\$14,841). Civil enforcement is through an action in tort under the Civil and Commercial Code.
- **Length of protection.** Protection lasts for ten years from filing an application for registration. However, this term can be shorter depending on when the application for registration was made and when the design was first exploited commercially. Generally, protection does not last more than 15 years from the date on which the design was created.

### Geographical indication (GI)

- **Nature of right.** A GI can be a name, symbol or any other thing used to name, or used in lieu of, a geographical origin, which indicates that the goods originated in that geographic origin are of the quality, reputation, or specific characteristics of that geographic origin.

To register a foreign GI it must be both:

- already protected in country of origin; and
- continually used until the time the application is made in Thailand.

- **How protected.** GIs must be registered with the Department of Intellectual Property to qualify for protection.
- **How enforced.** Civil and criminal remedies are available. Criminal misuse of a geographical indication include a maximum fine of THB200,000 (about US\$5,937). Civil enforcement is through an action in tort under the Civil and Commercial Code.
- **Length of protection.** Protection becomes effective from the filing date of the application for registration, and once obtained protection is perpetual.

## MARKETING AGREEMENTS

### 25. Are marketing agreements regulated in your jurisdiction? If so, please give brief details in respect of the following arrangements:

- **Agency.**
- **Distribution.**
- **Franchising.**

- **Agency.** Agency agreements are governed by general principles of contract and agency under the CCC and must be construed in accordance, and comply, with their express terms.
- **Distribution.** There are no specific laws relating to distribution agreements.
- **Franchising.** There are no specific laws relating to franchise agreements.

The principle of freedom of contract applies to all marketing agreements, provided that the terms and provisions agreed by the contracting parties are not contrary to public order or good morals.

## E-COMMERCE

### 26. Are there any laws regulating e-commerce (such as electronic signatures and distance selling)? If so, please give brief details.

The Electronic Transactions Act 2001 governs electronic civil and commercial transactions and signatures. The Act on Computer-Related Offenses 2007 sets out various types of virtual criminal offences. Penalties of

both imprisonment and fine may be imposed not only on violators but also service providers. The draft Data Protection Bill remains on the agenda and is being reviewed by the Council of State.

## DATA PROTECTION

### 27. Are there any data protection laws? If so, please give brief details.

The Act of Computer-Related Offenses covers data security and provides penalties for unauthorised access or changing of data. No specific data protection legislation presently exists. However, a draft law based on the European model is under consideration (see *Question 26*).

## PRODUCT LIABILITY

### 28. Are there any laws regulating product liability and product safety? If so, please give brief details.

The Product Liability Act 2008 has recently been published in the *Government Gazette* and will become effective in February 2009. The act imposes strict liability on a business operator involved in the manufacture and/or sale of defective product that then causes harm to a user. Until February 2009, product liability is covered by the Consumer Protection Act and general provisions of tort law under the Civil and Commercial Code.

## CONTRIBUTOR DETAILS

**Charunun Sathitsuksomboon,  
Pimvimol Vipamaneerut, Cynthia Pornavalai,  
Sriwan Puapondh, Siraphapha Rungpry,  
Clemence Gautier and Rachel Walkup  
Tilleke & Gibbins International Ltd**  
T +66 2653 5555  
F +66 2653 5678  
E [bangkok@tillekeandgibbins.com](mailto:bangkok@tillekeandgibbins.com)  
W [www.tillekeandgibbins.com](http://www.tillekeandgibbins.com)



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**[www.tillekeandgibbins.com](http://www.tillekeandgibbins.com)**

## **Bangkok Office:**

Supalai Grand Tower, 26th Floor  
1011 Rama 3 Road  
Chongnonsi, Yannawa  
Bangkok 10120  
Thailand

Tel: +66 2653 5555

Fax: +66 2653 5678

E-mail: [bangkok@tillekeandgibbins.com](mailto:bangkok@tillekeandgibbins.com)

## **Commercial:**

[lui.r@tillekeandgibbins.com](mailto:lui.r@tillekeandgibbins.com)

## **Dispute Resolution:**

[tiziana.s@tillekeandgibbins.com](mailto:tiziana.s@tillekeandgibbins.com)

## **Intellectual Property:**

[darani.v@tillekeandgibbins.com](mailto:darani.v@tillekeandgibbins.com)

[edward.k@tillekeandgibbins.com](mailto:edward.k@tillekeandgibbins.com)

## **Other Offices:**

### **Phuket Office**

Plaza Del Mar, Units 205-209  
1 Moo 1, Pasak-Koktanod Road  
Tumbol Cherngtalay, Amphur Talang  
Phuket 83110  
Thailand

Tel: +66 76 318 251 up to 318 255

Fax: +66 76 318 256

E-mail: [phuket@tillekeandgibbins.com](mailto:phuket@tillekeandgibbins.com)

### **Hanoi Office**

HAREC Building, 4th Floor  
4A Lang Ha Street  
Ba Dinh District, Hanoi  
Vietnam

Tel: +84 4 772 6688

Fax: +84 4 772 5568

E-mail: [vietnam@tillekeandgibbins.com](mailto:vietnam@tillekeandgibbins.com)

### **Ho Chi Minh City Office**

Suite 203, Cityview Commercial Centre  
12 Mac Dinh Chi, District 1  
Ho Chi Minh City  
Vietnam

Tel: +84 8 825 1645, 825 1695

Fax: +84 8 824 2226

E-mail: [vietnam@tillekeandgibbins.com](mailto:vietnam@tillekeandgibbins.com)

