



Thailand company registration

Healy Consultants

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Since 2003, Healy Consultants has assisted our Clients with business registration in Thailand. Our services include **i)** Thailand company incorporation **ii)** government license registration **iii)** business bank account opening **iv)** employee recruitment **v)** visa strategies and **vi)** office rental solutions.

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Advantages of Thailand business registration

1. It is possible to set up a wholly foreign owned Thai LLC using USA citizens as nominee shareholders and directors. For the majority of our multinationals clients, Healy Consultants supplies passive USA nominee shareholders and directors; consequently, these Thai entities can invest in the majority of Thailand industry sectors without a foreign investor license and without local Thai shareholders and directors;
2. Our Clients like to set up a Regional Head Office in Thailand because:
 - a. The Thai head office enjoys a mere 10% corporation tax on income received from subsidiaries including royalties, interest, and intellectual property and management fees. Dividends received from international subsidiaries are free of Thai corporation tax;
 - b. An ROH is also **i)** permitted to own Thai land **ii)** free of any currency controls and overseas remittance restrictions and **iii)** free to employ unlimited expatriate talent;
 - c. Thai office rental costs and local staff salaries are low.
3. Thailand is ideal for starting a manufacturing business because:
 - a. A Thai LLC can be wholly foreign owned;
 - b. Our Clients find they are able to sell their manufactured goods abroad with a higher markup thanks to **i)** VAT exemption on all exports **ii)** custom duties exemption on all exports **iii)** low rental cost for industrial space at an average of US\$6 per square foot per year;
 - c. Foreign investments in many sectors including **i)** electronic **ii)** chemical **iii)** paper **iv)** plastics and **v)** metal products will benefit from **i)** a corporation tax holiday of up to 8 years **ii)** exemption from import duties on machinery and raw materials **iii)** simplified customs procedures and **iv)** permission to own land;
 - d. Our Clients will find it easy to transport their goods because Thailand's transportation network is considered the 3rd best in South East Asia including rail, sea, road and air;
 - e. Our Clients who incorporate in Thailand's 12 Free Trade Zones enjoy advantages including **i)** VAT exemption **ii)** no import/export duties **iii)** up to 8 years of tax holiday for promoted activities and **iv)** permission to own land;
 - f. For all the reasons above, Thailand is Southeast Asia's largest manufacturer of **i)** automobiles **ii)** hard disk drives and **iii)** rubber;
 - g. The Customs Department can refund import duties on materials imported for the production of goods which are then exported. In addition, if a manufacturing firm exports its products, it is possible, with certain guarantees and fees, to procure import duty exemption on materials to be incorporated in products manufactured under bonded warehouse status;
 - h. Exporters may obtain financial assistance from commercial banks in the form of packing credits, by means of promissory notes discounted at the rate prescribed by the commercial bank.
4. The Thai Government provides several tax incentives including:
 - a. Subject to the Board of Investment (BOI) approval, zero corporation tax is provided to multinationals who invest in designated industry sectors including **i)** agriculture and agro-industry **ii)** alternative energy **iii)** automotive and **iv)** electronics and ICT **v)** fashion **vi)** entertainment **vii)** healthcare and **viii)** tourism services;
 - b. Business losses can be carried forward for up to 5 years;
 - c. A company may claim a 200% rebate on R&D costs, and a 200% deduction for job training expenses and for expenditure on salary paid to disabled employees;
 - d. Exports neither suffer VAT nor customs nor excise duties. Import duty imposed on materials imported for the production of goods that are then exported can be refunded by the Customs Department. Further, exemption from customs duties on imported goods is granted when the goods are taken through a Free Zone.

Additional information on Thailand company registration

- [Country attractiveness video](#)
- [PWC – Paying tax in Thailand](#)
- [IFC – Doing business in Thailand](#)
- [Thailand, a top ranked investment destination](#)
- [Investment made easy](#)

Disadvantages of Singapore company registration

1. Except for manufacturing companies, the majority of business set ups in Thailand require a majority of Thai national shareholders and directors. Healy Consultants will supply passive nominee shareholders and directors for our Clients. An Amity Treaty LLC can circumvent this requirement. While it is possible to apply to the Thai Government for exceptions to Thai involvement, it is too rare for the Government to grant approval. Furthermore, the majority of multinational Thai LLCs must appoint a local citizen as a bank signatory. Healy Consultants has a legal work around solution to this terrible requirement;
2. Setting up a company in Thailand is difficult because:
 - a. Companies with over 50% share capital held by foreigners are required to obtain a foreign business license before conducting business activities including **i)** tourism **ii)** sale of food and beverages **iii)** communications **iv)** legal services and **v)** construction. To secure this license, multinationals are required to have **i)** share capital equivalent to 9 months of planned expenditures or **ii)** US\$94,000 whichever is higher;
 - b. Foreign companies are requested to inject at least US\$63,000 paid up share capital;
 - c. Our Clients will find it difficult to incorporate a Thai PLC because they require at least **i)** 15 shareholders and **ii)** 5 directors, half of whom must be Thai nationals. Furthermore, a PLC must inject a minimum share capital of US\$622,000 before listing on the [SET Index](#).
3. Companies incorporated in Thailand suffer significant and increasing taxes because:
 - a. In Thailand **i)** corporate tax is 20% **ii)** withholding taxes are up to 15% **iii)** capital gains can be taxed up to 35% **i)** the effective [total tax rate for companies approximates 30%](#) including corporation tax and VAT;
 - b. Our Clients incorporating in Thailand should be aware that taxes in Thailand will increase in 2015 and 2016 because the government has committed to reducing its budget deficit since rating agencies are threatening a downgrade of Thailand's debt;
 - c. A 10% branch remittance tax is imposed on after-tax profits repatriated to the overseas parent company;



- d. Withholding taxes on payments to overseas parent companies suffer **i)** 10% on dividends **ii)** up to 15% on royalties and **iii)** up to 15% on interest even after the benefits of Thailand's **56 double taxation treaties**.
4. Multinationals investment in Thailand is uncertain because:
 - a. Thailand is politically unstable following a coup in September 2006. Since then, Thailand is coping with a mini civil war that could jeopardize the security of foreign investment past and future. To exacerbate this risk, the King of Thailand is in poor health and it is feared the Thai military will take control of the Government after his death;
 - b. Environmental disasters in Thailand have a tremendous impact on business operations. For example, devastating floods in 2011 cost resident businesses **i)** US\$46 billion in damages and **ii)** up to 6 months of lost sales;
 - c. Our Clients should also be aware that bidding for government contracts is currently risky because **i)** Thailand is currently ruled by an unelected military junta **ii)** the next government may void contracts awarded since the May 2014 coup and **iii)** 86 year old King Bhumibol Adulyadej's impending death could lead to even more political turmoil.
 5. Our Clients find Thailand a corrupt place to conduct business because:
 - a. It is common for employees and competitors to counterfeit foreign company products. Thailand is indeed ranked as the **104th country in the world** for intellectual property protection;
 - b. Unfortunately to get business done, multinationals may frequently have to bribe corrupt Government officials. About 25% of businesses have reported bribing Thai officials in 2013 and businessmen consider **corruption the most problematic factor** for Thai-based businesses;
 - c. When running into contractual problems with **i)** suppliers **ii)** customers and **iii)** business partners, multinationals cannot rely on Thai courts. Like most emerging markets, the judicial system favors its citizens.
 6. Thai-based companies find it difficult to hire quality employees because:
 - a. For each expatriate hired by a Thai LLC **i)** the company paid up share capital must increase by US\$62,000 and **ii)** four Thai employees must be employed;
 - b. Our Clients face acute labor shortages in Thailand, as the current unemployment rate is low at 0.7%;
 - c. Foreign entrepreneurs may furthermore have trouble communicating with their employees, as only 30% of the population speaks English;
 - d. Firing a Thai employee is often an expensive decision. **Severance pay represent on average 36 weeks of pay**, the 11th highest figure in the world.
 7. Companies in Thailand suffer excessive administrative Government red tape including:
 - a. All outward fund remittances in foreign currencies must secure preliminary-approval from the bank after submission of an approval form and supporting information;
 - b. Multinationals can only import goods in Thailand for resale either retail or wholesale after **i)** the Thai subsidiary is granted permission by the **Ministry of Commerce** and **ii)** paid up share capital of at least US\$3.3 million. There are no restrictions on the import of raw materials for manufacturing;
 - c. At the time of incorporation, all shareholders must be "natural persons". However, after incorporation, shares can be transferred to a corporation;
 - d. Thai translations must be provided when filing **i)** tax returns and **ii)** audited financial statements;
 - e. Approximately 45 days following incorporation, officials from the Revenue Department will do a one-time inspection of the company premises;
 - f. Each calendar year, employers with 100 or more employees must arrange training for at least 50% of their employees, by headcount.

"For each expatriate hired by a Thai LLC the company paid up share capital must increase by US\$62,000"

Business entities in Thailand

Healy Consultants will assist our Clients incorporate the optimum Thai corporate structure. The most common business entity in Thailand is the LLC and PLC. Multinationals sometimes also establish a Branch Office or a Representative Office in Thailand. All Thai business entities must be registered with the [Department of Business Development](#) and for tax purposes with the [Revenue Department](#).

