FBA Update:

Thailand Eases Foreign Business Restriction in Eight Business Categories — but the Scope of Certain Exemptions Still Requires Clarity

Following the Thai Cabinet's approval on 12 May 2026 of the amendments to the restricted business schedules under the Foreign Business Act B.E. 2542 (1999) ("**FBA**"), the Ministry of Commerce ("**MOC**") has promulgated the following two new Ministerial Regulations which introduce additional categories of businesses that are exempt from the requirement under the FBA to obtain a Foreign Business License ("**FBL**") before commencing operations:

1. Ministerial Regulation Prescribing Service Businesses Exempt from the Requirement to Obtain a Foreign Business License B.E. 2569 (2026); and
2. Ministerial Regulation Prescribing Brokerage and/or Agency Businesses Exempt from the Requirement to Obtain a Foreign Business License B.E. 2569 (2026).

Importantly, the two new Ministerial Regulations have now expanded the list of exempt businesses to include the following eight businesses:

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 (NBTC). The exemption applies only to operators holding a Type I telecommunications license, which covers telecommunications business operators that do not have their own telecommunications network.

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2. **Treasury Centre Services** – regulated under the criteria prescribed by the Bank of Thailand (BOT) and applicable foreign exchange regulations. These services include activities relating to the management of foreign currency for affiliated companies both in Thailand and overseas, for example, reinvoicing, acting as an agent for the receipt and payment of funds, income netting, foreign currency exchange transactions, exchange rate risk management, and liquidity management.

3. **Securities Business (Expansion of the Scope of Related Activities)** - regulated by the Securities and Exchange Commission (SEC) under the Securities and Exchange Act B.E. 2535 (1992). To support the development of the securities business sector, the following activities are now exempted from the list of restricted businesses under the FBA:

(i) Lending money for the purchase of securities; and

(ii) Purchasing securities under a repurchase agreement (REPO).

4. **Derivatives Business (Expansion of the Scope of Related Activities)** - regulated by the SEC under the Derivatives Act B.E. 2546 (2003) ("**Derivatives Act**"). Similar to the securities business, the following activities are now exempted from the list of restricted businesses under the FBA:

   (i) Purchasing derivatives under a repurchase agreement (REPO);

   (ii) Acting as an agent, dealer, advisor, or fund manager in relation to derivatives contracts where the underlying asset or reference variable falls outside the scope of the Derivatives Act; and

   (iii) Acting as an agent, dealer, advisor, or fund manager in relation to derivatives contracts whose payment is linked to a foreign exchange rate (FX) or interest rate index, where such derivatives contracts are entered into outside the Thailand Futures Exchange (TFEX).

GROUP 2 — INTRA-GROUP SERVICES

5. **Intra-Group Administrative, Human Resources (HR), and Information Technology (IT) Management Services** – provided to affiliated 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.

   (**Note**: This exemption applies only to direct affiliated companies. For ease of reference, a diagram illustrating the affiliated companies that qualify for this exemption is shown below.)

GROUP 3 — SPECIFIC-CONDITION BUSINESSES

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

8. **Petroleum Drilling Services** – provided solely where the service provider has entered into a direct contractor agreement with a concessionaire, a production sharing contractor, or a service contractor under the supervision of the Department of Mineral Fuels, Ministry of Energy, and the Energy Regulatory Commission, in accordance with the laws relating to petroleum.

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SCOPE OF INTRA-GROUP ADMINISTRATIVE, HUMAN RESOURCES (HR), AND INFORMATION TECHNOLOGY (IT) MANAGEMENT SERVICES

In light of the current trend toward corporate reorganization, many business groups are adopting reorganization plans under which a holding company serves as a centralized provider of intra-group back-office services to its affiliated companies. This approach enables the group to achieve cost savings, improve operational efficiency, and promote consistent compliance with good corporate governance principles across the group companies.

However, a key question arises as to whether the new exemption is broad enough to cover the full range of activities typically performed by a centralized intra-group back-office service provider.

