

RAJAH & TANN ASIA

LAWYERS WHO KNOW ASIA

REGIONAL ROUND-UP 2023: THAILAND



RAJAH & TANN ASIA

CAMBODIA | CHINA | INDONESIA | LAOS | MALAYSIA | MYANMAR | PHILIPPINES | SINGAPORE | THAILAND | VIETNAM

www.rajahtannasia.com

CONTENTS

Introduction	3
Looking Back: 2023	4
Gazing Into: 2024	10
Key Contacts	14
Our Regional Contacts	16
Disclaimer	17

Introduction



Throughout the year, we have been keeping you up to date on noteworthy developments across the region with our Regional Round-up Publications. As we enter 2024, we are pleased to share with you our *2023 year-in-review of the Regional Round-up* for our Regional Offices in the Rajah & Tann Asia network.

In each jurisdiction, we recount the key milestones in the path that has been travelled in 2023, as well as consider the terrain of the road that lies ahead in 2024. In the "**Looking Back: 2023**" section, we take stock of the past year and highlight the key legal and regulatory developments affecting each jurisdiction in 2023. In the "**Gazing Into: 2024**" section, we look ahead to some key areas of development that you should take note of in the year to come, referencing the legal and business trends shaping up potential legislative and regulatory changes in each jurisdiction.

We hope that this year-in-review edition of the Regional Round-up provide some perspective and insight into the legal landscape of the jurisdictions across the region. As always, please feel free to contact our lawyers in our Regional Offices if you have any queries or for further discussions.

Please click on the links below to access the full collection of our country-specific *2023 year-in-review of the Regional Round-up*:

- [Cambodia](#)
- [China](#)
- [Indonesia](#)
- [Laos](#)
- [Malaysia](#)
- [Myanmar](#)
- [Philippines](#)
- [Singapore](#)
- [Thailand](#)
- [Vietnam](#)

Looking Back: 2023

Thailand's new government officially took office on 5 September 2023, with Srettha Thavisin, who belongs to the Pheu Thai Party, named Prime Minister by Parliament, after a period of uncertainty following the 14 May 2023 election in which the Move Forward Party ("MFP") won the election on a progressive platform but was unable to form a government. The Pheu Thai Party, which placed second in the election, then formed a broader coalition with a couple of major parties and the MFP became the opposition. The Government is focusing heavily on foreign and economic policies, and issues such as energy costs.



There have been significant developments on various fronts in order to achieve these goals. For instance, to facilitate and encourage business and foreign investments, there have been **amendments to the Civil and Commercial Code, changes to the private placement rules**, etc.. Thailand has also expedited its entry into AEO Mutual Recognition Arrangements which provide benefits to **Authorised Economic Operators**.

There is also progress on the **Sustainability and Environment** front with a **new draft Climate Change Bill**. The Government is further considering **restructuring carbon taxes** on vehicles based on carbon emissions, where lower carbon emissions correspond to lower tax rates. In addition, there are **incentives to facilitate sustainability financing**.

On the **Technology, Media & Telecommunications** front, there is **new regulation for digital platform service providers** and a **new law regulating technological crime**.

Summaries of the key developments relating to the above areas are provided below.

Corporate & Securities Law – Amendments to the Civil and Commercial Code

2023 started with wide-ranging amendments made to the Thai Civil and Commercial Code ("CCC"), which were intended to ease the administrative burden on private limited companies and provide more practical solutions to business issues. The amendments, which took effect on 7 February 2023, were set out in the Act amending the Civil and Commercial Code (No. 23) B.E. 2565 (2022), which was published in the Royal Gazette on 8 November 2022. It is worth noting that if any provisions in the existing articles of association are inconsistent with the amended CCC, such provisions would prevail provided they are not contrary to public order or good morals. Therefore, it is

recommended that the articles of association be amended where necessary to enhance the ease of doing business. Click [here](#) for more information.

Corporate & Securities Law – Relaxation of Private Placement Rules

Thailand's Securities and Exchange Commission ("**SEC**") amended the rules governing private placements ("**PPs**") by listed companies which are intended to ease the offering process and provide more procedural efficiency. The amendments took effect for the issuance of PP shares from 1 July 2023 onwards. The key changes included the elimination of the requirement for SEC approval. The allocation and pricing of PP shares shall be deemed to have obtained SEC approval, provided that the issuer fully complies with its information disclosure and corporate approval requirements. Also, where the PP is considered to have material events (e.g., PP shares are issued at a price below market price), the issuer is also required to obtain an independent financial advisor's opinion report and propose it to the shareholders' meeting for consideration. Other amendments included changes affecting the rules on silent period and calculation of the "market price". Click [here](#) for more information.