The Thai LLC

- A Thai LLC is governed by the Civil and Commercial Code and requires a minimum of 3 shareholders and 1 director. Except for manufacturing, the majority of businesses require a majority of Thai national shareholders. At least 25% of share capital must be paid when registering the company. The minimum share capital required for a local LLC is US\$1;
- Thai LLCs wishing to hire expatriates must inject a minimum share capital of **i)** US\$ 94,000 in [restricted industries](#) and **ii)** US\$ 63,000 in other sectors. If a foreign company intends to engage in restricted activities, it must apply for a [Foreign Business License](#), subject to [Government approval](#).

The Amity Treaty LLC

- This is a Thai LLC with a minimum of 3 shareholders and 1 director. A USA citizen can own 98% of the shares and can be sole director and bank signatory. The remaining two shareholders need to be Thai citizens owning 1% each. Healy Consultants will be happy to supply passive nominee shareholders and directors of all nationalities;
- At the time of company incorporation, all initial shareholders must be “natural persons”, because a company cannot be a founding shareholder. However, following legal company registration, shares can be transferred to a USA LLC. Amity approval allows our Client to only engage in all business activities [outlined in List Three](#);
- The Amity Treaty LLC must have a paid up share capital of US\$67,000 Thai LLCs wishing to hire expatriates must inject a minimum share capital of **i)** US\$ 94,000 in [restricted industries](#) and **ii)** US\$ 63,000 in other sectors. If a foreign company intends to engage in restricted activities in List 1 and 2, it must apply for a [Foreign Business License](#), subject to [Government approval](#).

The Thai Public Limited Company

- A Thai PLC is governed by the Public Company Act and requires **i)** at least 15 shareholders and **ii)** at least 5 directors, half of whom are Thai residents. The minimum share capital required is US\$1;
- PLCs in Thailand are allowed, but not required to list on the SET. A PLC requires **i)** minimum paid up share capital of US\$622,000 to list in the [Market for Alternative Investment \(MAI\)](#) or **ii)** a minimum registered capital of US\$9.3 million to list in the [Stock Exchange of Thailand \(SET\)](#).

Branch office

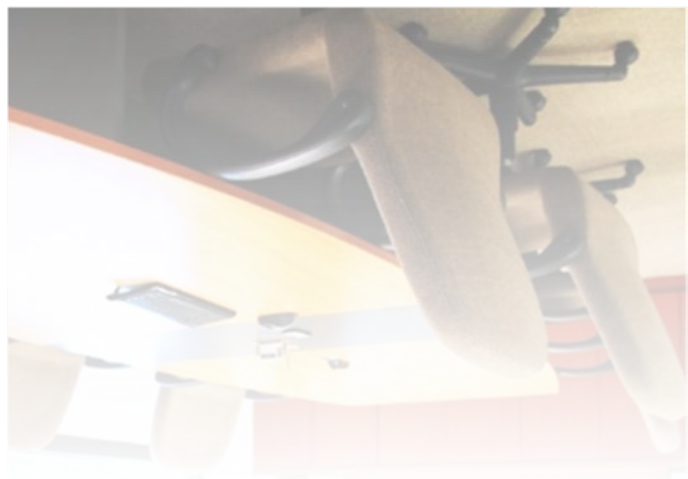
- A multinational can establish a branch office in Thailand to complete a special project lasting a maximum of 5 years. A renewal of the branch license may be granted, provided the working capital required to be brought into Thailand is met. While a Thai branch office can be 100% foreign owned, our Clients generally find it cumbersome to open a branch office, as they will be required to **i)** obtain a foreign business license renewable every 5 years and **ii)** remit a minimum of US\$156,000 into Thailand to cover future expenses. Furthermore, they also need to obtain a **i)** VAT registration number **ii)** a taxpayer identification number and **iii)** a Commercial Registration Certificate;
- Income earned from branch office activities is subject to the normal Thai corporate income tax, but the company will not be taxed on income earned outside Thailand and unrelated to the business activities of the Thailand office. A remittance tax of 10% applies to profits transferred from a Thailand branch to its head office overseas (except to Hong Kong). Tax payment must be made within seven days of the date of remittance. The branch manager must be a Thai citizen.

Representative office

- While a representative office in Thailand can be 100% foreign owned, it is not allowed to make direct sales within Thailand. Consequently, this entity can only engage in **i)** market research and **ii)** promoting the business of the parent company **iii)** finding sources to purchase goods or services in Thailand and **iv)** controlling the quality and quantity of goods purchased or manufactured in Thailand;
- Although not subject to corporate tax, representative offices must **i)** obtain a Corporate Tax Identification Number **ii)** submit income tax returns and **iii)** submit audited financial statements to the [Revenue Department](#). Healy Consultants can complete the set-up of a Thai representative office within 3 months. The manager of the representative office must be a Thai citizen.

Regional Operating Headquarters (ROH)

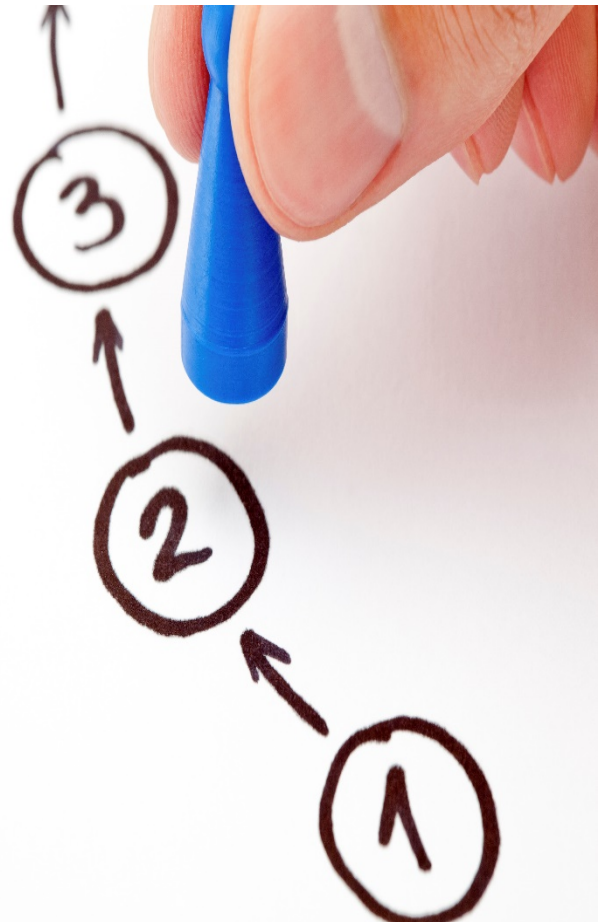
- A foreign enterprise can establish a regional office in Thailand to own and supervise Group subsidiaries in Asia. The activities which a ROH is permitted to undertake include **i)** consulting and management of Asian operations **ii)** training and personnel development in Asian offices **iii)** financial management for the Region **iv)** marketing control and sales promotion planning for the Region **v)** product development and **vi)** research and development;
- A Government approved ROH enjoys a corporation tax rate of 10% on income received from subsidiaries including royalties, interest, intellectual property and management fees. Dividends received from overseas subsidiaries are legally tax exempt in Thailand. Furthermore, employees of an ROH suffer income tax at a flat rate of 15%. To enjoy these benefits, the entity must apply for **i)** investment promotion from the BOI and **ii)** a foreign business license;
- To enjoy ROH status, the Thai LLC must **i)** maintain at least US\$310,000 paid-up share capital **ii)** provide services to at least 3 overseas affiliated companies in at least three different countries. In the first three years of operation, only one third of the ROH's revenue can come from overseas subsidiaries, the remainder from local Thai sales. From year four onwards, at least half of the revenue booked by the ROH must be derived from service provision to its overseas affiliated companies and/or branches.



Summary at a Glance	Amity Treaty LLC	Thailand LLC	Free zone LLC	Thai ROH	Thai Branch	Representative Office
Average total engagement period	14 weeks	19 weeks	14 weeks	14 weeks	12 weeks	12 weeks
Engagement complexity	High	Low	Medium	High	High	High
How long to legally incorporate the company?	3 weeks	8 weeks	3 weeks	5 weeks	6 weeks	6 weeks
How long to open company bank account?	3 weeks	4 weeks	3 weeks	3 weeks	3 weeks	3 weeks
Thai bank signatory required	No	Yes	No	No	Yes	No
Legal Liability?	Limited	Limited	Limited	Limited	Unlimited	Unlimited
Wholly Foreign owned?	Yes	No	Yes	Yes	Yes	Yes
Maximum foreign ownership allowed?	100%	49%	100%	100%	100%	100%
Minimum share capital required?	US\$63,000	US\$1	US\$1	US\$63,000	US\$63,000	US\$63,000
Average Government license approval period	6 weeks	5 weeks	4 weeks	5 weeks	6 weeks	6 weeks
File annual tax return?	Yes	Yes	Yes	Yes	Yes	Yes
Tax Identification Number required?	Yes	Yes	Yes	Yes	Yes	Yes
Corporate Bank Account?	Krungsri Bank	Krungsri Bank	Kasikorn Bank	SCB	HSBC	SCB
Does our Client need to travel?	No	No	No	No	No	No
Resident director required?	No	Yes	No	No	Yes	Yes
Resident shareholder required?	2%	51%	No	No	No	No
Minimum directors allowed?	1	1	1	1	1	1
Minimum shareholders?	3	3	3	3	0	0
Corporate shareholders allowed?	Yes	Yes	Yes	Yes	Yes	Yes
Corporate director(s) allowed?	Yes	Yes	Yes	Yes	Yes	Yes
Public register of shareholders and directors?	Yes	Yes	Yes	Yes	Yes	Yes
Thailand Corporate Tax Rate?	20%	20%	0%	10%	20%	0%
How long to secure VAT registration	4 weeks	4 weeks	4 weeks	4 weeks	4 weeks	4 weeks
Annual financial statements required?	Yes	Yes	Yes	Yes	Yes	Yes
Statutory independent audit required?	Yes	Yes	Yes	Yes	Yes	No
Allowed to issue sales invoices?	Yes	Yes	Yes	Yes	Yes	No
Allowed to sign contracts?	Yes	Yes	Yes	Yes	Yes	No
Allowed to import and export goods?	Yes	Yes	Yes	No	No	No
Can rent an office in Thailand?	Yes	Yes	Yes	Yes	Yes	Yes
Can buy Thai property?	Yes	No	Yes	No	No	No
Can own equity in other Thai companies?	Yes	Yes	Yes	Yes	No	No

