LEGAL INSIGHTS

OFFSHORE LISTINGS WITH THAI BUSINESS AND ASSETS 境外上市 · 泰国业务与资产

递交 A1 申请前
助您的泰国子公司做好上市准备

Before the A1 Filing: Getting Your Thai Subsidiary Ready for a Listing

USD 48.4 bn

raised by 112 companies on the HKEX Main Board, January to September 2026

Source: LSEG Data & Analytics, as reported in Z. Chan and E. Yiu, "Hong Kong's IPO haul in first 9 months smashes record despite Nasdaq's fundraising lead", South China Morning Post, 30 September 2026.

982

BOI investment promotion applications from Chinese companies in 2025

Source: Thailand Board of Investment, Press Release No. 15/2569 (January 2026).

THB 172 bn

total investment value of those application

Source: Thailand Board of Investment, Press Release No. 15/2569 (January 2026).

November 2026

1 Executive Summary
概要

Hong Kong IPO proceeds in the first nine months of 2026 were the highest for that period since records began in 1980, with 112 companies raising USD 48.4 billion on the Main Board alone.[1]

We are seeing a growing number of these issuers, particularly PRC groups, with operating subsidiaries in Thailand. According to the Thailand Board of Investment (the "**BOI**"), Chinese companies filed 982 investment promotion applications, worth THB 172 billion, in 2025 alone.

For these issuers, the Thai subsidiary is often a key operating arm. Issues at the Thai subsidiary can delay the listing timetable or require additional prospectus disclosure. With Thai authorities stepping up enforcement against foreign-owned businesses, they may also attract regulatory action.

> **"The most significant issues are usually foreign ownership restrictions and missing licenses. Most can be rectified if identified early."**
>
> 最主要的问题通常是外资持股限制及许可证缺失。若能及早发现，大多可以整改。

[1]Source: LSEG Data & Analytics, as reported in Z. Chan and E. Yiu, "Hong Kong's IPO haul in first 9 months smashes record despite Nasdaq's fundraising lead", South China Morning Post, 30 September 2026.

2 Why Thai Counsel Is Involved
为何需要泰国律师参与

For an HKEX (or SGX) listing, local counsel in each jurisdiction where the issuer has an operating subsidiary typically advises the issuer, the sponsors, and their counsel on local law. Thai counsel's role generally includes:



Legal due diligence

法律尽职调查

Reviewing the Thai subsidiary's compliance with Thai law through legal due diligence.



Risk identification

风险识别

Identifying legal risks and red flags that may affect the listing or business continuity.



Legal opinions and reports

法律意见书及报告

Preparing legal opinions or due diligence reports to support the listing.



Prospectus review

招股书审阅

Reviewing the prospectus to ensure that disclosures relating to Thailand, including the regulatory overview, are accurate and complete.

3 Common Issues Identified
常见问题

The following issues come up frequently in our due diligence. They can lead to delays, additional disclosure, or, in some cases, shareholding or capital restructuring. Foreign ownership and licensing issues are generally significant, as they affect the Thai subsidiary's ability to carry on its business, while corporate and tax issues can potentially be settled via monetary settlements.

Foreign Ownership and Investment Promotion 外资持股与投资促进

Foreign Business Act

- The Foreign Business Act B.E. 2542 (1999) (the "**FBA**") regulates business activities conducted by "foreigners", including Thai-incorporated companies in which foreigners hold 50% or more of the capital shares. Certain businesses are prohibited, while others require a foreign business license ("**FBL**") or foreign business certificate ("**FBC**") before commencing operations in Thailand, unless an applicable exemption is available.
- For example, an FBL or FBC is required for services, hotel operations, and restaurant businesses, as they are restricted businesses under the FBA. However, certain services, including qualifying intra-group administrative, human resources, and information technology management services, are exempted under the relevant ministerial regulations.

- Although retail and wholesale activities are generally restricted under the FBA, they may be conducted without an FBL if the prescribed minimum capital requirements are satisfied. Otherwise, an FBL or FBC may be required, as applicable.
- Manufacturing activities, on the other hand, are generally not restricted under the FBA, provided certain conditions are met.
- FBA licensing requirements depend on the actual business activities conducted in Thailand, and the relevant licenses, certificates, or approvals (*e.g.*, FBL/FBC and BOI certificate) generally cover only the specifically authorized activities. Thai subsidiaries may therefore face compliance risks if they undertake additional activities beyond their approved scope without obtaining the necessary authorizations. In practice, we often find Thai subsidiaries carrying on activities beyond their approved scope, *e.g.*, providing services to customers, without an FBL or FBC. BOI-promoted companies also sometimes assume that their promotion covers all of their activities, when it covers only the promoted activities.
- Issuers should review their Thai subsidiaries' business activities, shareholding structures, and governance arrangements early in the listing process, preferably before the track-record period. Any restructuring required to address regulatory compliance issues may affect the issuer's ability to consolidate the Thai subsidiaries' financial results for listing purposes.
- Non-compliance identified during the track-record period generally needs to be disclosed in the prospectus and explained to the regulators. Such non-compliance may also signal gaps in the issuer's internal controls.

