

Lorenz & Partners

Legal, Tax and Business Consultants

Case Study: Setting up a Company in Thailand

When a client approaches us with regard to their investment in Thailand, we would initially evaluate the most-suitable form of establishment for them. For some projects, a branch office or a representative office may be sufficient, but the most common investment vehicle is the Private Limited Company.

How do we set up a company for our clients?

As a first step, we will provide the client a questionnaire with the required information, such as:

- The desired company name: The company name must be distinguishable from existing companies and end with “Co., Ltd.” or simply “Ltd.” Multinational enterprises often choose to add “(Thailand)” (must be in brackets) into the company name.
- The registered capital: This mainly depends on the business scope of the company and may be subject to specific foreign investment regulations (e.g. min. THB 2 million if the company is majority foreign-owned, or THB 3 million if a Foreign Business License is required).
- The shareholders: Who will be the shareholders of the company and what will be the ratio of their shareholdings and the respective voting and dividend rights? Please note that Thai law requires a minimum of three shareholders at all times.
- The directors: Who will be the directors of the company and what will be their signing authority? For example, sole signing authority, joint signing authority, signing authority limited to specific transactions or maximum amounts etc.

If the client is unsure about any of the required information, we will advise and make suggestions where possible.

Once we acquired all the necessary information, we will proceed to register the company with the Department of Business Development (“**DBD**”) at the Ministry of Commerce. The required steps are shown in the below flowchart. The company setup can usually be completed within one week, but a one-day process is available, if required.

Our lawyers and legal officers will prepare all related documentation and will guide the client through the entire process. Some documents will be required as originals, but it is not necessary for the shareholders or directors to be present in Thailand during the company setup process.

Once the company has been successfully set up, it can open a bank account, apply for VAT registration, rent an office, hire staff and apply for the applicable licenses required to conduct its business. All of these steps will be discussed in our subsequent studies.

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Setup of a Thai Company Limited

