

Lorenz & Partners

Legal, Tax and Business Consultants

THAILAND

I. Facts*

Population:	69 million
2018 GDP (Gross Domestic Product):	US\$ 490 billion
2018 GDP per capita at PPP (Purchase Power Parity):	US\$ 19,126
Human Development Index:	83
Big Mac Index:	US\$ 3.59 (USA: US\$ 4.93)

In comparison:

Germany

Population:	83 million
2018 GDP:	US\$ 4.02 trillion
2018 GDP per capita PPP:	US\$ 52,897
Human Development Index:	5
Big Mac Index:	US\$ 4.83

Vietnam

Population:	95 million
2018 GDP:	US\$ 241 billion
2018 GDP per capita at PPP:	US\$ 7.482
Human Development Index:	116
Big Mac Index:	US\$ 2.82

*All economical figures according to the International Monetary Fund (IMF), the World Bank and the Economist

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II. Opportunities and Challenges

Opportunities

- Overall good infrastructure (International Airports, Container Ports, etc.)
- Skilled labour force
- Well developed industrial estates available
- Up to 8 years corporate income tax holidays, import duty exemptions and other incentives for Board of Investment promoted companies
- Board of Investment promoted companies are permitted to own land
- Favourable income tax laws allow tax planning for regionally active professionals
- Various tax treaties in place with other countries

Challenges

- Foreign Business Act imposes restrictions on foreign investments (particularly if related to retail trading)
- Corporate structures using Thai trustees to facilitate foreign investment are prohibited and considered a criminal offence
- Foreign ownership of land is not permitted (except for Board of Investment promoted companies/investments within industrial estates)
- Political tensions still not entirely resolved

III. What we do in Thailand

Headquartered in Bangkok, Lorenz & Partners has assisted medium-sized and large corporations since 1997 with their investment in Thailand. As a one-stop service coordinator we offer our clients tailor-made solutions and guidance before, during and after the set-up.

Our Services include:

- Company Set up, Preparation of Joint Venture Agreements, Project Management Assistance
- Corporate and Commercial Law, Corporate Income Tax, Personal Income Tax
- Business and Management Advice
- Licensing and Corporate Re-structuring
- Back Office Services; Tax Structuring
- Accounting and other Corporate related Work

All of our legal and consulting services are provided by our team of local and foreign qualified lawyers and accountants who are well versed in all the key legal and tax issues faced by those investing in Thailand.

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IV. Recent Projects:

- Legal advice and optimisation of an underlying EPC contract in the most tax efficient way for a leading Austrian manufacturer of warehouse logistic solutions.
- Legal advice, tax planning, optimal project structuring and contract optimisation for one of the leading German manufacturers of automotive presses which is in charge of the manufacturing, installation and commissioning of an automotive press for the Thai plant of one of the world's largest automakers.
- Setup of the Thai subsidiary of one of the world's leading construction machine manufacturers and ongoing legal advice in all fields relevant to their investment in Thailand.
- Set up of various legal entities in Thailand for one of Germany's leading internet businesses, and preparation/review of the contractual framework for their Thai entities. These new legal entities shall provide an internet market place for a variety of consumer products.
- Handling of all legal matters related to the construction of a wind farm on Koh Tao Island in the South of Thailand. Such matters included negotiations with potential investors and preparations for the restructuring of the Thai entity that shall operate the wind farm.

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V. Further Reading (some Key Publications)

1. BR001E How to set up a Company in Thailand
2. BR009E The Thai Labour Law
3. BR011E Visa and work permit regulations in Thailand
4. BR019E Duties and Liability of Directors of Thai Limited Companies
5. NL001E Who Requires a Foreign Business Licence
6. NL045E BOI Promotion: Trade and Investment Support Office (TISO)
7. NL054E Establishment of a Representative Office in Thailand
8. NL195E Transfer Pricing in Thailand
9. NL219E Investment Promotion for International Business Centers

For our complete range of publications please click [here](#).

VI. Further queries on Thailand? Get in touch

We welcome all Thailand related legal inquiries. Please use the [contact form](#) on our website to get in touch.

Our targeted clients are midsized and large German and European corporations which intend to setup in Thailand or are already established in Thailand.

Please note that we **do not advise** on any matters related to family law (marriage, pre-nuptial agreements, divorce, etc.).

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