

# What is the Foreign Business Act B.E. 2542 and how to obtain the Foreign Business License for each of investor's business categories.

Established in 1999, the Foreign Business Act (“FBA”) forbids foreigners from being involved in many business and economic categories in Thailand unless they obtain the foreign business license.

The FBA also prevents foreigners from owning shares exceeding 49% in a company in Thailand unless a foreign business license is granted. One of the main purposes of the FBA is to ensure that foreign-owned businesses do not compete with Thai businesses and disadvantage Thai people through this process.

## Business categories in the FBA

The FBA generally separates businesses into the following 3 categories:

- List 1: This includes businesses that foreigners are restricted from operating due to different reasons and cannot get the FBL for (“Stricto Sensu”);
- List 2: This includes businesses that concern national security and identity or businesses that have an impact on arts, culture, traditions, customs, folklore, handicrafts, natural resources or the environment. Foreigners can operate these if the Minister of the Ministry of Commerce and the Cabinet have authorized them; and
- List 3: This includes businesses in areas of which Thai nationals are not yet ready to compete with foreigners. Foreigners can operate these businesses if they have obtained the Foreign Business Certificate (“FBC”).

In addition, there are other ways to grant the permission for operating the business in Thailand by means of Treaty of Amity, or Board of Investment approval.

Written by Thanatchanan Marktavee | Phubordee Saengfuang

For further information, please contact us via email [info@serimanop.com](mailto:info@serimanop.com).

