

## **Matthew Legal**

### **Registration of incorporation of a limited company**

Please be explained upon the attached private limited company registration required information sheet, as follows:

- (1) What will the company be named? Every private limited company must have a name in Thai language. A company may in addition to its Thai name use name in other language, such as English. The word “(Thailand)” may be added, if you prefer.
- (2) What type of business will the company be doing? The business objectives of the company are required to be indicated on the Memorandum of Association. The main business objective may be concerned with other relevant Act. We can advise case by case.
- (3) What will be the registered capital of the company? Every company must have an registered capital divided into shares of identical par value. There is no limit on the maximum amount of registered capital. The share par value is at least Baht 5 per share but normally it is Baht 100 per share. When the company is registered, at least 25% of the par value of all shares of the company must be paid in. Subsequent payments on the par value of shares are subject to call by the Board of Directors. Shareholders have a liability for the amount unpaid on the par value of shares held by them.

If a company will obtain work permit for foreign employees, at least Baht two million fully paid per one foreigner work permit is required.

For a general foreign company who will apply for a foreign business license or an American company who will apply for a foreign business certificate with protection under Treaty of Amity and Economic Relations between Thailand and U.S.A., Baht three million is required per one business type, as registered capital.

- (4) Who will be the promoters? At least three promoters who are natural persons is required. Each of whom must sign the Memorandum of Association and subscribe for one share of the company.
- (5) Who will be the shareholders? All of the registered shares of the company must be subscribed. A private limited company must at all times have at least three name shareholders. The promoters will become the shareholders of the Company when the company is registered.
- (6) Where will the registered head office be located? This is relevant to in which of Thailand's 77 provinces the registration of the company will take place.

- (7) Will there be any branch office? Other than the head office, other locations may be registered as branch offices.
- (8) What are the provisions of Articles of Association? They are the corporate by – laws of the company. It may not be in conflict with the relevant provisions of the Thailand Civil and Commercial Code. We can draft for your reviewing.
- (9) Who will be the directors? A private limited company must have at least one director and there is no maximum as to the number of directors. Director must be human being. Directors who are not Thai citizens and who will be working on behalf of the company in Thailand shall be obtaining a Thailand work permit before they actually commence work in Thailand for the company. Non – Thai citizen directors who will not be working for the company in Thailand do not required Thailand work permit. There is no legal requirement that any director be resident in Thailand (except for companies engaged in business to which the Act applies or other specific laws) If the company is dealing with the Customs Department, it will be importing or exporting, then it must have at least one director who is present in Thailand, that is to say a Thai citizen or a non – Thai citizen who has a work permit. This is because of customs Department Regulations concerning who can represent a company for purposes of dealing with that Department.
- (10) What will be the authorized director signatory? This is the name or names or number of the directors of the company who are authorized to sign on behalf of the company. The company's seal may be or may not be required affixation with the seal.
- (11) Who will be the company's auditor? Every company is required by law to have accounts made by the book keeper and the yearly financial statement must be audited by an licensed auditor. The auditor is appointed by the shareholders initially at the meeting to organize the company, and thereafter elected at each annual ordinary general meeting of the company. The shareholders meeting determine the auditor's remuneration.
- (12) What will be the design of the common seal? The common seal is rubber stamp which contain the name of the company in Thai and/or foreign language and may incorporate a logo.
- (13) When will the financial year of the company end? A company may select any financial year end so long as it is not more then 12 months. It may be 1 January – 31 December.