

Regional Round-Up 2024: Thailand



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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 2025, we are pleased to share with you our *2024 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 2024, as well as consider the terrain of the road that lies ahead in 2025. In the "**Looking Back: 2024**" section, we take stock of the past year and highlight the key legal and regulatory developments affecting each jurisdiction in 2024. In the "**Gazing Into: 2025**" 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 provides 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 *2024 year-in-review of the Regional Round-up*:

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

Looking Back: 2024

On 16 August 2024, the House of Representatives elected Paetongtarn Shinawatra, the youngest daughter of Thaksin Shinawatra (Prime Minister 2001-2006) and niece of Yingluck Shinawatra (Prime Minister 2011-14) as the 31st Prime Minister of Thailand. The appointment saw the return of the Shinawatra family to a prominent place in Thai politics, following the Constitutional Court's order dissolving the Move Forward party and banning ten of its members, as well as the order that Pheu Thai party Prime Minister Srettha Thavisin be removed from office on the grounds that he had committed an ethical violation by appointing a minister with a criminal conviction.



According to the Ministry of Commerce's Trade Report, in 2024, Thailand's five major trading partners for exports (in order starting from the largest) were the United States ("US"), China, Japan, Malaysia and Australia, with the principal products being: (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.

Thailand's five major trading partners for imports were (in order starting from the largest) China, Japan, Taiwan, the US and United Arab Emirates, with the principal products being: (i) crude oil; (ii) electronic integrated circuits; (iii) machinery and parts; (iv) electrical machinery and parts; and (v) jewellery including silver bars and gold.

Thailand continued its move to becoming a value-based and innovation-driven economy by promoting technology, creativity and innovation in focused industries and, increasingly, in services. One of the key instruments of Thailand's investment promotion and facilitation policy is the **Board of Investment ("BOI")**, which provides both tax-based and non-tax privileges for promoted projects. In 2024, **BOI's key focus areas included the promotion of investment in the electric vehicle ("EV") and printed circuit board ("PCB") supply chains, as well as data centres.**

Continuing a post-COVID trend and in response to the ongoing trade tensions between the US and China, **Thailand has sought to position itself as a key player in global supply chains**, competing with other ASEAN nations to host businesses seeking to relocate business units from China or restructure their global supply chain generally. This process has also necessitated a re-examination of whether new investment structures comply with the **foreign ownership restrictions under the Foreign Business Act ("FBA") or whether Thai nominee shareholders are being used in breach of the law.** August 2024 also saw the first anti-circumvention decision handed down by Thai

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authorities, targeting steel operators who sought to avoid the imposition of anti-dumping tariffs on certain imported steel products.

New laws and implementing regulations were enacted or came into effect which provided: (i) a framework for virtual bank licensing; (ii) the issuance of **sustainability-related tokens and the offering of sustainability-themed bonds by SMEs and Start-ups**; (iii) **the closure of a loophole on the taxing of foreign sourced income brought into Thailand**; (iv) **the application of value-added tax ("VAT") to low-value imports** below the *de minimis* threshold; and (v) **the introduction of consumer protection measures which seek to protect consumers in e-commerce transactions**.

The year saw a large number of draft laws move towards enactment in key areas such as the **environment, platform economy, artificial intelligence ("AI")**, the introduction of a **global minimum corporate tax on multinational entities ("MNEs")**, and **entertainment complexes**, the latter of which would represent a significant shift away from Thailand's long-standing opposition to the legalisation of gambling.

In a momentous development in 2024, Thailand became the first country in Southeast Asia to recognise same-sex marriage when it enacted the **Marriage Equality Act**.

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

Foreign Investment – New BOI Incentives Relating to EVs and PCB Supply Chains

Thailand has seen a consistent post-COVID increase in manufacturing investment as companies diversify from concentrating production in China and otherwise restructure to address global logistics concerns. These companies have been able to take advantage of benefits provided by BOI, including in areas such as the EV and PCB supply chains. Click [here](#) and [here](#) for more information.