Land Ownership

- Ownership of land in Thailand is primarily governed by the Land Code, which generally prohibits foreigners from owning land in Thailand.
- Despite the prohibition under the Land Code, there are certain avenues that allow foreigners to legally own land in Thailand, *e.g.*, by obtaining a privilege under a BOI promotion or owning land in an industrial estate.

Board of Investment Promotion

- BOI-promoted companies receive tax and non-tax incentives, provided they comply with the conditions of their promotion. For foreign-owned groups, BOI promotion is often critical, as it allows the Thai subsidiary to own land that would otherwise be restricted under the Land Code; however, this privilege is not available for every promoted activity, and the BOI has recently stopped granting it to foreign-majority-owned companies in certain manufacturing activities (*e.g.*, certain metal, chemical, and plastic products).
- BOI conditions normally include compliance with all applicable laws, so a licensing breach elsewhere can also put BOI privileges at risk. Non-compliance may lead to revocation or reduction of privileges, and repayment of previously exempted taxes (together with penalties and surcharges).

Licenses and Regulatory Compliance 许可证与合规

Factories operating without proper licenses or beyond their licensed scope

- Under Thai law, operations of a factory generally require a factory license. A valid factory license contains the particulars of the factory, such as the name of the operator, type of factory (*e.g.*, activities being carried out or products being manufactured), and capacity of the factory (*e.g.*, horsepower of the machinery).
- In practice, we sometimes find factory licenses that were not properly transferred from a previous operator, or that do not cover the factory's current operations.

- Non-compliance may result in fines, imprisonment, and/or suspension of operations. In practice, most offenses can be settled by paying a fine, but an order to suspend or close the factory would directly affect the Thai subsidiary's business continuity.

Buildings without the required construction permits or certificates

- Under Thai law, a construction permit is generally required before construction of a building. Once completed, certain buildings (*e.g.*, a factory building) also require a construction certificate before use.
- In practice, we sometimes find buildings constructed without a permit, or used without a certificate.
- Non-compliance may result in fines and/or imprisonment for both the constructor (or owner) and the user of the building. The authorities may also prohibit its use or order its demolition.
- The current operator or user remains responsible for compliance, even where the factory or building was acquired from a third party.

Other missing or expired licenses

- Under Thai law, certain business activities require licenses, permits, or registrations, both before commencement and throughout operations.
    - For example, the License to Operate a Business Regarded as Hazardous to Health applies to many manufacturing, storage, and service businesses. Such a license may be required even for a factory located in an industrial estate, depending on the local ordinance.
    - In addition, the manufacture of certain products may require a separate license and/or registration. For example, the manufacture or sale of certain telecommunications devices requires a license from the National Broadcasting and Telecommunications Commission.
    - Furthermore, if certain hazardous substances are used by the Thai subsidiary, a separate license or notification to the competent authority may also be required.
    - Certain projects (*e.g.*, certain types of factories) may also require an Environmental Impact Assessment to be approved before construction.
    - Companies engaged in cross-border trade may also need to register with the Customs Department as importers or exporters.
- In practice, we often find required licenses that were never obtained or were not renewed.
- Non-compliance may result in fines, criminal penalties, and/or regulatory orders. It may also lead to suspension of operations, and the time needed to obtain or renew licenses may affect the listing timetable.

Corporate and Shareholding Matters 公司与股权事项

Corporate and shareholding issues are among the most common. Some are straightforward to rectify (*e.g.*, updating corporate records), while others may take significant time and cost to resolve, or even require corporate and capital restructuring.

Incomplete corporate records, such as board of directors meeting and shareholders meeting minutes

- Under Thai law, certain matters require shareholder approval, including some that must be considered each year at the annual general meeting.
- In practice, we often find meeting minutes that are missing, incomplete, or inconsistent with the company's records at the Department of Business Development, Ministry of Commerce (the "**DBD**"). We also see resolutions of shareholders registered late with the DBD.

Late or missed filing of audited financial statements

- Under Thai law, a company's financial statements must be audited, approved by shareholders, and filed with the DBD within statutory deadlines.
- Late filing or non-filing is an offense under the Accounting Act, and both the company and its directors may be fined.
- Late financial statements often also lead to a late annual corporate income tax return, as the return must be filed together with the audited financial statements. A late return may attract fines, surcharges, and penalties.

Missing share register book and inadequately documented historical share transfers

- Under Thai law, every company must
  (i) maintain a share register book, which serves as the primary evidence of share ownership, and
  (ii) issue share certificates to its shareholders. In practice, share register books are often missing or out of date, and share certificates are often not issued.
- A share transfer must also meet certain formal requirements (*e.g.*, stating the particulars of the shares) and be duly stamped. In practice, we often find historical transfer documents that do not meet these requirements. A transfer that is not in proper form may be void, and an unstamped instrument may be inadmissible as evidence in a Thai court.
- Where the shares were transferred to a PRC investor, the investor's PRC outbound direct investment approvals should also be checked, as a transfer made without them may have to be unwound.
- Many Thai subsidiaries also treat the list of shareholders filed with the DBD (the "**BOJ.5**") as conclusive evidence of share ownership. It is not. The BOJ.5 is a public filing prepared from the company's own records. Ownership of shares must also be supported by the underlying mandatory documents.