12 steps to incorporating in Thailand

1. Before setting up a company in Thailand, our Client **i)** settles Healy Consultants' engagement fees **ii)** signs our Client Engagement letter and **iii)** provides us all the **due diligence documents**;
2. Because of the complexity of Thailand business set up, Healy Consultants drafts a detailed Thailand company setup **engagement project plan**. This plan will map out, week by week, each step to engagement completion, optimising transparency and setting Client expectations;
3. Our Client and Healy Consultants agree the optimal corporate structure, including the number and nationality of shareholders and directors. Healy Consultants incorporation team performs a company name check with the **Department of Business Development (DBD)** and reserves the preferred company name on the Client's behalf;
4. To enable Healy Consultants apply for VAT registration with the Ministry of Finance Revenue Department, our Client provides us **i)** building owner documentation **ii)** photos of building entrance and/or office entrance, showing street address or office number, company name sign **iii)** street location sketch map (Thai language) **iv)** proof of building ownership **v)** personal or corporate identity documents of building owner **vi)** certification letter from building owner, certifying that company is a registered business tenant under lease. Within four weeks The Ministry of Finance Revenue Department approves VAT registration;
5. Healy Consultants prepares and files an application with the US Commercial Service requesting eligibility certification letter for Amity Treaty application. Furthermore, we obtain a certification letter from US Embassy. Only then can Healy Consultants submit the application for Amity Treaty approval and Foreign Business Certificate with the Ministry of Commerce, Department of Business Development, and Foreign Business Section;
6. Healy Consultants' banking team will then assist our Client to open a **corporate account** in Thailand. Our Client will deposit **i)** at least 25% of company's share capital for a resident LLC **ii)** US\$93,000 if involved in business activities restricted to foreign investment **iii)** US\$62,000 for foreign LLC involved in other business activities. Upon receiving the bank certificate of deposit, Healy Consultants will assist the Client to activate the internet banking facility;
7. Healy Consultants will then help the Client obtain a corporate seal, which is affixed on company share certificates and other important documents;
8. Thereafter, Healy Consultants prepares the M&AA for Client signature and courier return. The company M&AA will then be filed with the **Department of Business Development**, along with the required **government registration fees**. When approved, the Client is required to hold a statutory meeting and provide meeting minutes for submission during company registration;
9. Only after the M&AA are approved by the DBD, Healy Consultants will proceed with the application to register the company as a legal entity;
10. After incorporation, Healy Consultants will **i)** obtain VAT and tax identification numbers **ii)** register the company with Social Security **iii)** apply for a Foreign Business License if necessary **iv)** provide written company rules and regulations in Thai as per the requirements of the **Ministry of Labour**;
11. If the Client's business qualifies for special promotional privileges (tax and non-tax incentives) offered by the Thailand **Board of Investment (BOI)**, Healy Consultants will submit an application on behalf of the Client's firm to the BOI;
12. Following engagement completion, Healy Consultants couriers a company kit folder to our Client's preferred international address, containing original corporate documents, unopened bank correspondence and a Client feedback survey.



The Amity treaty LLC

1. The Amity treaty between the United States and Thailand allows US citizens with equal business and personal rights as those of Thai citizens and vice versa. The US-Thailand Amity treaty allows U.S. citizens to invest in many business sectors without i) a foreign business license and ii) without a Thai shareholder and director. However, the minimum share capital of the Thai company must be US\$63,000;
2. There are only seven business activities that American businesses are restricted from including i) real estate activities ii) communications iii) transportation iv) fiduciary functions v) banking vi) exploitation of land and natural resources vii) domestic trade in indigenous agricultural products;
3. Multinationals can enjoy Amity treaty benefits when American citizens hold a majority of the company shares and directorships.



“The Amity treaty between the United States and Thailand allows US citizens with equal business and personal rights as those of Thai citizens and vice versa”

The 12 Steps to Amity LLC incorporation

1. Before setting up a company in Thailand, our Client **i)** settles Healy Consultants' engagement fees **ii)** signs our Client Engagement letter and **iii)** provides us all the [due diligence documents](#). Healy Consultants then drafts a detailed Thailand company setup engagement project plan;
2. Healy Consultants and our Client agree the optimal corporate structure, including shareholders and directors. Healy Consultants incorporation team performs a company name check with the [Department of Business Development \(DBD\)](#) and reserves the preferred company name. It is recommended to reserve three names ranked by priority to maximize chances of success. Healy Consultants will check the intended activities against the list of reserved businesses under the Foreign Business Act (FBA) for potential effects on shareholding structure;
3. To enable Healy Consultants apply for VAT registration with the [Ministry of Finance Revenue Department](#), our Client provides us **i)** building owner documentation **ii)** photos of building entrance and/or office entrance, showing street address or office number, company name sign **iii)** street location sketch map (Thai language) **iv)** proof of building ownership **v)** personal or corporate identity documents of building owner **vi)** certification letter from building owner, certifying that company is a registered business tenant under lease. Within four weeks The Ministry of Finance Revenue Department approves VAT registration;
4. Healy Consultants prepares and files an application with the US Commercial Service requesting eligibility certification letter for Amity Treaty application. Furthermore, we obtain a certification letter from US Embassy. Only then can Healy Consultants submit the application for Amity Treaty approval and Foreign Business Certificate with the Ministry of Commerce, Department of Business Development, and Foreign Business Section. Within 6 weeks, the Ministry of Commerce approves the Amity application and issues a certificate to our Client. If passive nominee American shareholders and/or directors are required, Healy Consultants will provide these services to our Client for an annual fee of US\$9,750 per annum per director and per shareholder;
5. Healy Consultants' banking team will then assist our Client to open a [corporate account](#) in Thailand. Our Client will deposit at least US\$63,000 into the bank account. Upon receiving the bank certificate of deposit, Healy Consultants will assist the Client to activate the internet banking facility;
6. Thereafter, Healy Consultants prepares the M&AA for Client signature and courier return. At least three shareholders must sign the Memorandum of Association. The company M&AA will then be filed with the [Department of Business Development](#), along with the required [government registration fees](#). When approved, the Client is required to hold a statutory meeting and provide meeting minutes for submission during company registration. A memorandum of association must include **i)** the name of the company that has been successfully reserved **ii)** the province where the company will be located **iii)** its business objectives **iv)** the capital to be registered in Thailand and **v)** the names of the shareholders;
7. Only after the M&AA is approved by the Department of Business Development, Healy Consultants will proceed with the application to register the company as a legal entity. The government fee for company formation is charged at the rate of 0.55% of the registered capital;
8. After incorporation, Healy Consultants will **i)** obtain VAT and tax identification numbers **ii)** register the company with Social Security **iii)** provide written company rules and regulations in Thai as per the requirements of the [Ministry of Labour](#);
9. Healy Consultants then notarizes and sends the following documents to the Commercial Services office at the U.S. Embassy in Bangkok:
 - a. Company Registration Certificate and M&AA and Bylaws of the Company;
 - b. An Affidavit of the Thai Company Manager stating **i)** name of the Company, registration number, and date of registration **ii)** address of registered office **iii)** name, address, nationality, age and race of each director, number of shares held by each, and identification of the director(s) **iv)** the power of attorney to bind the company **v)** proof of paid up share capital.
10. After the Commercial Services office certifies the documents, Healy Consultants will fill out an Amity treaty application form and submit original copies of the abovementioned documents to the [Department of Business Development](#);
11. When the Amity treaty certificate is awarded, the Thai company is legally allowed to sign local contracts and issue invoices to local customers;
12. Following engagement completion, Healy Consultants couriers a company kit folder to our Client's preferred international address, containing original corporate documents, unopened bank correspondence and a Client feedback survey.