Competition Law – Regulation of Mergers

2023 was a busy year for mergers. True Corporation ("**True**") and Total Access Communication ("**DTAC**") completed their merger, which is Southeast Asia's largest telecoms merger. The merged entity, called True Corporation, debuted on the Stock Exchange of Thailand on 3 March 2023. The merger has been subject to challenges. Lawsuits against the National Broadcasting and Telecommunications Commission ("**NBTC**") have been brought to the Central Administrative Court, notably, by the Thailand Consumers Council ("**TCC**"), to repeal NBTC's decision on the True-DTAC merger. As the Central Administrative Court viewed that the judgment would inevitably affect True and DTAC, both companies were subsequently summoned to join this case as interpleaders. R&T Asia (Thailand) ("**R&T**") was engaged as the lead counsel for them in the litigation process. On 9 December 2022, the Central Administrative Court rejected the TCC's plea for an injunction as the court found "no ground which would suggest that the NBTC's decision was unlawful". This decision to reject the injunction request was in favor of both companies and paved the way for the completion of the merger. However,

this case is still pending the court's decision. Click [here](#) for more information.

In mid-July 2023, the Trade Competition Commission of Thailand ("**TCCT**") approved a major merger between Bangchak and Esso, both who are key players in Thailand's oil industry. The merger process has been successfully concluded, with Esso stations transitioning swiftly into Bangchak stations. In late November 2023, TCCT took a significant step towards transparency by publishing a detailed 145-page summary on its website. This summary outlines TCCT's reasoning and considerations for approving the merger, presenting a thorough overview of the facts and data.

Other large mergers have also been subject to challenge. R&T acted as lead counsel for C.P. Retail Development Co., Ltd. and Lotus's Stores (Thailand) Company Limited (formerly known as Tesco Stores (Thailand) Company Limited) in Central Administrative Court proceedings relating to their US\$10.6 billion merger in Thailand. Filed by 38 plaintiffs, the lawsuit alleged that the Disputed Order of TCCT in approving the merger between the two retail giants was unlawful, issued in bad faith and failed to ensure free and fair trade among businesses. On 24 May 2021, the Central Administrative Court dismissed the plaintiffs' request to stay the execution of the Disputed Order and permitted operations of the merged business to continue, citing the reason that there were no reasonable grounds indicating that the Disputed Order was unlawful. The Central Administrative Court then rendered a judgement on 8 September 2023 affirming the lawfulness of the Disputed Order in all aspects, dismissing the case and bringing the litigation process to a close.

Tax – New Personal Income Tax Rules for Foreign Income

Since 1987, Thai residents (i.e., individuals residing in Thailand for 180 days or more in any tax year) receiving foreign earnings have been able to rely on the ruling of Revenue Department No. Gor Kor. 0802/696 ("**Old Ruling**"), which provided a favourable interpretation of section 41, paragraph 2 of the Revenue Code. Under the Old Ruling, assessable income earned abroad from work duties, business activities, or assets located outside of Thailand ("**Foreign Income**") was not subject to taxation if such Foreign Income was brought into Thailand **after the tax year** in which the Thai resident acquired such Foreign Income. In other words, the Old Ruling provided

a widely-used tax strategy among Thai residents to bring the Foreign Income into Thailand tax-free after keeping the Foreign Income offshore until the next tax year.

However, in September 2023, the Revenue Department ("RD") issued Order No. Por. 161/2566 Re: Payment of Income Tax Pursuant to Section 41, Paragraph 2 of the Revenue Code ("**New Order**"), which aims to improve tax collection from Thai residents with overseas investments or income. The New Order repealed the Old Ruling and set out a new interpretation regarding the transfer of a Foreign Income into Thailand. Under the New Order, Thai residents who bring their Foreign Income into Thailand in any tax year must include it as their assessable income in such tax year regardless of when they earned it. However, RD further elaborated that if the Foreign Income has been taxed by a country with which Thailand has a Double Tax Agreement, Thai residents can use the taxes paid in foreign countries as tax credits in Thailand. Click [here](#) for more information.

