

Thailand Parliament Makes Business More Friendly

This year Thailand was ranked 46th in the World Bank's Ease of Doing Business report, which is three spots higher than last year, and is ranked 9th in Asia, trailing only Singapore and Malaysia in ASEAN.

The Thai Government is trying to create a business-friendly environment by working with areas that are in need of improvement and seeking to make it easier to do business.

As a direct result, on the 4th April 2017, the Royal Gazette published a series of Orders which were recently initiated by the Thai Parliament.

Many legislations were amended by the Order such as *the Civil and Commercial code*, which would permit better access for promoters to register companies nationwide, instead of registering at the location where a company has been established. On a positive note, the company seal is no longer required to be affixed on its share certificate, however, at least one of the directors is now required to sign the document. The recent amendment also allows grounds for a company to be dissolved by the court, in the event the company cannot continue to in its own capacity.

The Public Limited Companies Act - gives minority shareholders protection in the event their shareholding is being diluted by those holding majority shareholding. Therefore, any shareholders holding no less than 10% of all shares issued by the Company may request the board of directors to recall an extraordinary meeting of shareholders, subject to such reasons being included in a written request. Even those with a smaller shareholding, namely no less than 5% of all shares issued, may request the Registrar to appoint an inspector to inspect affairs and financial status of company as well as operation of its board of directors.

Bankruptcy Act – since the amendment it is not possible for a secured creditor to force the sale of a secured property for repayment, unless the petition has been received and agreed to by the court, or in the alternative, a year has since passed following receipt of the petition by the Court, but without granting any permission.

Furthermore, publication of court orders, judgment, notices or orders of the Receiver advertised in a daily newspaper, can now be done via electronic public means. It is therefore assumed that if a receivership order is published in the government daily newspaper or advertised electronically, everyone has acknowledged its existence.

The Thai government had extended the General Data Protection Regulation ("GDPR") by introducing the Personal Information Protection Act

In a platform where social media and e-commerce is developing fast, the lack of legal platforms and protection of personal data is a rising concern. In the past, Thailand has experienced serious cyber-

attacks and internet security violations and as such the Government is aware that that they need to actively develop adequate laws to safeguard public interests to ensure protection of its country.

In addition to the GDPR, the Thai Council of state has recently reviewed the Personal Information Protection Act (“Draft”) which aims to reinforce the government’s commitment to privacy rights of Thai nationals and residents and this will come into force on the 25th May 2018. The current Draft provides protection of personal data by restricting the gathering, using, disclosing and altering of any personal data without the consent of the data owner, and simplify the regulatory environment for businesses.

For any violation, the Personal Information Protection Act imposes both criminal penalties and civil liabilities, and the risk of penalties are as high as 4% of their annual income or 20 million euros for the GDPR. Whilst the financial penalties are important, it is very important for companies and individuals to adhere to those regulations which are in place to protect its people. Please contact us for more information, especially if you would like to know whether your internal protocols are compliant with the Draft.

About Harvey Law Group

Founded in 1992 by Jean-François Harvey, the firm has maintained a strong presence throughout Asia, South America, and the Middle East since its early beginnings. Today, it has evolved into a leading multinational immigration and business law firm, providing sophisticated legal representation to businesses and individuals with regards to global immigration and tax strategies in multiple jurisdictions. HLG notably has offices in Hong Kong, Bangkok, Ho Chi Minh City, Da Nang, Hanoi, Xiamen, Phnom Penh, Yangon, Manila, Montreal, Miami, Paris, St. Kitts & Nevis, Antigua & Barbuda, Grenada and Dominica.