Foreign Investment – Nominee Shareholding Structures under Investigation

The influx of new investment has necessitated some adjustment. There has been an increasing number of investigations into the conduct of businesses operating in Thailand in breach of the nominee provisions of the FBA. There is no clear guidance in the FBA on what is a "nominee". However, some guidance can be taken from the guideline and enforcement actions of the Department of Special Investigation ("**DSI**"), which also has the jurisdiction to investigate certain offences under the FBA. The criteria include the type of issued shares (e.g. whether a preference share structure is being used), rights of the Thai shareholders, management control over the company, the source of funds invested in the company by the Thai shareholders, dividends and returns to Thai shareholders (i.e. whether they are reasonable), etc. Click [here](#) for more information.

Anti-dumping / Countervailing Duties – First Determination in an Anti-circumvention Investigation Issued

Thailand issued its first determination in an anti-circumvention investigation on 2 August 2024 when it determined that 17 Chinese steel companies were potentially circumventing anti-dumping measures over the import of flat hot-rolled steel in coils and not in coils by adding alloy elements, thus allowing these to be classified under different tariff codes. Click [here](#) for more information.

Tax – Closing of Tax Loophole Relating to Foreign-sourced Income; Approval of Draft Legislation to Implement Global Minimum Corporate Tax on MNEs

1 January 2024 saw the closing of a tax loophole relating to foreign-sourced income, with clear instruction now on the need for Thai residents who have foreign income and bring the foreign income into Thailand, to declare it in their income tax calculations in the tax year in which they bring in the foreign income. On 11 December 2024, the Thai Cabinet approved a draft legislation to implement a global minimum corporate tax of 15% on MNEs in accordance with OECD/G20 Inclusive Framework on Base Erosion and Profit Shifting and the Two Pillar Solution to Address the Tax Challenges Arising from the Digitalisation of the Economy.

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Virtual Banking – New Guidelines Released in Relation to Operating Virtual Banks

On 4 March 2024, the Notification of the Ministry of Finance Re: Criteria, Methods, and Conditions of the Application for a Licence and Issuance of a Licence to Operate a Virtual Bank ("**Notification**"), dated 20 February 2024, was published in the Government Gazette. The Notification provides guidance on the process for applying for a virtual bank licence, as well as the relevant criteria, requirements and conditions. The Notification came into effect on 19 March 2024. Click [here](#) for more information.

Sustainability – Sustainability-related Tokens Notifications Issued; Update on Issuance and Offering of Sustainability-themed Bonds by SMEs and Start-ups

Thailand's Securities and Exchange Commission (SEC) introduced sustainability-themed tokens as a new category of digital assets, and also revised regulations to support the issuance and offering of sustainability-themed bonds through crowdfunding and private placement channels for small- and medium-sized enterprises ("**SMEs**") and start-ups. Click [here](#) for more information.

AI/Generative AI – Regulation of AI

There was substantial debate throughout the year on the appropriate legal framework for the regulation of AI, which resulted in draft laws and guidelines such as the Guidelines for the Application of Generative AI with Good Governance for Organisations. Click [here](#) for more information.

Technology, Media & Telecommunications – Draft Platform Economy Act

Stakeholders continue to debate a draft Platform Economy Act ("**PEA**"), which is intended to regulate digital platform service businesses and also protect consumers. One of the key requirements set out in the draft PEA is the appointment of a point of contact to liaise with the Electronic Transactions Development Agency (ETDA) if certain conditions are met, although there is no explicit requirement for the establishment of a business presence in Thailand.

Gaming – Entertainment Complex Bill

There was a significant focus on the enactment of the Entertainment Complex Bill, which will grant the green light for casino operators to operate in Thailand, and continued debate on potential amendments to laws in respect of online gambling.

Data Protection and Cybersecurity – New Cybersecurity Subordinate Laws

Further subordinate laws were issued or became effective under the Personal Data Protection Act, addressing issues such as rules for adequate protection standards for cross-border transfers. In addition, new cybersecurity subordinate laws applying to critical information infrastructure operators were issued. Click [here](#) for more information.

