

## Client alert

October 2018

### CAAT Seeks Feedback from Aircraft Operators on Definition of "Other Juristic Persons" under Air Navigation Act B.E. 2497 (1954)

The Civil Aviation Authority of Thailand (CAAT) recently published a draft ministerial regulation prescribing the qualifications for "other juristic persons," as defined in sections 31 (3) (e) and 41/24 (6) of the Air Navigation Act B.E. 2497 (1954), as amended. The draft regulation supplements the Air Navigation Act in that it lays down the shareholding requirements for:

- (i) applicants filing for aircraft **registration**; and
- (ii) applicants applying for a license to **manufacture** aircraft.

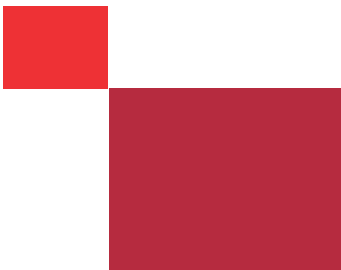
The table below provides the details of the current wording of sections 31 (3) (e) and 41/24 (6) of the Air Navigation Act and the draft ministerial regulation. The public hearing will close on 5 October 2018 and the feedback can be sent to the Legal Department of the CAAT. Please let us know if you wish to participate in the hearing.

Category	Current requirement	Draft ministerial regulation
Aircraft registration	<p>A person, natural or juristic, who applies for aircraft registration, must hold Thai nationality. If the applicant is a partnership or limited or public limited company, it shall be registered under the law of Thailand, and the principal place of business of the partnership or company must be in the Kingdom.</p> <p>Furthermore:</p> <ul style="list-style-type: none"> <li>(1) in an ordinary partnership, all partners shall hold Thai nationality;</li> <li>(2) in a limited partnership, all partners who jointly have unlimited liability must hold Thai nationality and at least 51 percent of the capital must</li> </ul>	<p>Other juristic persons under sections 31 (3) (e) and 41/24 (6) of the Air Navigation Act B.E. 2497 (1954) means:</p> <ul style="list-style-type: none"> <li>a. state agencies;</li> <li>b. limited companies or public limited companies, of which a state agency holds no less than 51 percent of all shares;</li> <li>c. mutual funds established under the law on</li> </ul>

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Category	Current requirement	Draft ministerial regulation
	<p>belong to natural persons who hold Thai nationality; and</p> <p>(3) in a limited or public limited company, the company must not have shares issued to bearers, a majority of its directors must hold Thai nationality, and at least 51 percent of all shares must belong to any one or any combination of the following persons:</p> <ul style="list-style-type: none"> <li>a. natural persons who hold Thai nationality;</li> <li>b. ministries, sub-ministries, or departments of the government;</li> <li>c. limited or public limited companies in which ministries, sub-ministries, or departments of the government hold at least 51 percent of all shares;</li> <li>d. limited companies or public limited companies in which natural persons holding Thai nationality hold at least 51 percent of all shares; and</li> <li>e. other juristic persons as specified in the ministerial regulations.</li> </ul>	<p>securities and stock exchange, with a security company being the responsible person of the fund's operation, which is not a foreigner under the Foreign Business Act; and</p> <p>d. provident funds established under the law on provident funds with the fund manager who is not a foreigner under the Foreign Business Act.</p>
Aircraft manufacture	<p>At least 51 percent of the total capital of an applicant for an aircraft manufacture certificate must belong to persons holding Thai nationality, in any one or any combination of the following categories:</p> <ul style="list-style-type: none"> <li>(1) natural persons who hold Thai nationality;</li> <li>(2) ministries, sub-ministries, departments, or state agencies;</li> <li>(3) limited or public limited companies in which at least 51 percent of the total capital belongs to persons holding Thai</li> </ul>	



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Category	Current requirement	Draft ministerial regulation
	<p>nationality, provided that bearer shares shall be counted as the capital belonging to a person not holding Thai nationality;</p> <p>(4) limited partnerships, in which all partners with unlimited liability hold Thai nationality, and no less than 51 percent of the capital belongs to persons holding Thai nationality;</p> <p>(5) registered ordinary partnerships in which all partners hold Thai nationality; and</p> <p>(6) other juristic persons as specified in the ministerial regulations.</p> <p>A juristic person under items 3, 4, 5, or 6 must be registered under the law of Thailand and have its principal place of business in the Kingdom. In addition, if it has a juristic person as its shareholder or partner, that shareholder's or partner's capital must belong to a person holding Thai nationality as described in this section.</p>	

For more information, contact our team at Baker McKenzie.