Thailand free zones

1. The Industrial Estate Authority of Thailand established 12 Free zones including i) the Bangkok Free Trade Zone ii) Hemaraj Chonburi Free Trade Zone iii) Suvarnabhumi Airport Free Trade Zone and iv) Ticon Park FTZ;
2. These FTZs offer advantages including i) exemption from import duties ii) exemption from export duties iii) exemption from VAT iv) up to 8 years tax holiday for Board of Investment promoted activities v) faster customs clearance procedures;
3. In order to obtain a Free Trade Zone license to qualify for these benefits, a company must i) have US\$62,000 in paid up capital and ii) site ownership.

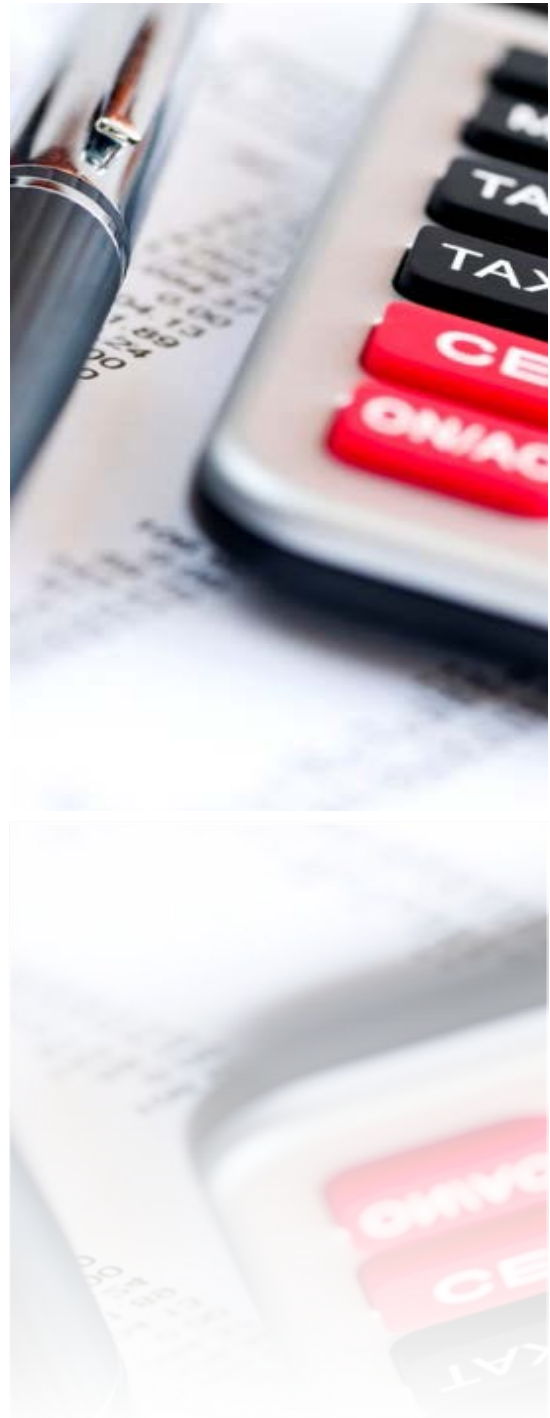
Comparison between Thailand company registration free zones

Free zone comparison	Bangkok FTZ	Hemaraj Chonburi FTZ	Suvarnabhumi Airport FTZ	Ticon Park FTZ
FTZs used mostly by which industry?	Manufacturing and Trading Companies	Manufacturing and Trading Companies	Manufacturing and Trading Companies	Manufacturing and Trading Companies
Average annual Industrial space rent per 1000 sq. m.	US\$50,000	US\$77,000	US\$60,000	US\$62,000
VAT standard rate?	0%	0%	0%	0%
Corporate tax standard rate?	0%	0%	0%	0%
How long to set the company up?	6 weeks	6 weeks	6 weeks	6 weeks
How long to open company bank account?	3 weeks	3 weeks	3 weeks	3 weeks
Quality of Utilities?	Very Good	Good	Good	Very good
Allowed to sign sales contracts with Thai Clients?	Yes	Yes	Yes	Yes
Allowed to invoice Thai Clients?	Yes	Yes	Yes	Yes
Thai bank signatory required	No	No	No	No
Corporate bank account?	HSBC	HSBC	HSBC	HSBC
Physical office space required?	Yes	Yes	Yes	Yes
Allowed to import raw materials?	Yes	Yes	Yes	Yes
Allowed to export goods?	Yes	Yes	Yes	Yes
Can be wholly foreign owned?	Yes	Yes	Yes	Yes
Can the entity hire expatriate staff in Thailand?	Yes	Yes	Yes	Yes
Minimum number of directors?	1	1	1	1
Minimum number of shareholders?	3	3	3	3
Tax Identification Number required?	Yes	Yes	Yes	Yes
Individual shareholders allowed?	Yes	Yes	Yes	Yes
Corporate shareholders allowed?	Yes	Yes	Yes	Yes
Corporate director(s) allowed?	Yes	Yes	Yes	Yes
Annual audited financial statements?	Yes	Yes	Yes	Yes

Accounting and tax considerations

Healy Consultants Compliance Department will provide our Clients with Singapore accounting services to fulfill their annual obligations.

1. Every 12 months, the board of directors of both LLC and PLCs is required to submit an audited balance sheet to the Ministry of Commerce within one month after approval from the general shareholders' meeting. All financial statements submitted to the [Revenue Department](#) must be audited and translated to Thai;
2. A Thai company must register for VAT if annual turnover exceeds US\$57,000. However, Healy Consultants always advise our Clients to register as they will not be able to claim input VAT if unregistered. The VAT rate is a flat 7%. Monthly VAT returns must be filed with the Revenue Department within the 15th day of the following month;
3. A Thai LLC enjoys zero rate VAT on **i)** exports **ii)** services provided in Thailand for overseas customers **iii)** sale of goods or services to the Thai Government **iv)** sale of goods or services between bonded warehouses and between export processing zones and **v)** auditing, legal services, health services;
4. Even though representative offices are not subject to corporate taxes, they must **i)** obtain a Tax Identification Number **ii)** register for VAT **iii)** have their books audited annually by a Thai auditor **iv)** submit financial statements to the Revenue Department within five months from the day the accounts are closed;
5. The standard corporate income tax rate in Thailand is 20%. SMEs benefit from a reduced corporate tax rate of 15% if **i)** their share capital is less than US\$157,000 and **ii)** their income is below US\$928,000. Companies pay corporate income tax biannually. The midyear return must be filed between the 6th and 8th month and the annual tax must be filed within 150 days of the end of the tax year. A new formed Thai LLC must apply for a corporation tax number from the Revenue Department within 60 days of incorporation or the start of operations;
6. Taxable income includes business profits and passive income (i.e. dividends, interest, royalties, capital gains, etc.) derived from domestic and foreign sources;



7. Multinationals can enjoy zero corporation tax on designated business activities including forestry plantation, crop drying and silo facilities, manufacturing of alcohol or fuel from agricultural products including scrap, garbage or waste, cold storage and cold storage transportation, farm management, mining, ceramics and basic metals, manufacturing of nano materials or products from nano materials, light industry, manufacturing of medical equipment and supplies, manufacturing of scientific equipment, metal products, machinery and transport equipment, manufacturing of machinery, equipment and parts, manufacturing of trains (or electric trains) or equipment or parts, manufacturing and repair of aircraft, including parts and on-board equipment, manufacturing of fuel cells, building or repairing of ships, manufacture of electrical appliances and materials for micro-electrics, electronic design, software, chemicals, paper and plastics, service and public utilities, software parks, energy service companies, human resource development, R&D, scientific laboratory work, calibration services, product design, design centres, gem and jewellery industrial zones, science and technology parks;
8. Monthly tax reports must be submitted to the Thai Government including **i)** personal income tax withholding **ii)** social fund withholding **iii)** VAT collected and **iv)** corporate income tax withheld from vendors. To minimise external consultants' fees, Healy Consultants recommends our Client hire an in-house accountant to complete these monthly tasks;
9. Business losses can be carried forward for up to 5 years;
10. Approximately 45 days following incorporation, a Thai Revenue Department team will do a one-time inspection/verification visit off each new company office;
11. Under international double tax treaties, withholding tax rates on payments to non-resident companies are **i)** 10% on dividends **ii)** 10% on royalties **iii)** 1% on interests. Withholding tax rates on payments to non-resident individuals are **i)** 10% on dividends **ii)** 15% on royalties **iii)** 15% on interests, unless reduced/waived by a double taxation treaty;
12. Capital gains are subject to progressive income tax rates up to 35%. Property in Thailand is taxed at 12.5% of annual rental value;
13. Stamp duty of 0.1% is payable on most documents filed by companies with the Government agencies or entities and on official documents of the company, including transfers of land, leases, stock transfers, debentures, mortgages, life assurance policies, annuities, power of attorney, promissory notes, letters of credit, cheques;
14. Three agencies under the Ministry of Finance are responsible for the collection of tax in Thailand: the Revenue Department, the Excise Department and the Customs Department. If a firm underestimates its annual profits by **i)** more than 25%, a maximum 20% fine is charged on the first half-year instalment **ii)** less than 25%, a surcharge of 1.5% per month is applied on outstanding taxes;
15. Employers are required to make social security contributions of 5% on monthly compensations of up to US\$470;
16. Thailand has signed [56 double taxation treaties](#) with countries including Australia, Canada, Singapore, UK and the United States;
17. Certain businesses promoted by the Board of Investments enjoy [special tax privileges](#) such as **i)** tax holiday of up to 8 years and **ii)** exemption of import duty. Industries eligible for promotion include agriculture, mining, light, metal products, electronic, chemicals, services and public utilities;
18. To pursue Thailand business setup, Healy Consultants assists our Clients with **i)** documenting and implementing accounting procedures **ii)** implementing financial accounting software **iii)** preparation of financial accounting records **iv)** preparing forecasts, budgets, and sensitivity analysis.