Customs – Authorised Economic Operator Program

Thailand has an Authorised Economic Operator ("**AEO**") program that provides certain benefits to operators with this status, e.g., inspection exemptions, expedited refund procedures, and limited audit periods. There are also benefits in dispute situations, e.g., where the AEO is able to request a stay of duty payment without placing a guarantee prior to appeal. The Trade Facilitation measure for AEO has been developed based on World Customs Organisation ("**WCO**") Standards and WCO tools. Thailand has expedited its entry into AEO Mutual Recognition Arrangements ("**AEO-MRA**"), which include: Hong Kong in 2015, Republic of Korea in 2016, Singapore in 2018, Australia in 2021, Japan in 2022, and New Zealand in 2023.

In September 2023, the Association of Southeast Asian Nations ("**ASEAN**") announced that all 10 Customs Administrations of ASEAN Member States signed the ASEAN AEO MRA, which provides assurance that the certification standards that the ASEAN member states apply within their respective AEO programmes are compatible and in accordance with WCO's SAFE Framework of Standards to Secure and Facilitate Global Trade (SAFE Framework).

Labour Protection – Amendment to Thailand's Labour Protection Law to ensure Remote Working Arrangements

The Labour Protection Act (No. 8) B.E. 2566 (2023) ("**Amended LPA**") came into effect on 18 April 2023 with the goal of updating the existing labour protection law to reflect the modern trend of working from home in response to the COVID-19 pandemic, by establishing a legal framework for remote working arrangements, improve employee productivity and the quality of life, and benefit employers' business operations.

Pursuant to the Amended LPA, the employer and the employee may agree to permit the employee to work remotely outside the place of business or the employer's office. The employee may work at home or the residence of the employee, or work via the use of information technology at any place. Most importantly, such employee shall be entitled to the same rights as those employees working at the place of business or the office of the employer.

In addition, the Amended LPA provides that the employee has the right to refuse communications by whatever means from the employer or supervisor after regular working hours or after completing the assigned work, except where the employee has given a written consent in advance. Click [here](#) for more information.

Technology, Media & Telecommunications – Digital Platform Service Providers – Decree Effective on 19 August 2023

The Royal Decree on Digital Platform Service Businesses Requiring Notification ("**DPD**") came into effect on 19 August 2023. Many platforms acting as a middleman are now regulated by this new law, including food delivery platforms, e-commerce platforms, and ride-hailing platforms. The DPD also has an extra-territorial effect, which covers offshore operators who intend to provide services to users in Thailand. The platforms subject to the DPD will be required to notify the Electronic Transactions Development Agency of their business details as well as comply with ongoing duties. Click [here](#) for more information.

Technology, Media & Telecommunications – New Technological Crime Law

Due to the increasing number of telephone and online scams, the Thai government issued a new law to combat such crimes, as well as related money-laundering activities, namely, the Emergency Decree on Measures for Prevention and Suppression of Technological Crimes B.E. 2566 (2023) ("**Technological Crime Decree**"), which became effective on 17 March 2023. The Technological Crime Decree, which was drafted by the Ministry of Digital Economy and Society, is intended to address certain practical difficulties which victims of online and phone scams have faced, such as the inability to freeze transactions immediately because banks would require proof of the filing of a police complaint.

A "technological crime" is defined "*as the act of committing, or attempting to commit, an offence under the law on computer crime to defraud, extort or blackmail for individual's property, or otherwise, to damage another person, or to commit an offence of fraud, extortion or blackmailing using a computer system as a tool*". Upon request of the victim (who is the account holder), banks and payment providers are required to temporarily freeze illicit transactions. The victim is required to file a complaint to the police within 72 hours. Once the complaint is filed, the police will notify the bank/payment provider to continue freezing the account until the police completes the initial investigation within seven days from the date the complaint is filed. The transaction can be unfrozen if there is no further order to freeze the account from the police after the end of the seven-day period.

If the bank/payment provider finds that there is a suspicious illicit activity, whether by their own effort or from the information sharing system, the bank/payment provider shall notify the police/Secretary of Anti-Money Laundering Office (AMLO) immediately and temporarily freeze illicit transactions for a maximum period of seven days. The authority will complete the initial investigation within seven days from the date of notification. Similarly, if there is no reply from the authority after such seven-day period has passed, the transaction will be permitted to proceed. Click [here](#) for more information.

Personal Data Protection – Personal Data Protection Act Fully Effective and Further Subordinate Laws Issued

Thailand's Personal Data Protection Act B.E. 2562 (2019) ("**PDPA**") became fully effective in mid-2022, and subordinate laws have since been issued to clarify certain provisions.

Based on the statistics from the Thailand's Personal Data Protection Committee ("**PDPC**"), from the effective date of the PDPA in 2022 until 19 January 2024, PDPC has issued approximately 91 administrative orders, mainly requiring data controllers/processors to take action, rectify issues, or cease certain activities. The statistics also reveal that the PDPC Office received more than 390 We have complaints and was notified of data breach incidents in over 380 cases. From a regulatory enforcement perspective, the above investigations and PDPC's administrative orders demonstrate a more active enforcement approach by PDPC.

