

Proposed Amendment to the Public Limited Companies Act Approved by Parliament

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Further to our previous article dated 20 May 2021, the proposed draft Bill of Amendment to the Public Limited Companies Act B.E. 2535 (1992) approved by the Thai Cabinet on 11 May 2021 has finally been approved by the Thai Parliament on 28 February 2022 (the “**PLCA Amendment**”).

When the PLCA Amendment comes into effect, it will enable public limited companies to flexibly conduct certain matters via electronic media or electronic systems and facilitate conducting meetings at a lower cost.

Key amendments

The key aspects of the PLCA Amendment, which are broadly similar to those formerly approved by the Thai Cabinet on 11 May 2021, are summarized below.

1. Companies may advertise or publish their statements via public electronic means instead of a newspaper (*S.3 of the PLCA Amendment*). This is to provide an alternative channel to the public limited companies as currently they shall give a notification, notice or make an advertisement of any statement related to them only in a Thai daily newspaper.
2. Companies or the board of directors may send letters or documents to directors, shareholders or creditors of the companies through electronic means *provided that* the intentions or consents to receive such letters or documents are given to the companies by those persons (*S.4 of the PLCA Amendment*).
3. Unless prohibited in the Articles of Association, a board of directors’ meeting and a shareholders’ meeting can be held via electronic means in accordance with the laws on electronic meetings. In such case, the principal business office shall be considered as the meeting venue of such electronic meeting (regardless of where it takes place). **In addition**, the meeting venue shall be at the principal business office or in nearby provinces, or unless otherwise provided in the Articles of Association, but in the Kingdom of Thailand (*S.5, S.9 and S.10 of the PLCA Amendment*).
4. Where there is a reasonable cause or in order to protect the rights or benefits of companies, at least two directors may request the Chairman to call for a board of directors’ meeting stipulating the matters and reasons to be proposed to a meeting. In such case, the Chairman must cause a board of directors’ meeting to be held within 14 days as from the date of receipt of request. Where a Chairman fails to do so, such requesting directors can directly call for a board of directors’ meeting within 14 days after the expiration of such duration (*S.6 of the PLCA Amendment*).

5. The Vice President can call for a board of directors' meeting in the case of absence of the Chairman of the board of directors or where the absence of both Chairman and Vice President, at least two directors can call for a board of directors' meeting (*S.7 of the PLCA Amendment*).
6. Only three days' notice prior to a board of directors' meeting is required. In addition, in the case of necessity or urgency for the purpose of protecting rights or benefits of companies, a summons of a meeting can be sent through an electronic or other means and a shortened period of notice may be sent (*S.8 of the PLCA Amendment*).
7. Notice to the shareholders' meeting which is summoned by shareholders can be sent through an electronic means provided that such shareholders have declared their intentions or given consents to the companies or the board of directors to receive notice via electronic means (*S.11 of the PLCA Amendment*).
8. Appointment of proxy may be done via electronic means (e-proxy) with safe and credible methods (*S.12 of the PLCA Amendment*).

Conclusion

The PLCA Amendment is being reviewed by the Secretariat of the Cabinet before being proposed for the King's signature and published in the Government Gazette. These amendments shall come into force the next day after its publication in the Government Gazette, which is expected to take place in March 2022.

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