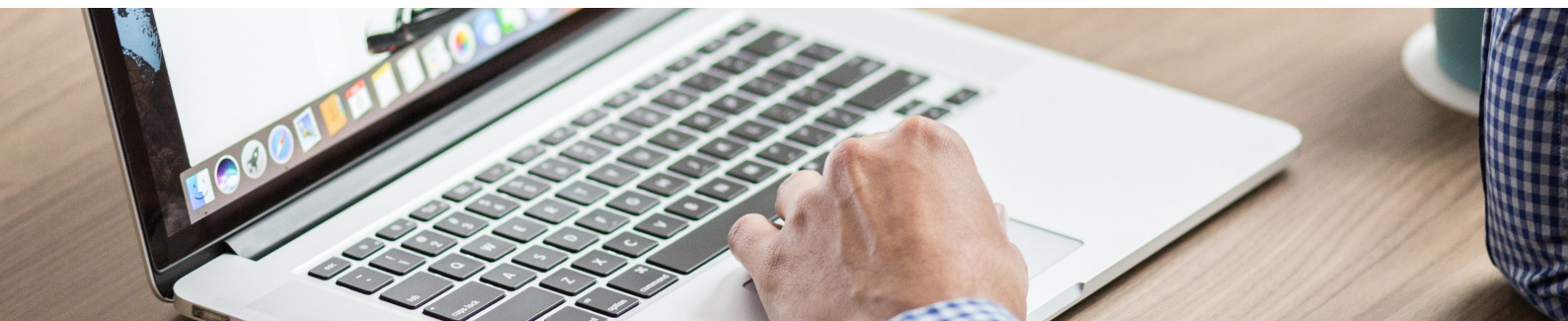


# THE LEGAL BENEFITS FOR US INVESTORS UNDER THE TREATY OF AMITY



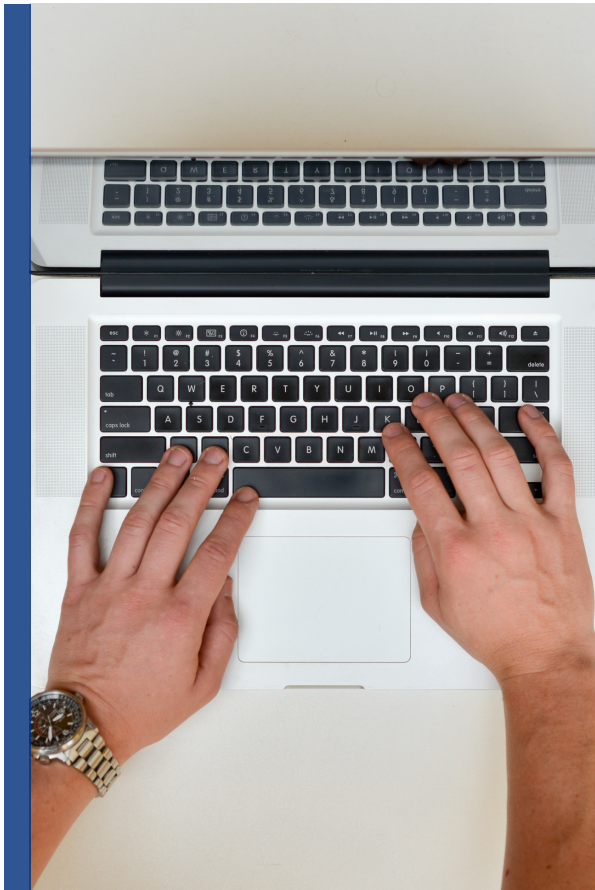
## 1. National Treatment

The Treaty of Amity and Economic Relations between Thailand and the US (“Treaty”) grants qualifying US companies operating in Thailand “National Treatment.” National Treatment means that subject to six specific exceptions stated in the Treaty, qualifying US companies are afforded the same rights and legal flexibility normally reserved only for Thai-held companies. This is a significant and unique right available to qualifying US companies only. A qualifying US company is a company registered in the US doing business in Thailand or a US majority owned company registered in Thailand.