A range of subordinate laws were issued in 2023, summarised below.

- **Issuance of administrative orders in the event of complaints.** On 2 June 2023, PDPC issued a notification establishing the rules and method for issuing an administrative order of an expert committee. The notification came into force on 22 June 2023.
- **Appointment of Data Protection Officers ("DPOs").** On 31 August 2023, PDPC issued a notification by virtue of section 41(2) of the PDPA establishing the criteria for the appointment of a DPO for data controllers and data processors. The notification came into force on 13 December 2023.
- **Security measures for data controllers exempted from the PDPA.** On 1 December 2023, PDPC issued a notification setting out security standards for data controllers exempted from the PDPA. The notification will come into force on 7 March 2024.
- **Appropriate safeguards for historical documents or archives for public interest.** Under the PDPA, a collection of personal data can be conducted without consent if the collection is for a purpose relating to the preparation of historical documents or archives for public interest, provided that there are suitable measures to safeguard the data subjects' rights. On 1 December 2023, PDPC issued a notification

setting out appropriate safeguards for the collection of personal data for such purposes. The notification will come into force on 7 March 2024.

- **Cross-border data transfer.** On 12 December 2023, PDPC issued a notification on the rules for the provision of data protection for cross-border transfer to a foreign country (Section 28 of the PDPA), which will come into force on 24 March 2024. The notification lays down two criteria to determine the adequacy of the data protection standard of a recipient country/international organisation:
 - (a) The destination country/organisation has a data protection law/regulation that aligns with the PDPA, in particular that the data controller has an obligation to have appropriate security measures in place, including data protection measures that allow the enforcement of data subject's right and legal remedies; and
 - (b) The destination country/organisation has an agency or authority to enforce data protection law/regulation.
- **Cross-border data transfer among affiliated businesses.** On 12 December 2023, PDPC also issued a notification on Binding Corporate Rules for affiliated businesses and appropriate safeguards (Section 29 of the PDPA), which will come into force on 24 March 2024. This notification sets out the criteria for establishing binding corporate rules ("BCR") and PDPC's process of certifying such BCR. The notification also outlines appropriate safeguards to enable data controllers or data processors to carry out data transfers in the absence of a BCR or a decision by PDPC regarding the adequacy of data protection standards in a recipient country or international organisation.
- **Appropriate safeguards when collecting criminal records.** The PDPA requires that any collection of criminal records must be carried out under the control of an authorised official authority, or where appropriate safeguards have been implemented. On 28 December 2023, PDPC issued a notification on appropriate safeguards for the collection of criminal records not carried out under the control of an authorised official authority. The notification will come into force on 7 April 2024.

- **Appropriate safeguards for data collection for research or statistics.** The PDPA allows the collection of personal data to be conducted without consent, if the collection is for the purposes of research or statistics. The same applies to sensitive personal data, where there is a legal obligation to achieve the purposes with respect to scientific, historical, or statistic research. However, both scenarios require a data controller to implement suitable measures to protect the data subject's rights. On 28 December 2023, PDPC issued a notification on appropriate safeguards for data collection for the purposes of (i) research or statistics; (ii) scientific, historical, or statistic research; and (iii) other public interests. The notification will come into force on 7 April 2024.

Click [here](#) for more information.

Environment – Update on Climate Change Bill

Throughout 2023, the Climate Change Management and Coordination Division ("CCMC"), the Office of Natural Resources and Environmental Policy and Planning (ONEP) worked on studying and gathering comments on the proposed Climate Change Bill. For instance, in April 2023 (in collaboration with the Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH (GIZ) and other private entities), a hearing was organised to gather legal experts to form a focus group in relation to the draft Climate Change Act.

A [statement by the Thai Prime Minister](#) at the United Nations Climate Ambition Summit on 20 September 2023 reiterated Thailand's pledge to achieve carbon neutrality by 2050 and to raise Thailand's nationally determined contributions (NDCs) goal from 20% to 40% by 2030. The focus of Thailand's National Energy Plan is shifting to energy efficiency, making a change in the transport sector, increasing electric vehicles (EVs) production, and preparing to phase-out coal generated power. Thailand is determined to increase green area to cover 55% of the total land area by 2037. The Statement also reiterated Thailand's intention to pass the Climate Change Act to regulate mandatory greenhouse gas emissions, a commitment which was reiterated by the Minister of Natural Resources and Environment Pol Gen Phatcharavat Wongsuwan who spoke at the [COP28 climate talks](#) in Dubai in December 2023.