Additional information on Singapore accounting and tax

- [KPMG – Asia Pacific Taxation – Singapore](#)
- [Singapore Deloitte – Tax Guide](#)

Fees

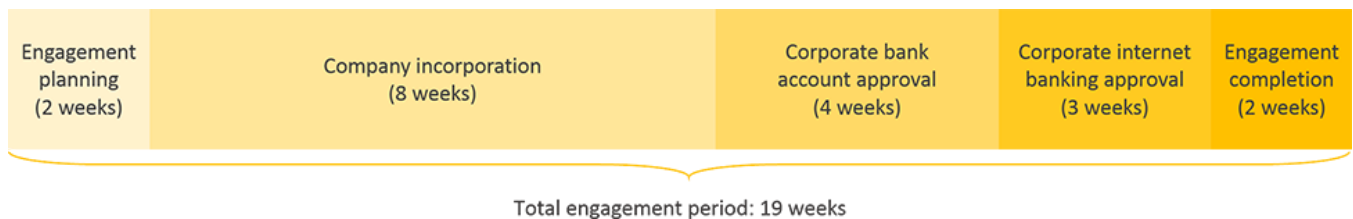
Thailand company incorporation costs in Year 1 amount to US\$4,475 and annual company costs in Year 2 and thereafter amount to US\$0. The average fee per Thailand engagement is outlined in the table below. These fees include Thailand company incorporation, opening corporate bank accounts, and all government fees. Refer to the sample draft invoice on the next page.

	LLC	Branch	Rep office
Average engagement costs	US\$12,525	US\$12,125	US\$11,125

Timelines

The average Thailand business incorporation engagement period is 19 weeks as outlined below:

	LLC	Branch	Rep office
Engagement planning	2 weeks	2 weeks	2 weeks
Company incorporation	8 weeks	6 weeks	6 weeks
Corporate bank account approval	4 weeks	3 weeks	3 weeks
Corporate internet banking approval	3 weeks	3 weeks	3 weeks
Engagement completion	2 weeks	1 week	1 week
Total engagement period	19 weeks	12 weeks	12 weeks



Draft invoice - Thailand company registration

THAILAND LLC INVOICE

Our Client

Company Reg. No.: 921530

Address to be advised

Date: Monday, October 20, 2014

Invoice No: 2014 – 007 – 025

Professional services rendered	Notes	Year 1 US\$	Year 2 US\$
Thailand Company formation fees	1.	4,475	0
Thailand Company secretary fees	2.	1,100	1,100
Thai estimate Government registration costs	3.	1,050	250
VAT registration fees	4.	950	0
Assistance opening a local corporate bank account	5.	4,950	0
Estimate annual tax and accounting fee	6.	0	2,300
Total funds transfer required to complete your engagement	7.	12,525	3,650

Note: this invoice needs to be tailored for each Client. The above services and fees represent the average requirements of our Clients.

Continued overleaf

THAILAND LLC INVOICE

Notes to invoice above

1. This cost includes Healy Consultants fees to efficiently and effectively project manage our Clients engagement **i)** without our Client travelling and **ii)** our Client sending one courier to us. This fee also includes the time taken with our Clients to agree the optimum corporate structure, while legally minimising global taxation.

All engagement fees are agreed and paid up front. Consequently, there are no hidden fees or surprises or ambushes throughout the engagement. All engagement deadlines are agreed up front in the form of a detailed project plan, mapping out deliverables by week throughout the engagement term.

Every second day during the engagement, we email our Client a detailed status update. Our Client is immediately informed of engagement problems together with solutions. Your dedicated engagement manager is reachable by phone, skype, live chat and email and will communicate in your preferred language; Healy Consultants never gives up until we complete the engagement, regardless of the complexities or obstacles presented by banks and Governments;

2. In accordance with Thailand Companies Law, each Thai Company must appoint a company secretary, who may be a natural person or a body corporate, but the company secretary must be resident in Thailand. Healy Consultants will be the legal Thai Company Secretary and our annual responsibilities include **i)** preparation and filing of the legal Annual Return **ii)** securely maintain company records and chop **iii)** liaise with the Thailand Government on behalf of our Client and **iv)** legal filing of changes of company structure;
3. Estimate of Government fees includes company **i)** stamp/seal, **ii)** MOA **iii)** Capital registration fee, **iv)** Government application fee, **v)** fee for publishing newspaper announcement and **vi)** VAT registration. All Government costs will be supported with original invoices and receipts;
4. This fee is for Healy Consultants to register our Client's firm with VAT. The VAT registration process takes around 4 weeks, depending on the efficiency of the Revenue Department.

Continued overleaf

THAILAND LLC INVOICE

5. Healy Consultants will be pleased to open a corporate bank account. It is a time consuming task, Healy Consultants will shelter our Client from the administrative challenges. There is a 50% probability the banks will request a bank signatory to travel for a one hour bank interview. Healy Consultants will try its best to negotiate with the bank for a travel exemption. As you can appreciate, it is a difficult task to obtain bank account approval through a newly formed company, when shareholders and directors and bank signatories reside overseas. There will be a fee discount of US\$500 if you have to travel;

The Thailand banks enjoy ultimate power of approval of corporate bank account applications. Consequently, guaranteed success is outside of Healy Consultants control. What is inside our control is the preparation and submission of a high quality bank application that maximizes the likelihood of approval. To date, we enjoy a 100% approval record;

Global banks continue to tighten corporate bank account opening procedures, their internal compliance departments completing more thorough due diligence of Clients. Consequently, our Clients should expect the bank account approval period to take up to 4 weeks. Furthermore, global banks now require evidence of proof of business in the country where the corporate bank account will be, including sales contracts or lease agreement;

6. These accounting and tax fees are an estimate of Healy Consultants fees to efficiently and effectively discharge your annual company accounting and tax obligations. Following receipt of a set of draft accounting numbers from your company, Healy Consultants will more accurately advise accounting and tax fees;
7. All fees quoted in this invoice correspond to fees quoted on Healy consultant's [business website](#). Please review this invoice carefully to identify errors. During the rush of a business day, it is possible Healy Consultants inadvertently made fee calculation errors, typing errors or omitted services or omitted historic fee payments from Clients. In the unfortunate event you identify invoice errors, please revert to me directly re the same. I apologize in advance if I or my staff made invoice errors;
8. The fees quoted in this invoice are an average of the fees of a typical Thailand engagement. Government fees and procedures vary by industry and by company. Healy Consultants can only provide a tailored fee quotation after agreeing our Client's specific corporate structure and strategy. If during the engagement, Healy Consultants finds that company incorporation and corporate bank account opening is more complex than anticipated, requiring a larger investment of time than standard cases, Healy Consultants reserves the right to request additional fees;

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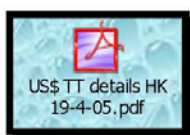
THAILAND LLC INVOICE

9. To assist our Clients minimize Forex costs, we offer the payment in SG\$, Euro, Pound or US\$. Kindly let me know in which currency your Firm prefers settling our fees and I will send an updated invoice, thank you.
10. A Thai company can be 100% foreign owned using the US-Thai Amity Treaty of 1966 if there is a majority of US citizen directors and majority shares are owned by US citizens. Healy Consultants fee for Amity Treaty registration is US\$1900. Healy Consultants annual fee to supply a nominee silent USA citizen is US\$8,750;
11. In accordance with Thailand Companies Act, the minimum share capital of a Thailand company without Amity or BOI approval is US\$100,000. After registration of the company, 25% of the investment capital is require to be paid up by the shareholders;
12. According to Thai company law, three promoters and shareholders are required for each Thailand LLC company. If our Client requires nominee services, Healy Consultants fee for corporate nominee director or corporate shareholder amounts to US\$1,800 per annum. Our fee for a non-resident individual nominee director or individual shareholder amounts to US\$3,600 per annum. Our fee for a country resident director or resident shareholder amounts to US\$6,600 per annum. When appointing a nominee Healy Consultants collects a refundable deposit of US\$1,100 per nominee;
13. In accordance with the Section 1097 of the Thai Civil and Commercial Code, a Thai LLC is required to have a minimum of three shareholders. Thai citizens are required to hold 51% of the shares. Healy Consultants will be happy to provide nominee Thai shareholders and a nominee Thai director for your Thailand LLC. The fee per Thai nominee director and per nominee shareholder is \$1,950 per annum. To ensure your assets are fully protected, the nominee will not be a bank signatory nor will he have an active role in daily corporate activities;
14. Before company incorporation is complete, the Thai government must review and approve a lease agreement for office premises and obtain the building registration number ("*tabiehn bahn*"). Some of our Clients request Healy Consultants to provide temporary shared office space for 6 months until our Client finds their preferred business address. If your Firm requires this service from Healy Consultants, our monthly fee amounts to US\$1,250. Alternatively, some of our Clients request Healy Consultants to locate permanent office premises and our one-time fee for this service is US\$4,950;