As the MOC has previously issued guidelines concerning its consideration and approval of FBL applications for the provision of Intra-Group Administrative, Human Resources (HR), and Information Technology (IT) Management Services to affiliated companies, such guidelines may serve as useful references in interpreting the scope of the newly introduced exemption. Nevertheless, as the interpretation of the new exemption may continue to develop and may differ in scope from the MOC's previous practice and guidelines, further analysis may be required as to whether particular activities performed as part of intra-group services fall within the scope of the exemption.

In this regard, we recommend that business operators review their compliance with the FBA, particularly in relation to the nature and scope of intra-group services provided to their affiliated companies, before commencing any corporate reorganization plan. Where there is uncertainty as to whether particular intra-group services fall within the scope of the exemption, business operators should seek legal advice to assess the applicability of the exemption to their specific business operations and whether any further action may be required under the FBA.

In addition, in the Thai market, business operators providing back-office services commonly seek both tax and non-tax incentives through applicable channels, such as the Board of Investment of Thailand (BOI) and the Revenue Department. We therefore also encourage business operators to explore whether their business operations may qualify for any available incentive schemes under such channels, with a view to maximizing operational efficiency and obtaining the full benefits available under those schemes.

We will continue to closely monitor any further developments, including any clarification or ruling from the MOC regarding the scope of the exemption for Intra-Group Administrative, Human Resources (HR), and Information Technology (IT) Management Services.

Lastly, should your company require advice on whether your existing or proposed intra-group services fall within the scope of the new exemption, or on how these developments may affect your existing business operations or upcoming reorganization plans in Thailand, please contact our Corporate Team.

For further information or legal consultation regarding this issue, please contact:

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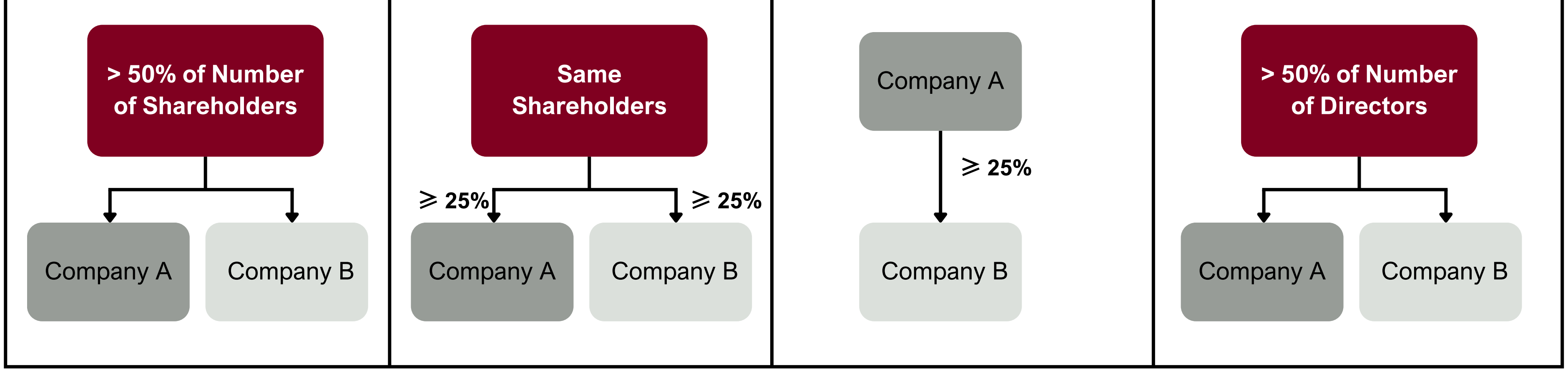
DIAGRAM ILLUSTRATING QUALIFYING AFFILIATED COMPANIES WITHIN THE GROUP

(A) Qualification by Shareholding			(B) Qualification by Control
1.1 The two juristic persons have common shareholders, and the number of such common shareholders represents not less than one-half of the total number of shareholders of each juristic person.	1.2 The same shareholders hold at least 25% of the total issued shares of each of the two juristic persons	1.3 One juristic person holds at least 25% of the total issued shares of another juristic person	The two juristic persons have common directors, and the number of such common directors represents not less than one-half of the total number of directors of each juristic person.



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