## 2. Requirements

- The business must be properly registered in Thailand or the US;
- The majority of the business’ total outstanding shares must be held by US shareholders (US businesses or individuals);
- The majority of the business’ board of directors must be US or Thai individuals; and
- Directors of a third nationality (non-Thai, non-US) do not have the authority to sign on behalf of the company unless they sign together with a Thai or US director.

Note that the above does not require that the US shareholders or directors reside in Thailand.



Take special note of two things. First, a US-owned company registered in Thailand does not qualify as a US shareholder of another company registered in Thailand seeking Treaty of Amity protection. Secondly, if a company registered in the US is to hold shares of a company registered in Thailand, the MOC (Ministry of Commerce) will require that the majority of the US company's shares be held by US parties in order for the Thailand registered company to receive Treaty protection.

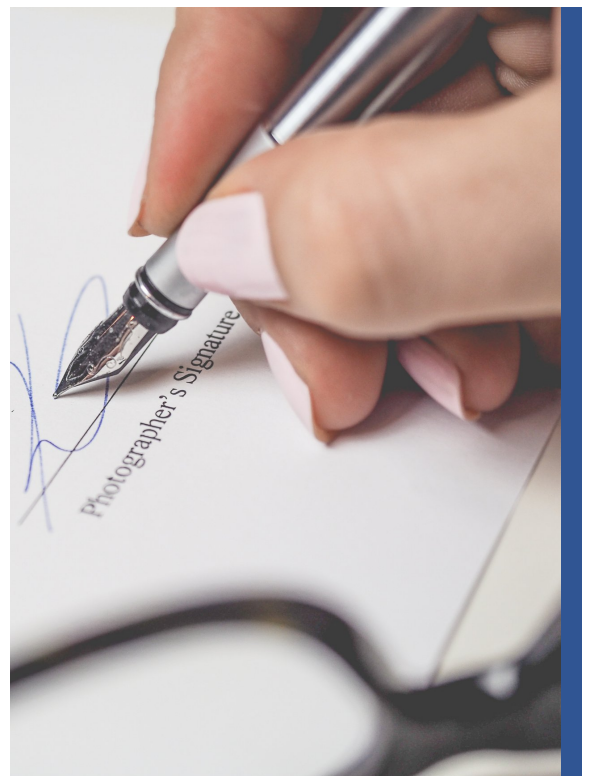
### 3. Exceptions

This means that if the US investors are to engage in any of the following activities, National Treatment principles do not apply, and the US-held company is subject to the normal rules stated in the Foreign Business Act.

- Communications;
- Transport;
- Fiduciary functions;
- Banking involving depository functions;
- Exploitation of land or other natural resources (includes holding any interest in real estate); and
- Domestic trade in indigenous agricultural products.

### 4. Capital Requirements

All US-owned companies operating in Thailand under the Treaty are required to comply with the same minimum registered capital rules as other foreign-held companies.



## 5. Application Procedure

### Step 1:

The applicant obtains documents verifying that the business has been properly registered in Thailand or in the US.

### Step 2:

At the Commercial Section of the US Embassy in Bangkok:

The applicant submits documents and a letter confirming that a majority of the business' shareholders are US citizens and receives a letter from the Section confirming same. Note that the letter from the embassy must be notarized by a licensed US notary.

### Step 3:

At the Department of Business Development at the Thailand MOC: Applicant submits the letter issued by the US Embassy to request a Business Certificate.

## 6. Official Fees

There are two official fees payable to the MOC during the Treaty certification process:

- A filing fee in the amount of 2,000 baht is payable to the MOC when applying for the Business Certificate; and
- A Certificate fee in the amount of 20,000 baht (regardless of the amount of registered capital) is payable to the MOC at the time the Business Certificate is issued.

## Author

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