[Continued overleaf](#)

THAILAND LLC INVOICE

15. If required, Healy Consultants will be pleased to assist your firm obtain business visa approvals. Our fee is US\$3,950 per person and includes preparation of a quality visa application and submitting to the correct Government immigration officers. The Government enjoys ultimate power of approval of visa applications. Consequently, guaranteed success is outside of Healy Consultants control. What is inside our control is the preparation and submission of a high quality immigration visa application that maximizes the likelihood of visa approval. To date, we enjoy a 100% approval record;
16. Healy Consultants will only incorporate your company after 75% of due diligence documentation is received by email. Healy Consultants will only open a corporate bank account after 100% of Client due diligence documentation is received by courier;
17. As stipulated on our business website and in section 3 of our engagement letter, Healy Consultants will only commence the engagement following **i)** settlement of our fees and **ii)** completion and signing of our legal engagement letter;
18. To efficiently and effectively complete your engagement in a timely manner, we recommend your Firm transfers these funds to Healy Consultants corporate bank account. Thereafter, our Incorporation and Banking Team will aggressively advance your engagement, providing your firm daily feedback as to engagement status. Healy Consultants corporate bank account details are outlined in the attached Adobe file, thank you. I would be grateful if you email us the bank transfer advice slip to enable my Accounting Department to accurately and timely identify bank receipts:



Double click on the attachment included here!

Continued overleaf

THAILAND LLC INVOICE

Thank you for your business and we look forward to working closely with you over the coming weeks as we engineer your Thailand LLC.

Best regards,

Aidan Healy

Aidan Healy
Managing Director
Healy Consultants

Tel: (+852) 8331 1911 (direct)

Address: BB Building, Suite 1310 13th Floor, 54 Asoke Road Sukhumvit Soi 21, Bangkok

Skype: healyconsultants

Fax: (+65) 6491 5380 (direct)

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Document and Attachments

This document was prepared through Microsoft Word 2003 and attached documents were created through Microsoft Word 2003 and Adobe Acrobat 7.0. If you are unable to accurately and completely read this document and open the attachments, kindly advise us and we will gladly resend the information to you in a different format.

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Compliance considerations

General company regulations

Healy Consultants Compliance Department assists our Clients efficiently and completely discharge their legal and tax obligations.

1. Healy Consultants will assist our Clients' secure investment promotion by the BOI within 3 months. Benefits include 100% ownership of businesses conducting activities specified in Lists 2 and 3 of the FBA. Furthermore, this entity is exempt from obtaining a Foreign Business License but still needs to notify the Ministry of Commerce and apply for a certificate, which is an administrative procedure rather than permission. Finally, permission may be granted for foreigners to own land and visa and work permit privileges for expatriate employees who will work in the promoted company;
2. A general shareholders meeting must be held **i)** within six months of the initial company registration and **ii)** annually thereafter, within four months of the end of the company's fiscal year. A Thai company is not required to have a Company Secretary but we recommend our Clients to appoint Healy Consultants as the Company Secretary to liaise with the Thai Government and maintain company records;
3. The **Thai Competition authority** forbids businesses to engage in price rigging. Convicted businesses are subject to penalties including **i)** a fine of up to US\$154,000 and **ii)** up to 3 years of imprisonment;
4. Approximately 45 days following incorporation, a Thai Revenue Department team will do a one-time inspection/verification visit of each new company office;
5. Thailand has three major laws dealing with intellectual property: the Patent Act, Trademark Act and Copyright Act. A business may license the use of its intellectual property rights, including its name, trademark, copyright, patent, trade secrets, technology, or right to manufacture or sell a product based on such intellectual property rights. Licensing agreements pertaining to inventions, designs, and trade or service marks that are patented or registered in Thailand must be made in writing and registered with the Registrar of the Department of Intellectual Property, the Ministry of Commerce;
6. The Foreign Business Act is the main law defining foreign ownership. The law restricts access to certain service industries (such as transport, retail and wholesale and services) for reasons of security, cultural heritage or perceived competitive disadvantage. Some of Thailand's free trade agreements and certain laws (e.g. the Investment Promotion Act and Industrial Estate Authority of Thailand Act) relax the ownership restrictions under the Foreign Business Law;
7. A Thai company is allowed to lend to non-affiliated business entities abroad up to US\$50 million per year.



“Approximately 45 days following incorporation, a Thai Revenue Department team will do a one-time inspection/verification visit”

Foreign companies regulations

The Thai government regulates the activities in which foreign companies can engage in. **Regulated industries** are included in the table below. In summary, multinationals are **i)** not allowed to engage in activities stated in List 1 below **ii)** but allowed to invest in List 2 and List 3, subject to prior Government authorization. Prior authorization must be obtained through **i)** US-Thailand Amity treaty (U.S. Clients only) **ii)** Thai Board of Investment **iii)** Foreign Business License from the **Ministry of Commerce**. Foreign companies who violate the Foreign Business Act will be subject to **i)** a fine of up to US\$32,000 and/or **ii)** up to 3 years of imprisonment:

Newspaper, Radio, TV	Weapons, firearms	Accountancy
Farming, cultivation or horticulture	Land, waterway and airline transport	Legal services
Land Trading	Thai arts and handicrafts	Architecture
Forestry	Thai silk production	Engineering
Trade of Thai antiques	Manufacturing goldware, silverware etc.	Construction
Fisheries	Sugar and Salt production	Tourism
Extracting Thai herbs	Mining	Sale of food and beverages

Staff regulations

- Employers with 100 or more employees must arrange annual training for at least 50% of their employees, or be subject to a fine of up to US\$15 per untrained employee;
- An employer with 10 or more regular employees must **i)** display written company rules in Thai at the workplace and **ii)** disclose them to the Department of Labor. The list must include rules regarding **iii)** working days and hours **iv)** overtime work **v)** holidays **vi)** date and placement of pay **vii)** taking leave **viii)** submission of complaints **ix)** termination of employment;
- The minimum wage in Thailand is US\$10 per day. Failure to comply subjects the employer to a US\$3,000 fine and/or six months in prison;
- Both employees and employers must contribute 5% each of the employee's monthly compensation to their social security fund by the 15th of the following month. The maximum contribution is capped at US\$24 per month;
- In order to hire a foreign employee, the company must provide evidence that no qualified local is available for the position and have **i)** at least 4 Thai employees and **ii)** US\$62,000 registered capital for each visa application;
- The maximum number of working hours is **i)** 8 per day and **ii)** 48 per week. The maximum number of overtime working hours is 36 hours per week and hourly overtime pay must be at least 1.5 times the normal hourly rate.

Contract law

- Thailand is not a party to any conventions on enforcing foreign judgments. The Thai courts do not enforce foreign judgments, but will accept foreign judgments as evidence in a new trial. If the foreign judgment is a default judgment, its evidentiary value in the new trial is minimal. Even if the foreign judgment is based on the merits, the claimant must present all the key witnesses and testimony in the new trial in Thailand;
- Thailand is, however, a signatory to both the UN Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958 (New York Convention) and the Geneva Protocol on Arbitration Clauses 1923 (Geneva Protocol). Foreign arbitration awards given in countries that are signatories to the New York Convention or the Geneva Protocol are recognized and enforceable in Thailand;
- Under the Arbitration Act, domestic arbitration usually occurs under the rules of the Thai Arbitration Center administered by the Ministry of Justice or the rules of the Board of Trade. It is generally accepted and recognized that criminal, family, and certain types of labor and IP disputes cannot be submitted to arbitration on account of being contrary to public policy. In addition, on July 28, 2009, the Cabinet passed a Resolution that prevents the use of arbitration clauses in all types of contracts between a governmental organization and a private company unless cabinet approval is obtained.

Thailand employment visas

All foreign citizens who wish to work or conduct business in Thailand must obtain a work visa. Healy Consultants assists our Clients by preparing a [visa application](#) for the relevant visa and submitting it to the local Thai Consulate. Our fee for this service is US\$4,950. To date, we enjoy 100% visa approval record.

Entrepreneur visas

- There are several types of [entrepreneur visas](#) **i)** category “B” for business purposes **ii)** category “B-A” for business or investment **iii)** category “IB” for business and investment on projects promoted by the [Board of Investments](#);
- Documents required from foreigners who wish to work in Thailand under a business visa include **i)** a valid passport **ii)** evidence of adequate finance (US\$620 per person) **iii)** letter of approval from the Ministry of Labor **iv)** the company’s M&A and **v)** [corporate documents](#) of the hiring company;
- Documents required from foreigners who wish to conduct business in Thailand under a business visa include **i)** a valid passport **ii)** evidence of adequate finance (US\$620 per person) **iii)** letter from applicant’s company indicating the applicant’s position, length of employment, salary and purpose of visit **iv)** corporate documents of associated companies in Thailand.

Work permits

- Employers willing to hire a foreigner will be required to apply for a work permit at the Labor Department;
- Documents to be submitted by the employee include **i)** a valid passport **ii)** non-immigration visa **iii)** education certificates **iv)** CV;
- Documents to be submitted by the employer include **i)** commercial registration certificate **ii)** shareholders list **iii)** VAT filings **iv)** withholding tax forms **v)** social security payment filing.

