



The Simple Guide to Starting a Limited Company in Thailand

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Introduction

Starting a limited company in Thailand is a popular way for foreigners to establish a business presence in the country. This guide provides a step-by-step process to help you navigate the legal and administrative requirements while highlighting essential considerations to ensure compliance with Thai laws.

Step 1: Choose a Company Name

- The company name must be unique and comply with the **Department of Business Development (DBD)** regulations.
- Conduct a name search through the Department of Business Development's (DBD) online system to ensure no duplicates exist.
- Reserve the company name through the Department of Business Development's (DBD) system.

Note:

- Avoid using prohibited terms or words that conflict with Thai cultural values or the law.

Step 2: Draft the Memorandum of Association (MOA)

- The MOA must include:
 - The company's name and address.
 - Objectives of the business (aligned with approved business categories).
 - Details of the registered capital.
 - Names and addresses of the founding shareholders. To establish a Thai limited company, at least two (2) promoters (natural persons) are required, and they must also be the founding shareholders.
 - The number of shares each shareholder subscribes to.
- File the MOA with the Department of Business Development (DBD). Ensure the objectives comply **with the Thai Foreign Business Act (FBA)** restrictions for foreign-owned companies.

Tip:

- Clearly define the business objectives to avoid rejection or delays in the registration process.
- MOA can alternatively be filed on the same day as the company incorporation registration.

Step 3: Register the Company

- A limited company in Thailand requires a minimum of two shareholders, who can either be natural or juristic persons. However, there must be at least two natural persons as the initial founding shareholders.
- The company's Articles of Association, directors' details, and other corporate documentation must be prepared and submitted.
- A statutory meeting must be held to:
 - Approve the Articles of association

- Confirm shareholder subscriptions.
- Elect directors and auditors.
- The company must be registered with the Department of Business Development (DBD) within three months of the statutory meeting.

Step 4: Capital Requirements

- The minimum registered capital for most business in Thailand is 2 million THB.
- If applying for a Foreign Business License (FBL) or work permits for foreign employees, a higher registered capital may be required (e.g. at least THB 3 million THB or 25% of the annual average of the estimated expenses over three years per business activity requiring a foreign business license. For work permits, 2 million THB per foreign employee, unless married to a Thai national).

Note:

- Certain industries may have specific capital requirements under the Foreign Business Act (FBA).
- The minimum legal requirement for registered capital is 10 THB.

Step 5: Tax Registration and Licensing

- Register for a Tax Identification Number (TIN) with the Revenue Department.
- If your annual revenue is expected to exceed 1.8 million THB, register for Value Added Tax (VAT).
- Obtain other necessary licenses required for your business activities, such as:
 - Alcohol licenses (e.g., for bars or restaurants).
 - Food business licenses.
 - Special permits for regulated industries.

Step 6: Work Permits for Foreign Employees

- Foreigners must obtain a valid work permit to work legally in Thailand.
- To secure work permits for foreign employees, the company must:
 - Maintain a registered capital of at least 2 million THB per foreign employee (1 million THB if married to a Thai national).
 - Employ at least four (4) Thai employees per foreign worker (exceptions may apply for Board of Investment (BOI)-promoted companies, or at least two (2) Thai employees if the foreign employee married to a Thai national).
 - Register to Social Security within 30 days of hiring the first employee.

Step 7: Comply with Accounting and Reporting Standards

- Companies must maintain proper accounting records in compliance with Thai Financial Reporting Standards (TFRS), prepared by a Thai Chief Accountant.
- An independent auditor must be appointed to review the company's financial statements annually.
- Submit annual audited financial statements to both the Revenue Department (RD) and the Department of Business Development (DBD).
- File monthly Withholding Tax (WHT), Value Added Tax (VAT), and Social Security Fund (SSF) contributions

Step 8: Understand Foreign Ownership Rules

- Under the Foreign Business Act, certain sectors are restricted or require a Foreign Business License (FBL).
- Businesses eligible for BOI (Board of Investment) promotion may benefit from:
 - 100% foreign ownership
 - Reduced capital requirements
 - Tax incentives

Step 9: Open a Corporate Bank Account

- Once the company is registered, open a corporate bank account in the company's name.
- Required documents typically include:
 - Certificate of Incorporation
 - Memorandum of Association
 - Shareholder list
 - Tax ID
- Banks may have specific requirements for foreign directors, including a work permit.

Step 10: Obtain Additional Permits (if applicable)

- For businesses in regulated industries (e.g., construction, healthcare, or manufacturing), additional permits may be required.
- Consult relevant ministries or regulatory bodies for specific requirements.

Updates Based on Current Thai Laws

- As of 2025, ensure compliance with updated requirements under the Civil and Commercial Code, Foreign Business Act, and Labour Protection Act.
- Electronic filing systems and online services through the Department of Business Development (DBD) have streamlined many processes.
- New VAT thresholds and capital requirements may apply for certain industries.

Conclusion

Starting a limited company in Thailand involves navigating regulatory and administrative procedures. By understanding the legal requirements and leveraging local expertise, you can establish your business efficiently.



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