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NEWSLETTER

Thailand Eases Foreign Business Restrictions:

Cabinet Approves License-Free Operations in Nine Business Categories

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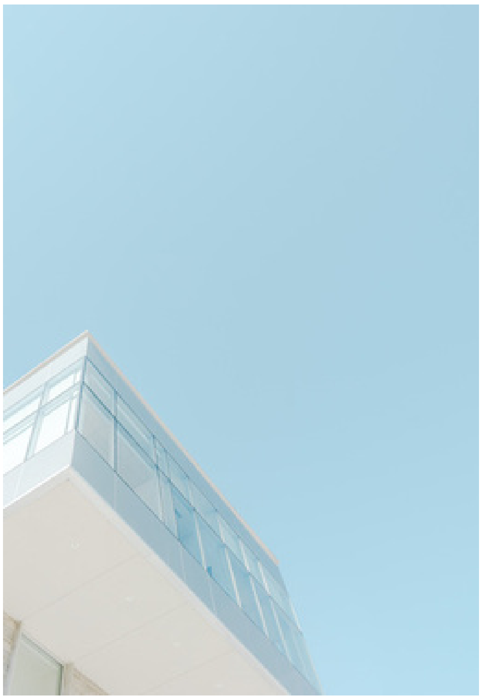
On 12 May 2026, Thailand's Cabinet approved in principle two separate draft legislative instruments that together, if enacted, will reduce the licensing requirement on foreign investors under the Foreign Business Act B.E. 2542 (1999) (the "**FBA**"), one addressing businesses exempt from licensing requirement and the other amending the FBA's restricted business schedules to carve out a specific category of agricultural futures trading.

This approval marks a notable relaxation of the FBA, which restricts foreigners from conducting a broad range of business activities in Thailand without first obtaining the foreign business license (the "**FBL**") or the foreign business certificate (the "**FBC**") from the Department of Business Development, Ministry of Commerce. The Cabinet's resolution reflects a broader policy shift towards enhancing Thailand's competitiveness and attractiveness to foreign investment by reducing regulatory barriers and facilitating market entry. To that end, both draft instruments have been approved in principle.

Each is summarised in turn below.



DRAFT ROYAL DECREE: AGRICULTURAL FUTURES TRADING BUSINESS

The first draft instrument, to be issued as a Royal Decree, amends the schedules of restricted businesses under the FBA. Under the FBA, "*domestic trade in local agricultural products not otherwise prohibited by law*" is classified as a restricted business under List 3(13). A 2013 Royal Decree previously carved out agricultural futures trading at the Agricultural Futures Exchange of Thailand where no physical delivery takes place within Thailand.

The new draft Royal Decree extends that carve-out further. Specifically, it would exclude from the scope of List 3(13) the trading of agricultural futures contracts at a designated futures exchange centre where physical delivery or receipt of the underlying agricultural goods occurs at a warehouse designated by that futures exchange centre. As a result, these activities would no longer constitute a restricted business under List 3(13), and foreign operators engaging in such activities would not be required to obtain an FBL or FBC.

DRAFT MINISTERIAL REGULATION: EIGHT EXEMPT BUSINESSES

The second draft instrument, to be issued as a Ministerial Regulation, designates certain businesses as exempt from the requirement to obtain an FBL. Under the draft Ministerial Regulation, eight business activities currently falling within List 3(11)(d) (other types of agency businesses) and List 3(21) (other service businesses) would be exempted from the FBL requirement. The proposed exemptions can be broadly grouped into three categories, reflecting the policy objectives underlying the liberalisation measures.

Group 1 — Businesses Subject to Dedicated Sectoral Regulation

1. **Telecommunications Services (Type I License)** – regulated under the Telecommunications Business Act B.E. 2544 (2001) and supervised by the National Broadcasting and Telecommunications Commission. The exemption applies only to operators holding a Type I telecommunications license.
2. **Treasury Centre Services** – regulated under the criteria prescribed by the Bank of Thailand and relevant foreign exchange regulations.
3. **Securities-Collateralised Lending** – regulated by the Securities and Exchange Commission (the "**SEC**") under the Securities and Exchange Act B.E. 2535 (1992).
4. **Agency, Dealer, Advisory and Fund Management Services in relation to Derivatives Contracts that fall outside the scope of the Derivatives Act B.E. 2546 (2003)** – regulated by and subject to the oversight of the SEC.

These businesses are already subject to licensing, regulatory oversight and ongoing supervision by specialised sector-specific regulators. In light of these existing regulatory safeguards, the additional requirement for foreign operators to obtain an FBL or FBC under the FBA creates a duplicative layer of regulation. Accordingly, the removal of this redundant licensing requirement is unlikely to adversely affect economic security, market integrity or the public interest.

Group 2 — Intra-Group Services

5. **Intra-Group Administrative, Human Resources (HR), and Information Technology (IT) Management Services** – provided to affiliated or group companies of the foreign entity.
6. **Intra-Group Domestic Debt Guarantee Services** – provided in respect of domestic obligations incurred by affiliated companies of the foreign entity.

These exemptions apply exclusively to intra-group services that are performed solely for affiliated or group entities and not offered to the general market. Hence, such activities present limited risk to local operators and are unlikely to affect domestic market competition. Exempting these also facilitates efficient group-wide operations and reduces unnecessary compliance burdens for multinational corporate groups operating in Thailand.

Group 3 — Specific-Condition Businesses

7. **Space Rental for the Installation of Electronic Financial Service Equipment or Automatic Vending Machines** – solely for the convenience of employees.

8. **Petroleum Drilling Services** – subject to strict supervision and licensing under the Department of Mineral Fuels within the Ministry of Energy and the Energy Regulatory Commission. The exemption is conditional on compliance with the relevant energy legislation and ministerial regulations.

These exemptions apply to business activities that are either limited in scope and ancillary in nature or are already heavily regulated under a sector-specific licensing regime. The exemptions are therefore intended to facilitate business operations while maintaining appropriate safeguards under the applicable regulatory framework.

LOOKING AHEAD

Both draft instruments are currently under review by the Office of the Council of State. Once approved, the draft Royal Decree will be submitted to His Majesty the King for Royal Assent, while the draft Ministerial Regulation will be presented to the Minister of Commerce for signature. Both will subsequently be published in the Royal Gazette to take effect. We note that the scope of exempted service businesses is subject to comments from the Council of State, and accordingly the scope may be subject to change.

Once promulgated and effective, the proposed exemptions will operate automatically without any further application or approval requirements. Foreign operators wishing to carry on the relevant exempted activities will no longer be required to obtain an FBL or FBC in respect of those activities. However, an exemption from the FBL or FBC requirement does not eliminate any separate licensing, permitting or regulatory obligations under sector-specific legislation. Foreign operators must still evaluate and fulfill all relevant sectoral compliance obligations before commencing or expanding their operations in Thailand.

We will continue to monitor the progress of both draft instruments through the legislative process and will provide a further update upon their promulgation in the Royal Gazette. For advice on how these developments may affect your existing operations or investment plans in Thailand, please contact our corporate team.

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