

Client alert

May 2019

Foreign Business Act: Liberalization for Back-office Activities in Progress

Following [our client alert in September 2018](#) regarding certain back office activities soon to be exempted from the Foreign Business Act ("**FBA**"), yesterday, 14 May 2019, the Cabinet approved the draft ministerial regulations regarding the same proposed by the Ministry of Commerce ("**MOC**").

The following service activities provided to affiliated/group companies are soon to be excluded from Schedule Three (21) of the FBA:

- (i) lending money to affiliated/group companies **in Thailand**;
- (ii) renting out office space including public utilities to affiliated/group companies; and
- (iii) providing consultation and recommendations to affiliated/group companies in the following fields:
 - management;
 - marketing;
 - human resources; and
 - information technology

The next step is the Office of the Council of State will examine the draft ministerial regulations and forward the draft to the MOC. Upon issuance of the ministerial regulations by the MOC, a foreign business license to operate the aforementioned back office activities will no longer be required.

We are closely monitoring the progress and will keep you informed of any updates.

For further information,
please contact:

Waratchaya Tungsuwan
+66 2666 2824 Ext. 4359
waratchaya.tungsuwan
@bakermckenzie.com

Sirirak Wartrakchit
+66 2666 2824 Ext. 4074
sirirak.wartrakchit
@bakermckenzie.com

www.bakermckenzie.com

Bangkok

5th Floor, 10th Floor and 21st-
25th Floors
990 Abdulrahim Place
Rama IV Road, Silom, Bangrak
Bangkok 10500