

NEWSLETTER

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New DBD Order Strengthening Measures Against Nominee Arrangements

The Department of Business Development (DBD) has issued Order of the Central Partnership and Company Registration Office No. 1/2569 (2026) (the "Order"), introducing new anti-nominee measures aimed at preventing nominee arrangements involving Thai nationals and foreign investors. The Order came into force on 1 April 2026.

This new measure reflects the DBD's ongoing efforts to strengthen regulatory oversight and ensure compliance with Thai laws, particularly in relation to foreign participation in partnerships and limited companies.

Background

The Order was issued in response to concerns that Thai nationals have been used as nominee shareholders and Thai directors to conduct foreign businesses on behalf of foreign nationals to circumvent the Foreign Business Act B.E. 2542 (1999) ("FBA"), which may adversely affect public interests and the economic security of Thailand. To address these concerns, the DBD has introduced additional documentation requirements for certain amendments involving foreign nationals in partnerships and limited companies.

Key Requirements Under the Order

The Order introduces specific requirements depending on the type of entity and nature of the amendment.

1. Partnerships

In circumstances where all partners are Thai nationals or foreign partners previously held at least 50% of the total capital contributions and an amendment to a partnership results in the following:

- foreign partners holding less than 50% of the total capital contributions; and
- no foreign national acts as a managing partner,

the managing partner applying for the registration of such amendment must submit to the Registrar a Confirmation Letter of Genuine Investment by Thai partners. This requirement is intended to enable the Registrar to verify that the Thai partners have made genuine investments and are not acting as nominees on behalf of foreign nationals.

2. Limited Companies

In circumstances where all authorized directors were Thai nationals and an amendment to the company results in a foreign national becoming an authorized director or a co-signatory with binding authority, whether by:

- appointing new directors; or
- changing the number or names of authorized directors,

the director applying for registration of such amendment must submit to the Registrar, a Confirmation Letter of Genuine Investment by the Thai shareholders.

The Confirmation Letter of Genuine Investment

The Confirmation Letter of Genuine Investment requires the managing partners or authorized directors to certify that:

- All partners or shareholders have duly invested and fully paid their capital contributions or shares;
- No Thai national is acting as a nominee on behalf of a foreign national; and
- They acknowledge potential penalties for violations under applicable laws, including the FBA, and relevant provisions of the Thai Criminal Code.

The letter also confirms that providing false information to the Registrar may result in criminal penalties.

Effective Date

The Order came into effect on 1 April 2026. From that date onward, the Registrar may require the submission of a Confirmation Letter of Genuine Investment in applicable cases when registering amendments.

Practical Implications

Companies and partnerships intending to implement structural amendments involving foreign nationals should:

- Review proposed changes carefully;
- Prepare the required documentation in advance; and
- Ensure that shareholding and management structures comply with Thai law.

These additional requirements may affect the timeline for registration of amendments, particularly where foreign nationals are involved.

How ILCT Can Assist

ILCT continues to monitor regulatory developments affecting foreign investment and corporate structuring in Thailand. If you require assistance in reviewing your corporate structure or preparing the necessary documentation under the new Order, our team would be pleased to assist. For further information, please contact us at law@ilct.co.th.

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