Environment – Green Taxes

In May 2023, the Excise Department [announced](#) the acceleration of the green taxes via "EASE Excise" strategy, with the goal of promoting the use of environmentally, socially, and governance-friendly goods and services such as electric cars. This strategy aims to support the transition towards a bio-circular-green economy and enable Thailand to achieve carbon neutrality by 2050, along with net zero emissions by 2065. As part of this effort, the Excise Department explored the restructuring of carbon taxes on vehicles based on carbon emissions, where lower carbon emissions correspond to lower tax rates. Details can be found in this article [here](#). There are two available options that can be used for collecting carbon taxes: (i) direct tax collection based on the amount of greenhouse gas emissions from product production; and (ii) indirect tax collection based on product consumption. The Excise Department is now considering which option is suitable for collecting carbon taxes in Thailand. For details, see report [here](#).

Environment – Sustainability Financing

The Securities and Exchange Commission ("SEC") issued a [notification](#) to exempt the charges for the issuance of bonds and disclosure of information specifically for Green Bonds, Social Bonds, Sustainability Bonds, and Sustainability-Linked Bonds. These are incentives provided by SEC until 31 May 2025. Currently, as reported on the [SEC website](#), the sustainable bond market in Thailand comprises 136 bonds, raising a total amount of THB 715 billion. Among these bonds, there are 32 issuers involved in issuing various types of sustainability-themed bonds, namely green bonds, social bonds, sustainability bonds, and sustainability-linked bonds. In 2023, the value of green bond issuances amounted to THB 47.3 billion. Additionally, social bonds and sustainability bonds have been issued for THB 4 billion and THB 126.5 billion, respectively.

Gazing Into: 2024

Thailand's economic and foreign policy has seen much recent development. Taking an overview of these trends, we can get an indication of the expected outlook for 2024.

*Thailand remains committed to its aspiration to graduate from an upper middle-income to a high-income country by 2037 as outlined in the 20-year national strategy (2018-2037). A key component of this strategy is "Thailand 4.0", which encapsulates **Thailand's vision to become a value-based and innovation-driven green economy** and move away from producing commodities to **promoting technology, creativity and innovation** in focused industries and,*



increasingly, in services. Thailand is also working on the Bio-Circular-Green (BCG) economy model, which involves a strategy and reform agenda on how to achieve the Thailand 4.0 vision and long-term objectives related to the Sustainable Development Goals (SDGs). One of the key instruments to Thailand's progress towards a "New Economy" is the Investment promotion and facilitation policy under the Board of Investment ("BOI"). The policy provides both tax-based (e.g. corporate income tax exemptions and import duty exemptions) and non-tax privileges (e.g. waiver of foreign ownership restrictions) for promoted projects.

In its [press release](#), BOI reported that between January-September 2023, it received a total of 1,555 project applications, totaling THB516.8 billion in value, reflecting a 22% year-on-year increment. The key sectors which have received investment incentives are the electrical appliances and electronics (E&E) industry, the agro-industry and food processing sector, the automotive and parts industry.

According to the Ministry of Commerce's Trade Report, in 2023, China was Thailand's largest trading partner, followed by the United States ("US"), Japan, Malaysia, and Taiwan.

- **Exports.** *Thailand's five major trading partners for exports were (in descending order): the US, China, Japan, Australia and Malaysia. The principal products were: (i) motor cars, parts and accessories, (ii) automatic data processing machines and parts, (iii) precious stones and jewellery, (iv) rubber products, and (v) refined fuels. Fresh, frozen and dried fruit were 10th on the list of principal export products.*
- **Imports.** *Thailand's five major trading partners for imports were (in descending*

order): China, Japan, the US, United Arab Emirates and Taiwan. The principal products were: (i) crude oil, (ii) machinery and parts, (iii) electrical machinery and parts, (iv) electronic integrated circuits, and (v) chemicals.

Taking into account the above trajectory, we expect the following key trends in 2024:

Investment – Focus on Electronics Industry

The Thai Prime Minister has identified the electronics industry as one of its three target industries for investment – namely, digital business, electronics and electric vehicles (EVs). In particular, the chip industry is a key priority and BOI is focusing on talks with chip producers, reiterating that it provides a number of incentives to attract chip investment, including tax breaks, land subsidies and support for workforce development. Please refer to the report [here](#).

