

Legal Update

The Act Governing the Operation of Telecommunication Business (No. 2) B.E. 2549 (A.D. 2006)

Effective: 21 January 2006

Relevant Authority: National Telecommunication Business Commission

Significant Issues of the Act are as follows:

1. The provision (1) Section 8 paragraph three of the Act Governing the Operation of Telecommunication Business B.E. 2544 (A.D. 2001) (the "**2001 Telecommunication Act**") shall be deleted and replaced with the following provision:

"(1) Type two applicant and type three applicant shall not be foreigner according to the law governing foreign business operation, provided that the commission may determine that the applicant, which is a juristic person, applying for a permission to operate certain kinds or categories of businesses, shall be subject to the prohibition for conducting of any act which shall be considered as taking over by a foreigner."

2. The provision of the first paragraph of Section 58 of the 2001 Telecommunication Act shall be deleted and replaced with the following provision:

"Section 58 The licensee shall not be allowed to request for collection of security or alike thereof. While, any collection of service charges in advance shall be in accordance with the rules and conditions so prescribed by the commission as for the consumer protection and public interest."

3. The new provision of Section 80/1 shall be inserted as follows:

"Section 80/1 In order to facilitate in carrying out under Section 74 and Section 80, the Communication Authority of Thailand ("**CAT**") and the Telephone Organization of Thailand ("**TOT**") shall mean the companies so established by way of securitization of CAT and TOT in accordance with the law governing state enterprises' capital in respect of the operation of telecommunication business."

(Government Gazette Vol. 123, Part No. 5 Gor. Page 9)

Draft Factory Act (No. ...) B.E. ...

According to the draft Act approved in principle by the Cabinet on January 24, 2006 as proposed by the Ministry of Industry, follows the significant issues proposed under the draft Act:

1. The definitions of "Factory" and "Security Deposit for Damages" shall be revised in order to be more suitable enforcement.
2. The Industrial Minister shall be empowered to issue ministerial regulations in respect of the prescription of the following matters:
 - The measure for any waste collector and transporter or the operator of factory waste treatment or disposal to be jointly responsible with factory operator under the law.
 - The measure of permission in respect of the release of waste or pollution by factory.
 - The classification of factory/factories which shall be required to provide security deposit for damages and factory/factories which must participate as member(s) according to the law governing the Industrial Council of Thailand.
 - The measure in respect of the providing of electronic service.
3. The applicable reports and factory documents which are required by law to be arranged and retained by factory operator can be arranged by other private sector.
4. The Minister shall be empowered to announce in the Government Gazette to prohibit the establishment or expansion of factory in the area of industrial operation zone.
5. The punishment measure against the factory operator which has an intention to manufacture an adulterant or poor quality products shall be provided under the Act.
6. The official under the Factory Act shall be empowered to order any factory operator to suppress any action which is deemed violation to the Act, and/or to amend or improve or perform to be in compliance with the law.

(Cabinet Synopsis No. 10-1, January 24, 2006)

Legal Update

THAI – SWEDEN Draft Joint Operation Plan

The Cabinet approved in principle the draft Joint Operation Plan between Kingdom of Thailand and Government of Sweden and the assignment to the Minister of Foreign Affairs or his representatives as the signatory in this matter as proposed by Ministry of Foreign Affairs.

The Joint Operation Plan is expected to be a framework and approach to strengthen bilateral relationship between two countries. According to the draft, the Joint Operation shall cover the period of cooperation between the country parties of five years plan, during 2003 - 2009, and there shall be significant criteria of the plan as follows:

1. Strengthening of the relationship through bilateral negotiation and discussion at high level among their government representatives, i.e. members of parliament and officials in charge;
2. Strengthening of more understanding of each other and encouraging of interaction between people of the two countries;
3. Expanding of the bilateral economic relationship for both public and private sectors;
4. Expanding of the bilateral relationship in common interests in respect of agricultural and forestry, military and security, design, education, science and technology, energy and environment, information technology and communication, and tourism and health services;
5. Restoration and rehabilitation plans after tsunami disaster;
6. Promoting of the cooperation in respect of regional development projects in order for encouraging economic growth and improving the living quality of people; and
7. Exchanging of view and opinion in respect of the world's significant issues.

(Cabinet Synopsis No. 10-1, January 17, 2006)