Tourist visas

- Those holding a tourist visa can stay in Thailand for up to 90 days only for tourism purposes;
- A single entry tourist visa is valid for up to 3 months and a multiple entry tourist visa is valid for up to 6 months;
- Documents required for application are **i)** a valid passport **ii)** return tickets and **iii)** evidence of adequate finance (US\$620 per person US\$1,300 per family);
- Visitors from [48 countries](#) can enter Thailand without a tourist visa.



“After our Clients incorporate a Thailand company, Healy Consultants assists them in obtaining employment visas... We are proud to say that our approval rate is still 100%”

Thailand corporate banking

Healy Consultants assists our Clients with opening a corporate bank account in Thailand. All required documentation will be prepared and submitted by our experienced banking team. We will also attend the bank interview on your behalf. Please click on the links below to find out more about Thailand business banking.

Thai banking

1. Healy Consultants assists our Clients' open a corporate bank account for a foreign company without the need to register a local Thai company. Our fee for this service is US\$4,950. The bank signatory will not need to travel to Thailand;
2. Thailand boasts 30 commercial banks amongst which 15 are foreign banks. The biggest banks in Thailand are **i) Bangkok Bank Public ii) Siam Commercial Bank Public Company Limited (SCB) and iii) Kasikornbank Public Company Limited (KBank)**;
3. Thai banks provide a wide range of corporate and personal banking products including **i) multiple currencies ii) internet and telephone banking iii) checking accounts iv) saving accounts v) debit and credit cards vi) fixed term deposit and vii) wealth management services**;
4. Our Clients find it expensive to secure loans in Thailand due to the current high lending rate of 7%;
5. In order to open a corporate account, Thai companies may be required to present **i) corporate registration with the Ministry of Commerce ii) tax registration with the Revenue Department**;
6. The majority of multinationals must appoint a local citizen as a bank signatory. Healy Consultants has a legal work around solution to this terrible requirement.

“The majority of multinationals must appoint a local citizen as a bank signatory. Healy Consultants has a legal work around solution to this terrible requirement.”

Foreign exchange controls

1. Unlimited amounts of foreign currency may be brought into Thailand, under the condition that it **i) is converted into Thai baht with an authorized bank or ii) deposited into a foreign currency account located in Thailand**;
2. All outward fund remittances in foreign currencies must secure preliminary-approval from the bank after submission of an approval form and supporting information;
3. The Central Bank of Thailand must approve the following transactions:
 - a. Outward remittances in excess of US\$100 million per year for foreign direct investment or lending to overseas Group companies;
 - b. Outward remittance in excess of US\$5 million per year for the purchase of real estate abroad;
 - c. Outward remittance in excess of US\$1 million per annum belonging to a Thai national permanently living abroad.

Healy Consultants banking services

1. Healy Consultants can open a Thai corporate bank account within 3 weeks and obtain internet banking approval within the following 2 weeks. Our fee for this service will be US\$4,950;
2. While our experts will liaise with the banks to prevent our Clients from travelling for the interview, there is still a 50% chance that the bank may require our Clients to travel for a one hour interview. There will be a fee discount of US\$500 if you have to travel;
3. Following bank account approval, the preferred Thai bank will directly and independently email our Client the corporate bank account number;
4. Healy Consultants can open a local corporate bank account for a foreign company. Many of our Clients use a local corporate bank account to receive payments and pay suppliers without the need to register a local company. Our fee for this service will be US\$4,950.

Opening a Thai corporate bank account

1. Clients should carefully consider different banking options available, as banking rules vary considerably in Thailand, even amongst different branches of the same bank. Healy Consultants recommends our Clients to choose Bangkok Bank, Kasikorn Bank, Siam Commercial Bank and Krungsri Bank for Thai corporate bank account solutions;
2. Documents required to open a Thai corporate bank account are **i)** a valid passport **ii)** proof of address **iii)** certificate of company registration with the Ministry of Commerce **iv)** M&AA **v)** tax registration with the Revenue Department.

Trade finance

1. Thai banks are willing to provide finance to local companies if the following conditions are met: **i)** good business-plan **ii)** availability of collateral assets **iii)** experience of business owners **iv)** last 3 years audited financial statements **v)** realistic feasibility study and **vi)** project strength and weaknesses analysis (SWOT);
2. We also assist our Clients secure trade finance services including **i)** bank guarantees **ii)** letters of credit **iii)** finance against trust receipt and **iv)** document against payment and against acceptance;
3. Healy Consultants will help our Clients obtain corporate finance in the form of a loan, overdraft or simply preferential credit terms.

Exchange controls and other regulation

1. There are no restrictions on the amount of funds that can be deposited or withdrawn for a non-resident account in a commercial bank in Thailand;
2. The Bank of Thailand disallows repatriation payments to be made in Thai Baht. Other currencies are however accepted;
3. Proceeds of exports from Thailand exceeding US\$15,000 **i)** must be collected within 120 days and **ii)** deposited in a foreign currency account or converted into Thai Baht within 7 days of receipt;
4. There are no limits to depositing foreign currency originating from abroad, into foreign currency accounts;

5. Thai commercial banks do not need authorization from the Bank of Thailand to approve **i)** remittance of an unlimited amount in payment of imported goods **ii)** remittance of an unlimited amount for obligations abroad.



Thailand tax planning

Tax planning in Thailand is generally acknowledged to be more complex than many other jurisdictions. Taking advantage of Thailand's tax regulations is central to a successful Thailand tax planning strategy. Healy Consultants offers tailored Thailand tax planning services to meet your needs. The following information may be useful in relation to tax planning in Thailand.

1. When tax planning in Thailand, (BoI) offers both tax and non-tax incentives. The Board also offers incentives depending on the location of business set-up by Investment Promotion Zones;
2. When drawing up a Thailand tax planning strategy, an exemption period of between 3 to 8 years may be granted to promoted businesses under the Investment Promotion Act;
3. When tax planning in Thailand, dividends, fees for goodwill, copyright, or other rights received from the promoted businesses may also be exempt from income tax in the hands of the recipient;
4. When considering a Thailand tax planning strategy, tax incentives include exemption or reduction of import duties on machinery and raw materials and corporate income tax relief and exemptions;
5. When tax planning in Thailand, non-tax incentives include no foreign equity restrictions in the manufacturing sector, no local content requirements, permission to own land, and ability to repatriate foreign currency from Thailand;
6. When tax planning in Thailand, note that a foreign company operating in Thailand is subject to 30% corporate income tax on net profit arising from or in consequence of business carried on in Thailand;
7. When undertaking any tax planning in Thailand, it is important to note that resident companies are taxed on worldwide income and capital gains.

Healy Consultants' tax experts deliver a comprehensive Thailand tax planning strategy to our Clients. When tax planning in Thailand, the following should be addressed:

1. Whether the Thai company can receive foreign-sourced income without being subject to local corporation tax. Healy Consultants Thailand tax planning services are geared to providing such information around which to base a Thailand tax planning strategy. The current corporate tax rate on income derived in Thailand is 30% on assessable profits, although some Thai companies qualify for tax rate reductions;

2. Whether there any tax exemptions or tax incentives available in Thailand. A successful Thailand tax planning strategy should identify both tax exemptions and restrictions. For example, an exemption period of between three to eight years may be granted to some businesses under the Investment Promotion Act. Additionally, dividends, fees for goodwill, copyright, or other rights received from the promoted businesses may also be exempt from income tax in the hands;
3. Whether the company has to register for value added tax (VAT) or goods and sales tax (GST) Value Added Tax (VAT) replaced Thailand's Business Tax (BT) in 1992. All Thai companies whose annual turnover exceeds 1.8 million Baht (About US\$55,000) is required to pay VAT in Thailand. Thailand's VAT is currently 7%, with exemptions on some activities;
4. To be able to draw up the optimum Thailand tax planning strategy for our Clients, it is important Healy Consultants has a good understanding of your business and we know your objectives. In this respect, we encourage Clients to discuss via phone the different Thailand tax planning services available.

Healy Consultants offers a range of Thailand tax planning services which are tailored to meet the precise needs of our Clients. Unlike many corporate services providers, we take a global approach to our Thailand tax planning services, thinking 'outside the box' to provide a creative solution which fits your tax planning in Thailand needs. Our international tax professionals provide the best Thailand tax planning strategy to organisations of all sizes. Our Thailand tax planning services include but are not limited to:

1. [Thailand company formation](#) is one of Healy Consultants' core Thailand tax planning services. A properly structured company is a legitimate corporate vehicle through which regional and international business can be conducted;
2. [Trusts and foundations](#) - another effective Thailand tax planning strategy, international trusts and foundations are ideal for some entrepreneurs and high net worth investors;
3. [Thailand corporate bank accounts](#) - offering a reputable, reliable Thai or international corporate bank account is a fundamental part of Healy Consultants' Thailand tax planning services portfolio. We can assist you to open a Thai or international corporate bank account with leading international banks in the jurisdiction of your choice, with tax advantages in mind. Healy Consultants works with internationally recognised banks such as HSBC, Standard Chartered, and Citibank to provide corporate bank account services;
4. International tax legislation - at the heart of any successful tax minimisation strategy is the need to keep abreast of international tax legislation. A key aspect of Healy Consultants' Thailand tax planning services lies in keeping our Clients informed of regulatory changes before they can have any negative impact;

5. **Double taxation treaties** - Thailand has signed double taxation agreements with 53 countries. Making our Clients aware of the availability of tax relief tools such as this is part of our Thailand tax planning services;
6. **Mergers and acquisitions (M&A)** - some Clients approach us for assistance with their merger and acquisition plans. Our Thailand tax planning services include providing invaluable advice on drawing up an M&A roadmap and developing a tax-efficient structure going forward;
7. **Thailand corporate and personal income tax advice** - Healy Consultants can advise on the latest corporate and personal income tax rates in Thailand as part our Thailand tax planning services, as well as assist our Client to prepare and submit Thai corporation tax computations and Thai tax returns to the relevant tax authorities, including the Thailand Revenue Department (RD);
8. **GST registration** - Healy Consultants offers this Thailand tax planning service to all of our Clients.