Investment – Board of Investment Incentives for EV Industry

On 19 December 2023, the Cabinet passed a [resolution](#) to approve and implement an earlier resolution of the National Electric Vehicle Policy Commission No. 1/2023 dated 1 November 2023, which introduces new measures and incentives for a period of four years (2024-2027) to promote the use of electric vehicles in Thailand and to drive the development of electric vehicle industries in Thailand ("EV 3.5 Measures"). The EV 3.5 Measures has [come into effect](#) on 1 January 2024.

The incentives under the EV 3.5 Measures apply to electric cars, electric pickup trucks, and electric motorcycles. There are various incentives under this EV 3.5 Measures including providing subsidies, reducing import duty on ready-made cars and reducing excise tax rates. For example, EV cars which cost THB 2,000,000 or less with a 10-50 kilowatt hours (kWh) battery will be eligible for a subsidy of: THB 50,000/car when imported or manufactured in Thailand for distribution within 2024; THB 35,000/car when imported or manufactured in Thailand for distribution within 2025; and THB 25,000/car when manufactured in Thailand for distribution within 2026-2027.

In addition, under the EV3.5 Measures, the Excise Department has amended conditions for obtaining subsidies on EV cars under the previous regulations which required the EV cars to be registered by 31 December 2023. Accordingly, EV cars can obtain the [subsidies](#) under these EV3.5 Measures if the EV cars could be sold by 31 December 2023 and registered by 31 January 2024.

International Trade – Free Trade Agreements ("FTAs")

Thailand's new government, which took office on 5 September 2023, is focusing heavily on foreign and economic policies, and issues such as energy costs.

Thailand is currently in the process of negotiating the following FTAs:

- (a) Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC) Free Trade Area;
- (b) Pakistan-Thailand Free Trade Agreement (PATHAFTA);
- (c) Sri Lanka-Thailand Free Trade Agreement (SLTFTA);
- (d) Thailand-Turkey Free Trade Agreement (THTRFTA);
- (e) ASEAN-Canada Free Trade Agreement;
- (f) Thailand-United Arab Emirates Free Trade Agreement;
- (g) Thailand-European Free Trade Association ("EFTA") Free Trade Agreement; and
- (h) Thailand-European Union Free Trade Agreement.

The Thai Ministry of Commerce has announced that efforts are underway to finalise three FTAs (with the United Arab Emirates (UAE), Sri Lanka, and the European Union, respectively) by mid-2024. Thailand also aims to complete the sixth round of discussions on the EFTA FTA in mid-2024 which will include key sectors such as processed food, apparel, and auto parts.

International Trade – Regulating Trade Competition, Mergers and Acquisitions in E-Commerce

On October 9, 2023, the Trade Competition Commission of Thailand ("TCCT") unveiled its 2024 plan at the "TCCT: New Era of Free and Fair" conference. TCCT aims to ensure equitable competition by focusing on supervising market structures and addressing unfair trade practices in the E-Commerce sector.

With Thailand's digital economy rapidly expanding, TCCT recognises the importance of regulating E-Commerce to ensure a level playing field. The market, valued at THB 100 billion, has witnessed substantial growth in e-commerce, e-service, and e-logistics. To combat emerging challenges, TCCT is actively studying global models, notably in the European Union (EU), to formulate guidelines that will govern the digital market. Anticipated to be released in early 2024, these guidelines aim to address issues of competition restrictions and unfair trade practices in the digital market.

Acknowledging a rise in mergers and acquisitions, with a value of 4.27 trillion during the past five years, TCCT aims to strengthen supervision to prevent potential monopolies or unfair trade practices. The TCCT is currently overhauling regulations and guidelines to align with the evolving landscape of business operations. For instance, to support small and medium enterprises (SMEs) in the competitive landscape, TCCT plans to revise laws, increase efficiency, and adopt an "ex-ante approach" to prevent unfair trade practices.

Personal Data Protection Act – The Year Ahead

Thailand's PDPA became fully effective in mid-2022 and, since then, various subordinate laws have been issued to clarify certain provisions.

A range of subordinate laws will become effective in 2024 and increased enforcement is expected as a result of this. These are the notifications on the following:

- Security measures for data controllers exempted from the PDPA – effective 7 March 2024
- Appropriate safeguards for historical documents or archives for public interest – effective 7 March 2024

- Rules for the provision of data protection for cross-border transfer to a foreign country – effective 24 March 2024
- Cross-broader data transfer among affiliated businesses – effective 24 March 2024
- Appropriate safeguards when collecting criminal records – effective 7 April 2024
- Appropriate safeguards for data collection for research or statistics – effective 7 April 2024

Technology, Media & Telecoms – Artificial Intelligence Laws

Thailand is currently developing laws and regulations regarding Artificial Intelligence ("AI"). Two government agencies responsible for studying and preparing these laws are (i) the Office of the National Digital Economy and Society Commission, and (ii) the Electronic Transactions Development Committee of the Electronic Transactions Development Agency ("ETDA").

