

Legal Update

Thailand Moves to Remove Nine Business Activities from Foreign Business Act Restrictions

Thailand may soon implement a reduction in regulatory barriers for foreign investors following the Thai Cabinet's approval in principle of proposed amendments to the *Foreign Business Act*, B.E. 2542 (1999) (the “**FBA**”).

On 12 May 2026, Thailand's Cabinet approved in principle two legislative measures proposed by the Ministry of Commerce:

- I. a draft Royal Decree amending the categories of businesses listed under the FBA; and
- II. a draft Ministerial Regulation prescribing businesses that may be operated by foreign investors without obtaining approval under the FBA.

The proposed reforms would result in the removal of nine business activities from the scope of restrictions currently imposed under the FBA. The proposal reflects the government's broader efforts to modernise Thailand's regulatory framework, reduce unnecessary administrative burdens and encourage greater foreign direct investment into the country.

Importantly, the proposed changes do not represent a broad relaxation of foreign ownership restrictions. Rather, they are intended to reduce regulatory duplication in sectors that are already subject to specialised regulatory oversight, while maintaining appropriate safeguards for businesses where competition with Thai operators remains a policy consideration.

1. Key Thai laws implicated in nominee investigations?

The proposed amendments would remove restrictions on nine business activities, which fall into three lists.

A. Businesses already regulated by specific authorities

Several of the businesses proposed for removal are already subject to comprehensive oversight by sector-specific regulators. These include:

- Telecommunications services;
- Treasury centre operations regulated by the Bank of Thailand;
- Securities-backed lending businesses regulated under various securities and derivatives laws;
- Advisory, agency and fund management services relating to certain derivatives products; and
- Agricultural futures contracts on a futures exchange, with delivery or receipt of agricultural products to be made at warehouses designated by the futures exchange (whereas the existing exemption generally applies only to agricultural futures trading without physical delivery or receipt of agricultural products in Thailand).

Thailand's Ministry of Commerce's position is that these activities are already subject to comprehensive oversight under industry-specific regulatory frameworks. As such, requiring foreign investors to obtain an additional approval under the FBA may result in unnecessary regulatory duplication. The proposed amendments are therefore intended to streamline the approval process while ensuring that the relevant activities remain subject to supervision by the regulators responsible for their respective sectors.

B. Intra-group services

The proposal also covers services provided exclusively within a group, including:

- Administrative, human resources and information technology support services; and
- Domestic debt guarantee services provided to affiliated companies.

These activities are generally undertaken solely for the benefit of affiliated companies within the same corporate group and do not directly compete with businesses operating in the wider market. Given that multinational groups commonly centralise support and treasury functions across multiple jurisdictions, the proposed exemption would provide greater operational flexibility while reducing regulatory burdens associated with intra-group services.

C. Other supporting business activities

The remaining activities include:

- Leasing limited space for the installation of electronic devices used for financial services, vending machines and automated service systems for employees; and
- Petroleum drilling services provided exclusively to concessionaires.

2. What do these proposed changes mean for foreign investors in Thailand?

Once the amendments come into force, foreign investors operating in the affected sectors would no longer be required to obtain a foreign business licence under the FBA before conducting these activities in Thailand.

This does not mean that regulatory requirements disappear altogether. Businesses will continue to be subject to the licensing and compliance requirements imposed by their respective sector-specific regulators. For example, telecommunications operators will continue to require licences from the National Broadcasting and Telecommunications Commission, treasury centres will remain subject to approval from the Bank of Thailand and petroleum drilling operators will continue to be regulated by the Ministry of Energy.

In practical terms, the proposed amendments are expected to streamline the approval process by removing an additional layer of regulatory review. This could help reduce administrative burdens and approval timelines for foreign investors, while ensuring that the relevant activities remain subject to oversight by the appropriate regulatory authorities.

3. Continued focus on compliance

While the Thai government is seeking to facilitate foreign investment in certain sectors, it has also reaffirmed its commitment to strictly enforcing foreign business laws. In particular, authorities have indicated that they will continue to investigate and act against nominee arrangements and other structures designed to circumvent Thailand's strict foreign ownership restrictions.

As a result, foreign investors should continue to ensure that their ownership structures and business operations remain fully compliant with Thai law, even as the regulatory landscape evolves.

4. What steps should my business take?

While the proposed amendments are intended to simplify regulatory requirements for certain business activities, the availability of any exemption will ultimately depend on the nature of the relevant business and the conditions prescribed under the final legislation.

As the proposed measures remain subject to the legislative process, businesses should continue to monitor developments and assess whether the exemptions may apply to their operations once the legislation comes into force.

Further information

Should you have any questions on how these developments may affect you or your business, please get in touch with the team at PDLegal.

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