“The majority of multinationals must appoint a local citizen as a bank signatory. Healy Consultants has a legal work around solution to this terrible requirement.”



Thailand virtual office

A Thailand virtual office is an ideal way for Clients to support their business activities in Thailand, which is an increasingly popular jurisdiction for company incorporation.

Uses of a Thailand virtual office

1. The office can help facilitate the company's trade with Thailand and China-based customers;
2. Having such an office can aid the opening of a corporate bank account in Thailand;
3. This option is an ideal support service for Thailand company formation.

Healy Consultants' Thailand virtual office

1. A dedicated Thailand business fax number - Healy Consultants' staff will forward the fax to you within an hour of receiving it;
2. Receiving courier shipments on behalf of our Clients, and remailing them to our Client within the same day;
3. Applicants may only begin using this service after paying the required fee and after written authorization is received from Healy Consultants;
4. Please note the Healy Consultants Thailand virtual office address, phone, and fax numbers may only be used as the corporate address (i.e. on the company letterhead). They may not be used in any form of advertising, or for website domain registration, without prior written permission from Healy Consultants;
5. Please note that Healy Consultants reserves the right to cancel the use of the virtual office package at any time, refunding the remainder of the fee on a pro rata basis.

Healy Consultants' fees for a Thailand virtual office

Our Thailand virtual office fees vary according to the precise needs of our Clients. Please contact us for a package price.

Other information

Some of our Clients prefer to have a dormant Thailand virtual office, the features of which are as follows:

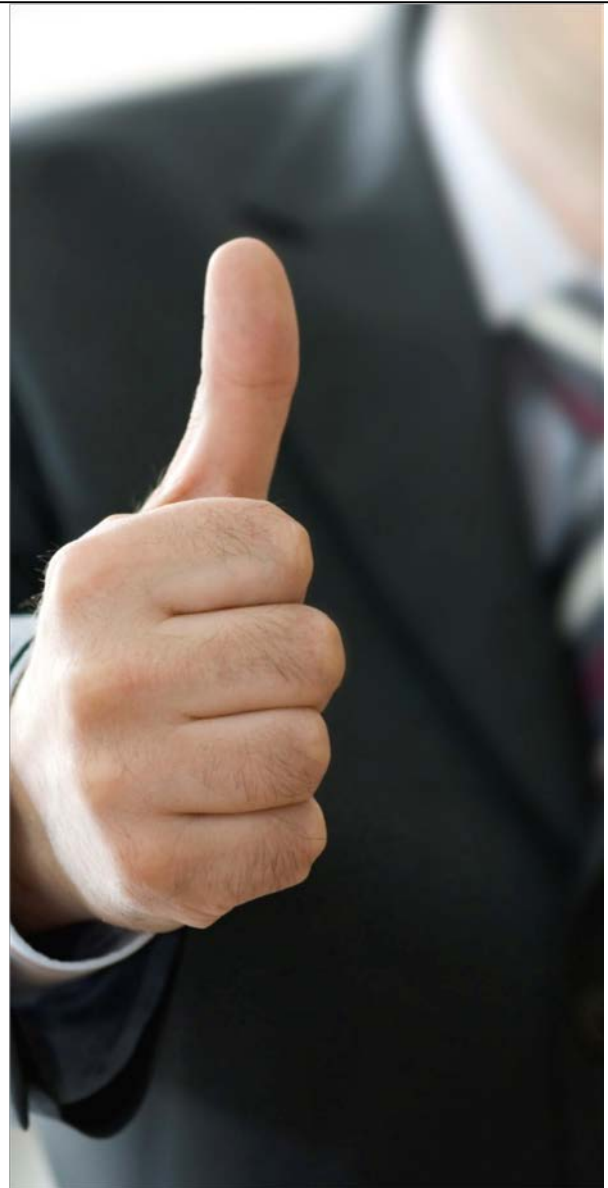
1. A Thailand business address for invoicing purposes only;
2. A Thailand business telephone number for invoicing purposes only;
3. A Thailand business fax number for invoicing purposes only.

Healy Consultants' dormant Thailand virtual office fee is US\$1,100.



Success tips when doing business in Thailand

1. It is important that our Client prepares a comprehensive business plan detailing **i)** study of the Thai market **ii)** an evaluation of competitors and **iii)** a feasibility study of the venture;
2. The Client must perform a detailed study of the sector where they are planning to setup the business. This will optimize our Client's work productivity;
3. The Client should try and learn Thai as English is not commonly used by locals and many official documents need to be translated to Thai. However corporate Clients and business partners will be reasonably fluent in English;
4. We advise our Clients to have their company website in both English and Thai, as it will serve as an excellent marketing tool;
5. Our Client must have a proper exit strategy in order to map out potential accomplishments for the future. This will help the firm manage its finances efficiently;
6. Government agencies play an important role in Thailand and businesses have to regularly deal with government agencies. Foreign entrepreneurs who want to incorporate in Thailand should exercise restraint and be patient, as authorities will always have the final say in the matter;
7. The Thai Royal family is highly revered in the country. Negative comments about them are never appreciated, and may even lead to arrest or deportation. We advise our Clients to display a portrait of His Highness Bhumibol Adulyadej in the work premises;
8. It is important to be on time, or even early for business meetings as a sign of respect to your Thai business partner;
9. Business attire in Thailand is quite conservative;
10. It is common to be invited for lunch, dinner or a round of golf after a successful business meeting;
11. We suggest our Clients to build a spirit house in the office premises as every business in Thailand has one.



Additional useful links on Thailand company registration

- [Tax Authority](#)
- [Central Bank of Thailand](#)
- [Stock Exchange](#)
- [Investment Authority](#)
- [Chamber of Commerce](#)
- [Thailand airports](#)
- [Visiting Thailand](#)

Did you know about Thailand?

1. Thailand shares a border with four countries: Myanmar to the north and west, Laos to the north and east, Cambodia to the southeast, and Malaysia to the south;
2. Thailand's main exports are computer hardware, motor vehicles and auto parts, jewellery and electrical circuits. Thailand's top three imports include crude oil, machinery and parts, and alloy steel and steel products;
3. Thai petroleum companies suffer corporation tax of 55%;
4. Thailand is one of Asia's top tourist destinations. In 2013, more than 26 million foreign tourists visited the country;
5. Thailand is home to the world's largest gold Buddha, the largest crocodile farm, the largest restaurant, the longest single-span suspension bridge, and the world's tallest hotel;
6. The Thai national anthem is played every day at 8 a.m. and 6 p.m.;
7. Buddhism is Thailand's largest religion with approximately 94.6% of the population practicing the religion. Muslims make up 4.6%, Christians 0.7%, and other religions 0.1%;
8. The longest place name in the world is the full name of Bangkok: Krungthepmahanakhon Amonrattanakosin Mahintharayutthaya Mahadilokphop Noppharatchathaniburirom Udomratchaniwetmahasathan Aomphimanawatansathit Sakkathattiyawitsanukamprakit. It means "City of Angels, Great City of Immortals, Magnificent City of the Nine Gems, Seat of the King, City of Royal Palaces, Home of Gods Incarnate, Erected by Visvakarman at Indra's Behest";
9. Songkran Festival, also known as the Thailand Water Festival, is the most important festival for Thai people. Celebrated as the traditional Thai New Year, Thai people sprinkle water on elders in show of respect and pay respect to Buddha;
10. Thailand has been a constitutional monarchy since 1932 although there have been numerous army coups since then;
11. People dress up in yellow attire on the King's birthday;
12. People often represent their political preference during protests by wearing either a red shirt (Thaksin supporters) or a yellow shirt (against Thaksin).

Contact us

For additional information on Thailand company registration services, you can email us at email@healyconsultants.com or phone us at (+65) 6735 0120.

Address

#15-01, Valley Point
491B River Valley Road
Singapore 248373



Additional useful readings & videos on Thailand company registration

- Thailand Deloitte - Tax Guide
- Thailand KPMG - Doing Business in Thailand
- Thailand KPMG - Taxation on Cross Border for Thailand
- Thailand PWC - Tax Guide for Thailand
- Doing Business In Thailand
- Thai Business Visa
- Costs Of Doing Business In Thailand
- Bank of Thailand Act
- Immigration Act Thailand