Consumer Protection – New Measures Regulating E-commerce Transactions Using Cash on Delivery

New measures were introduced by the Office of the Consumer Protection Board to **protect consumers in e-commerce transactions** using cash on delivery, which continues to make up the majority of e-commerce payments. Click [here](#) for more information.

Tax – New Vat Law on Imports

The removal of the VAT exemption on imports below THB1,500 in value was implemented in response to demands by local businesses affected by low-value e-commerce goods, which continue to be an issue that the Government grapples with. Click [here](#) for more information.

Marriage Equality – Marriage Equality Act Enacted

Thailand became the first country in Southeast Asia to recognise same-sex marriage when it enacted the Marriage Equality Act. The House of Representatives approved the draft on 27 March 2024, based on a [press release](#) issued by The Government Public Relations Department.

Gazing Into: 2025

The Thai Government has [announced](#) that its key investment goals are centred upon five "future industries". These target industries include:

- **Data centres;**
- **Electric vehicles ("EVs")**
- **Artificial intelligence;**
- **Precision agriculture; and**
- **Food technology.**

Thailand continues to see a growth in investment in data centres and the electronic supply chain, supported by the Thailand Board of Investment ("**BOI**") incentives reinforcing "*Thailand's status as a*



regional tech hub". Thailand ranks second behind Malaysia in terms of Southeast Asian data centre investment, and Amazon Web Services, Google, Microsoft and Huawei have already entered the market with their projects.

While Thailand has been a significant player in traditional automotive manufacturing, the **rapid advancement of EV technology necessitates a strategic adaptation**, with the global shift presenting both challenges and opportunities for Thailand's domestic auto industry.

2025 generally will be a year of challenges and change as global economies react to the measures introduced by the new United States ("**US**") Administration. The changes may lead to a positive impact on Thai investment with the restructuring of global supply chains favouring those countries not directly challenged by increased US tariffs. However, the US is the number one destination for Thai exports and this trade surplus may lead to its own exports to the US coming under increased scrutiny.

The Bank of Thailand believes the Thai economy will achieve growth rates of 2.9% in 2025, in part driven by tourism (link to the Economic Overview page of BOI [here](#)). BOI has introduced promotions for large-scale events and it is hoped that the passing of legislation on **entertainment complexes** will provide a much-needed boost to investment in Marina Bay Sands-style entertainment and casino facilities.

There are also moves to **promote Thailand as a regional financial hub**, with Thai Cabinet passing a draft Financial Centre Act in early February.

It is expected that the trend towards increased scrutiny of foreign shareholding structures will continue where there is a concern about the use of Thai nominee shareholders in **breach of the Foreign Business Act. Instead, foreign investors should avail themselves** of the exemptions,

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licensing and investment promotions available for lawful foreign ownership from regulatory authorities.

Locally, the key issue impacting the Thai population is air quality. For this reason, and given the number of environmental laws which are in advanced stages of consideration, **2025 will likely see substantial changes to the Thai environmental regulatory regime.**

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

Environment – New Laws Expected in 2025 to Tackle Air Quality

The impact of poor air quality and pollution on the Thai population dominates the local news, with pressure on regulators to reduce the impact of air pollution and particulate matter (PM) 2.5 particles. Various draft environmental laws are nearing issuance in 2025. We are likely to see the draft Climate Change Act submitted to Cabinet in February, with provisions such as the establishment of a "Climate Fund", and the Clean Air Act emerge from the legislative process in April. The Cabinet has also approved a carbon tax measure intended to apply to emissions and integrate into the existing excise tax structure for various fuels, making Thailand the second country after Singapore in ASEAN to introduce a carbon tax.

Trade – Impact of Change of US Administration on Supply Chain and Movement of Manufacturing and Business Units

The inauguration of the new US President in early January this year and the ensuing flurry of decisions of the Trump Administration will likely continue contributing to changes to global supply chains and the movement of manufacturing and sourcing business units to ASEAN. It remains to be seen whether Thailand will be directly impacted in any other ways. According to the Ministry of Commerce's Trade Report, in 2024, the US was Thailand's number one destination for its exports, while China was Thailand's number one source of imports. The Trump Administration has indicated that it will scrutinise those countries with large trade surpluses with the US. According to [media reports](#), "[c]ountries with the largest trade surpluses with the US are China,

Mexico, and Vietnam, while Thailand ranks 10th with a surplus of \$51.5 billion".