Non-standard Articles of Association arising from shareholders' agreements

- Companies with shareholders' agreements may adopt bespoke Articles of Association (the "**AOA**") reflecting agreed governance or control mechanisms. Thai law generally allows this, provided the AOA does not conflict with mandatory provisions of Thai law.
- In practice, we sometimes find non-compliant provisions, which may be unenforceable and may need to be amended before listing.

Tax 税务

In certain engagements, we are also asked to conduct a high-level review of the Thai subsidiary's tax compliance, based on the documents provided. This generally covers:

- Submission of periodic corporate income tax, withholding tax, and VAT filings.
- Availability and use of tax incentives (*e.g.*, BOI privileges).
- Transfer pricing disclosure, where applicable.

Legal due diligence generally focuses on whether the required tax filings have been made on time, rather than independently verifying the accuracy or completeness of taxes paid. Where a tax audit is required, a separate tax adviser should be engaged.

Late or missed monthly filings are among the most common findings. The fines are small, but sponsors will expect such late filings to be identified, rectified, and assessed for disclosure.

4 Increased Scrutiny of Foreign-Owned Businesses
外资企业监管趋严

Since 2025, Thai authorities have stepped up their scrutiny of foreign-owned businesses. Recent enforcement has focused on (i) nominee arrangements, where Thai shareholders hold shares on behalf of foreigners to get around the FBA, and (ii) factory licensing and environmental compliance, particularly in the Eastern Economic Corridor (the "**EEC**") and the surrounding provinces.

- For example, in October 2026, the DBD investigated 82 Thai-registered companies suspected of using a nominee structure or other arrangement to circumvent the FBA and Land Code restrictions.
- Meanwhile, on the environmental side, many companies in Prachin Buri and nearby provinces (*e.g.*, Rayong) have been investigated for illegal dumping of toxic waste.
- As a result, foreign-owned Thai subsidiaries, particularly those with factories in the EEC, are more likely to face inspections or investigations. Issuers should review the Thai subsidiary's shareholding structure, licenses, and environmental compliance early in the process.

HOW WE CAN HELP
我们如何协助您

- In our experience, many of the issues we identify in due diligence arise from structures and practices that were set up without proper advice on Thai law. As the regulatory regime becomes increasingly stringent, they are also more likely to be picked up, whether by the authorities or in the sponsors' due diligence.
- Most of the issues discussed above can be rectified, but some may take months to resolve. We therefore recommend engaging experienced Thai counsel early in the listing process, so that shareholding structures can be reviewed, records completed, licenses obtained, and filings brought up to date before they affect the listing timetable.
- Our Capital Markets team has acted as Thai counsel on a number of HKEX listings by PRC issuers with Thai subsidiaries across a wide range of industries. The team also includes a Chinese-speaking lawyer to support PRC clients.
- Moreover, as one of Thailand's largest independent law firms, we can draw on our in-house specialists in capital markets, foreign investment, regulatory, real estate, and dispute resolution, among other areas, who have practical experience in resolving these issues. If you are considering a listing and have operations in Thailand, we would be happy to discuss a legal health check of your Thai subsidiary.

RECENT DEVELOPMENT
最新动态

In August and September 2026, new regulations came into effect, allowing foreign-owned companies to conduct certain business activities without obtaining a foreign business license or certificate under the FBA. Examples of these exempted activities include, among others,

(i) intra-group administrative, human resources, IT management, and domestic debt-guarantee services;

(ii) treasury center business;

(iii) telecommunications services by qualifying Type 1 licensees without their own networks;

(iv) certain securities- and derivatives-related businesses; and

(v) petroleum drilling services under the petroleum laws.

These exemptions apply only under the FBA and do not remove the need to obtain any applicable sector-specific licenses or approvals. Intra-group exemptions are also subject to prescribed ownership and management control criteria. As laws and regulations may change from time to time, companies should regularly review the applicable requirements to ensure ongoing compliance.

Legal Health Check:

A legal health check for your Thai subsidiary 泰国子公司法律健康检查

About the Weerawong C&P Capital Markets Practice:

Weerawong C&P is a market-leading practice in capital markets in Thailand. We represent issuers, underwriters, placement agents, security holders, investors, corporate trustees and other participants in debt, equity and derivative offerings in domestic and international markets. We also assist companies in obtaining secondary listings on international exchanges and establishing depositary receipt facilities.

Our team includes a Chinese-speaking lawyer to support PRC clients.

团队配备中文律师，为中国客户提供支持。

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Weerawong, Chinnavat & Partners Ltd. 2026