

Legal Update

Draft Amendment to Civil and Commercial Code (No. ...) B.E. ... (Limited Company and Partnership)

According to the draft Amendment to Civil and Commercial Code approved in principle by the Cabinet on February 14, 2006, follows the significant issues proposed under the draft law:

1. The number of promoters for the incorporation of a limited company shall be reduced from at least 7 to be at least 3 promoters.
2. Incorporation registration can be completed within one day.
3. The period of 3 months for objection to the capital reduction and the merger which is currently granted to creditors shall be reduced to 1 month.
4. A special resolution under the law shall be made within only one general meeting of shareholder of a company.
5. Issuance of a certificate of incorporation of any new limited partnership shall be cancelled.
6. Principles in respect of removal of registry of any inactive company and partnership shall be amended to be more applicable as to current circumstance.

(Cabinet Synopsis No. 01-2, February 14, 2006)

Draft Amendment to the Chamber of Commerce Act (No. ...) B.E. ...

The draft Amendment to the Chamber of Commerce Act was approved in principle by the Cabinet on February 14, 2006. The significant issues proposed under the draft law are as follows:

1. The definition of "Chamber of Commerce" shall include an institution so established for encouraging of service businesses operation as well.
2. Principles in respect of the establishment and the entering members of a chamber of commerce shall be amended.
3. The qualification which requires that a founder or governor of any chamber of commerce must be well-off shall be cancelled.
4. Any administrative officer of a chamber of commerce may be assigned by the board of governors to operate business on behalf of the chamber of commerce.
5. Donation to any chamber of commerce shall be deemed allowance in computation of income tax of the donor.

(Cabinet Synopsis No. 01-2, February 14, 2006)

Delay on Affecting the List of Controlled Goods and Services

The Cabinet approved in principle, on January 31, 2006, to extend the effective date of the latest Notification of the central board of price of goods and services dated January 31, 2005 in respect of the list of goods and services subject to control under the Act Governing Price of Goods and Service B.E. 2542 (A.D. 1999) in order to be reconsidered, by the board, on the appropriateness as to the enforcement of the Notification. There are 16 classes of goods and 2 classes of services provided under the subject Notification, i.e. 1. LPG, 2. paddy and rice, 3. compact disc, magnetic picture and sound-recording tapes, 4. Machine which can be used for copyrights infringement in respect of compact disc, magnetic picture and sound-recording tapes, 5. student uniform, 6. dried and fresh milk, 7. granulated sugar, 8. oil and fat from vegetation or animal, whether consumable or not, 9. fuel, 10. fertilizer, 11. pesticide and substance for plant disease prevention, 12. medicine, 13. motorcycle, car and truck, 14. animal feed and undiluted animal feed, 15. structural steel, steel sheet and steel rod, 16. jewel, 17. copyrights licensing management, and 18.licensing for publicizing of copyrighted music for commercial purpose. *(Cabinet Synopsis No. 10-1, January 31, 2006)*

Legal Update

Effective Date of Director Resignation

According to the Act on amendment to the Civil and Commercial Code (No....) B.E. 2549 (A.D. 2006), with effect from February 23, 2003, in case that a director of any limited company will resign from the company, it shall be deemed that the date of delivering of resignation letter to the company shall be considered as the effective date of his/her resignation from the office under the law. Such resigned director may also notify the Registrar of resignation from his/her office. Any change of director of the company shall be registered with the Ministry of Commerce within 14 days from the date of such change. (*Government Gazette Vol. 123, Part 17 Kor, February 22, 2006*)

Acquisition of Land and Condominium Unit in Thailand by Foreigner

If you are foreigner and interested in investment through acquiring of land/condominium unit in Thailand jurisdiction, the following tips should be taken into the account before your deciding of acquisition or utilization of real property.

- Acquisition of Land
 - General
 - Residential Purpose
- Acquisition of Condominium
- Hire of Immovable Property for Commerce and Industry
- Applying for Acquiring of Land/Condominium Unit: Special Measures as to the Acquisition of Land/Condominium Unit by Person Connected with Foreigner, e.g. spouse, ex-spouse, minor child (Thai national)

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