We set out below the summary of the draft legislation on AI currently proposed by both government agencies.

- (a) Draft Royal Decree on Service Business Operations that Use Artificial Intelligence Systems ("**Draft AI Decree**")

The Draft AI Decree will be issued pursuant to the Electronic Transaction Act B.E. 2544 (2001). It will introduce a risk-based approach to regulate the use of AI, classifying AI based on different risk levels. Each level of risk will result in different supervision measures, such as prohibitions on use, mandatory registration with the regulator, and transparency obligation. The Draft AI Decree is expected to apply to both AI service providers and AI users.

- (b) Draft Act on the Promotion and Support for National AI Innovations ("**Draft AI Act**")

The Draft AI Act provides standards and mechanisms that aim to apply to AI service providers, such as AI sandbox program, algorithm standard, standard contractual terms, risk assessment, etc.

- (c) Draft ETDA Notification regarding AI Sandbox
Pursuant to the Draft AI Act, this draft notification will further lay down provisions for AI entrepreneurs

to join the AI sandbox, which serves as a center for fostering the testing and development of quality and safe AI innovations.

- (d) The ETDA Draft Notification regarding AI Risk Assessment

This draft notification to be issued pursuant to the Draft AI Act will set out criteria for conducting risk assessment by AI service providers and importers.

We note that these laws and regulations are still in the early stages of development; however, it is important to monitor the evolution of these laws, as they may signify emerging trends in future AI legislation.

Environmental – Climate Change Act

Throughout 2023, CCMC, the Office of Natural Resources and Environmental Policy and Planning (ONEP), worked on studying and gathering comments on the proposed Climate Change Bill. In a statement by the Thai Prime Minister at the United Nations Climate Ambition Summit on 20 September 2023, which was also reiterated by the Minister of Natural Resources and Environment Pol Gen Phatcharavat Wongsuwan, speaking at the COP28 climate talks in Dubai in December 2023, the Thai government stated its intention to pass a Climate Change Act to regulate mandatory greenhouse gas emission, which we may see enacted in 2024.

Environmental – Green Space Bill

The Bangkok Metropolitan Council Secretariat conducted a public hearing, which ended on 26 October 2023, where it sought stakeholders' feedback on the draft Green Space Bill which would improve green spaces and air quality in the city. Currently, the feedback from the public hearing and the draft Green Space Bill are under review by the Committee of the Bangkok Metropolitan Council and pending further approval by the Bangkok Metropolitan Council. It is anticipated that the Green Space Bill [may be promulgated this year](#).

Environmental – Sustainability Financing

SEC will continue to promote and finance projects that contribute to environmental conservation and/or social development. SEC conducted a [public hearing](#) (A.J.T 55/2023) which ended on 16 January 2024, where it sought stakeholders' feedback on the draft notification that would permit SMEs and startups to issue and offer for sale sustainability-themed bonds, which included green bonds, social bonds, sustainability bonds, and sustainability-linked bonds.