Trade – BRICS Partnership

On 1 January 2025, Thailand became a BRICS "partner" country, along with Malaysia, Vietnam and Indonesia from Southeast Asia. The move is expected to strengthen economic ties between Thailand and BRICS member countries Brazil, Russia, India, China, South Africa, the United Arab Emirates, Iran, Egypt and Ethiopia.

Foreign Investment – Data Centres and Electronic Supply Chain

Thailand continues to see a growth in investment in data centres and the electronic supply chain, supported by the BOI incentives reinforcing "*Thailand's status as a regional tech hub*", according to Mr. Narit Therdsteerasukdi, Secretary General of BOI in a [news report](#) issued in November 2024.

Foreign Investment – Continued Scrutiny on Nominee Structures

Foreign investors should also expect a greater focus and collaboration amongst government agencies to prevent illegal nominee structures in Thailand, as highlighted in the recent press releases published on the Department of Business Development's website on [12 November 2024](#) and [14 November 2024](#).

Virtual Banking – Approval to Hold Virtual Bank Licences to be Announced

Bank of Thailand has [announced](#) that operators qualified and approved by the Minister of Finance to hold virtual bank licences are expected to be announced by mid-2025, with successful applicants required to launch their virtual banks within a year of receiving approval.

Financial Services – Draft Financial Centre Act Approved by Cabinet

On 4 February 2025, the Cabinet approved a draft Financial Centre Act which will now be forwarded to the Council of State for review before further submission for parliamentary consideration. The aim of the law is to turn Thailand into a regional financial hub by providing privileges for investment in businesses such as

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commercial banks, payment services, securities, futures exchange, digital assets, insurance, reinsurance brokers, and finance-related businesses. According to reports, a new financial institution commission will be established to provide regulatory oversight, and its office will serve as a one-stop service centre. Click [here](#) to read the news report on this development.

Technology, Media & Telecommunications – Draft Platform Economy Act

On 15 January 2025, Thailand's draft Platform Economy Act ("**PEA**") was released for public comment for a period of one month, until 15 February 2025. The law is intended to provide an overarching law for digital intermediary services and digital platform service businesses.

One of the key requirements set out in the draft PEA is the appointment of a point of contact to liaise with the Electronic Transactions Development Agency ("**ETDA**") if certain conditions are met, although there is no explicit requirement for the establishment of a business presence in Thailand. Additional obligations will be imposed on Very Large Online Platform Providers ("**VLOPs**"), which are (i) those with annual revenue from their digital platform services in Thailand exceeding THB1 billion annually, (ii) have more than six million average monthly domestic users, and (iii) present a significant risk to Thailand's economic or social stability, as determined by the Digital Platform Economy Committee upon the recommendation of ETDA. VLOPs will have specific duties as compared to general digital platform service providers, such as

reporting certain information, suspending services for users committing serious unlawful acts, and publishing annual transparency reports, amongst other requirements.

Gaming – Approval of Draft Entertainment Complex Act, and Potential Changes to Online Gambling-related Laws

2025 will see Thailand move closer towards Marina Bay Sands-style casino and entertainment facilities in the country for the first time, following Cabinet's approval in January 2025 of the draft Entertainment Complex Act. The draft will now be reviewed by the Council of State and commence parliamentary consideration. There are also multi-agency discussions underway on potential amendments to laws in respect of online gambling.

Marriage Equality – Marriage Equality Act Comes Into Effect

Finally, Thailand's Marriage Equality Act, which provides equal recognition of marriage for all couples, regardless of their gender identity and sexual orientation, came into effect on 23 January 2025. The new act will provide equal treatment in the areas of medical care, property, inheritance, taxation and adoption of children, among others. 2025 will likely see further changes intended to address the gaps in law experienced by same-sex couples.

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