



The Significant Amendments to the Civil and Commercial Code of Thailand (No.23) B.E. 2565 (A.D.2022)

The Amendments to the Civil and Commercial Code (No.23) B.E. 2565 (A.D. 2022) (the“Amendment”) were published in the Government Gazette on 8th November 2022, and later will become effective in 90 days after its publication or effective on 7th February 2022. According to the Amendments, there are several important points as follows:

1. Incorporation of limited companies:

- The minimum number of promoters: Prior to the Amendment, the law requires at least three promoters for incorporation of a limited company. However, with the Amendment, the minimum number of promoters has been reduced from three promoters to two promoters in case of the incorporation of the limited company starting from 7th February 2022 onwards.
- The effectiveness of Memorandum of Association (“MOA”): The Amendment requires that the limited company shall be incorporated within 3 years from the date of registration of its MOA with the Department of Business Development (“DBD”), otherwise such MOA shall become ineffective.
- The share certificate: The Amendment requires that a share certificate shall be signed by at least one director and affixed with the company’s seal (if any).

2. Meeting Arrangement:

- The Board of Director e-Meeting: The Amendment allows the meeting of directors to be held electrically unless it is prohibited by the articles of association. Any director(s) who attends the e-Meeting shall be counted as a quorum with a right to vote. However, the e-Meeting shall comply with the Emergency Decree on Electronic Meetings B.E. 2563 (A.D.2020).

- The notice of general meeting: In case the company has issued share certificates to its the shareholders, the notice of the company shall be published in a local newspaper or the electronic media in accordance with the prescribed ministerial regulation by not less than 7 days for considering general matters and 14 days for considering special matters prior to a general meeting.
- The Quorum of general meeting: The Amendment specifies the quorum of general meeting which shall consist of at least two shareholders or proxies who hold at least 25% of the total shares in order to consider and approve the matters.

3. Dividend:

The payment of dividend shall be completed within 1 month from the date of holding a resolution regarding the dividend payment.

4. Merger of limited companies:

Limited companies can be merged upon a special resolution, and if such special resolution approves the merger, it shall be registered within 14 days from the date of the resolution. On the other hand, if a shareholder objects to the merger, the Amendment requires the limited company to arrange for the mandatory purchase of shares held by objecting shareholders at the agreed price or at the price determined by the asset evaluator.

Should you have any question, please do not hesitate to contact us via info@bglballaw.com