KEY CONTACTS



Surasak Vajisit
Managing Partner

T +66 2656 1991

surasak.v@rajahtann.com



Melisa Uremovic
Deputy Managing Partner

T +66 2264 5055

melisa.u@rajahtann.com



Supawat Srirungruang
Partner

T +66 2656 1991

supawat.s@rajahtann.com



Krida Phoonwathu
Partner

T +66 2656 1991

krida.phoonwathu@rajahtann.com



Nattarat Boonyatap
Partner

T +66 2656 1991

nattarat.boonyatap@rajahtann.com



Piroon Saengpakdee
Partner

T +66 2264 5055

piroon.s@rajahtann.com



Pakpoom Suntornvipat
Partner

T +66 2656 1991

pakpoom.s@rajahtann.com



Saroj Jongsaritwang
Partner

T +66 2656 1991

saroj.jongsaritwang@rajahtann.com



Ittichai Prasongprasit
Partner

T +66 2656 1991

ittichai.prasongprasit@rajahtann.com



Dussadee Rattanopas
Partner

T +66 2656 1991

dussadee.rattanopas@rajahtann.com



Chotiwit Ngamsuwan
Partner

T +66 2656 1991

chotiwit.n@rajahtann.com



Jantapa Erjongmanee
Partner

T +66 2656 1991

jantapa.e@rajahtann.com



Kamonnete Yongwattananunth
Partner

T +66 2656 1991

kamonnete.y@rajahtann.com



Akkaraporn Muangsobha
Partner

T +66 2656 1991

akkaraporn.m@rajahtann.com



Attanit Trisopakul
Partner

T +66 2656 1991

attanit.t@rajahtann.com

OUR REGIONAL CONTACTS

R&T SOK & HENG | *Cambodia*

R&T Sok & Heng Law Office

T +855 23 963 112 / 113

F +855 23 963 116

kh.rajahtannasia.com

RAJAH & TANN | *Myanmar*

Rajah & Tann Myanmar Company Limited

T +95 1 9345 343 / +95 1 9345 346

F +95 1 9345 348

mm.rajahtannasia.com

RAJAH & TANN 立杰上海

SHANGHAI REPRESENTATIVE OFFICE | *China*

Rajah & Tann Singapore LLP

Shanghai Representative Office

T +86 21 6120 8818

F +86 21 6120 8820

cn.rajahtannasia.com

GATMAYTAN YAP PATACSIL

GUTIERREZ & PROTACIO (C&G LAW) | *Philippines*

Gatmaytan Yap Patacsil Gutierrez & Protacio (C&G Law)

T +632 8894 0377 to 79 / +632 8894 4931 to 32

F +632 8552 1977 to 78

www.cagatlaw.com

ASSEGAF HAMZAH & PARTNERS | *Indonesia*

Assegaf Hamzah & Partners

Jakarta Office

T +62 21 2555 7800

F +62 21 2555 7899

Surabaya Office

T +62 31 5116 4550

F +62 31 5116 4560

www.ahp.co.id

RAJAH & TANN | *Singapore*

Rajah & Tann Singapore LLP

T +65 6535 3600

sg.rajahtannasia.com

RAJAH & TANN | *Thailand*

R&T Asia (Thailand) Limited

T +66 2 656 1991

F +66 2 656 0833

th.rajahtannasia.com

RAJAH & TANN | *Lao PDR*

Rajah & Tann (Laos) Co., Ltd.

T +856 21 454 239

F +856 21 285 261

la.rajahtannasia.com

RAJAH & TANN LCT LAWYERS | *Vietnam*

Rajah & Tann LCT Lawyers

Ho Chi Minh City Office

T +84 28 3821 2382 / +84 28 3821 2673

F +84 28 3520 8206

CHRISTOPHER & LEE ONG | *Malaysia*

Christopher & Lee Ong

T +60 3 2273 1919

F +60 3 2273 8310

www.christopherleeong.com

Hanoi Office

T +84 24 3267 6127

F +84 24 3267 6128

www.rajahtannlct.com

Rajah & Tann Asia is a network of legal practices based in Asia.

Member firms are independently constituted and regulated in accordance with relevant local legal requirements. Services provided by a member firm are governed by the terms of engagement between the member firm and the client.

This update is solely intended to provide general information and does not provide any advice or create any relationship, whether legally binding or otherwise. Rajah & Tann Asia and its member firms do not accept, and fully disclaim, responsibility for any loss or damage which may result from accessing or relying on this update.

DISCLAIMER

Rajah & Tann Asia is a network of member firms with local legal practices in Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam. Our Asian network also includes our regional office in China as well as regional desks focused on Brunei, Japan and South Asia. Member firms are independently constituted and regulated in accordance with relevant local requirements.

The contents of this publication are owned by Rajah & Tann Asia together with each of its member firms and are subject to all relevant protection (including but not limited to copyright protection) under the laws of each of the countries where the member firm operates and, through international treaties, other countries. No part of this publication may be reproduced, licensed, sold, published, transmitted, modified, adapted, publicly displayed, broadcast (including storage in any medium by electronic means whether or not transiently for any purpose save as permitted herein) without the prior written permission of Rajah & Tann Asia or its respective member firms.

Please note also that whilst the information in this publication is correct to the best of our knowledge and belief at the time of writing, it is only intended to provide a general guide to the subject matter and should not be treated as legal advice or a substitute for specific professional advice for any particular course of action as such information may not suit your specific business and operational requirements. You should seek legal advice for your specific situation. In addition, the information in this publication does not create any relationship, whether legally binding or otherwise. Rajah & Tann Asia and its member firms do not accept, and fully disclaim, responsibility for any loss or damage which may result from accessing or relying on the information in this publication.