THAILAND

COMPANY FORMATION
CLIENT GUIDE 2026

Private limited company, foreign investment, taxation
and annual compliance

Professional company formation
and ongoing corporate administration

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Thailand Private Limited Company at a Glance

A Thai private limited company is incorporated under the Civil and Commercial Code and registered with the Department of Business Development (DBD). It is a common operating vehicle for domestic and international business, but foreign ownership must be checked carefully against the Foreign Business Act and sector-specific legislation.

Topic	Current legal / practical position
Shareholders	At least two shareholders are required at all times. Foreign ownership can range from minority to 100%, depending on the activity, the Foreign Business Act, BOI promotion and any sector-specific law.
Directors	The company appoints one or more directors. The DBD registration records the directors and the signing authority. Foreign directors are possible, subject to immigration/work-permit and regulated-business requirements.
Registered office	A registered head office in Thailand is required. The DBD filing records the head-office location and contact details.
Share capital	No single general minimum for an ordinary Thai private limited company, but every share must be subscribed and at least 25% of the value of each share must be paid before registration. Special foreign-business/BOI rules may require higher capital or investment.
DBD incorporation fee	THB 5,000 for registration of a private limited company. Official certificate/copy charges are additional where requested.
Corporate income tax	General corporate income tax is 20% of net profit. Qualifying SMEs may receive 0% / 15% / 20% bands subject to paid-up capital and revenue conditions.
VAT	The current VAT rate is 7%. VAT registration generally applies where annual turnover exceeds THB 1.8 million. Exports of goods and specified transactions can be zero-rated.
Dividend withholding	Domestic withholding on dividends is generally 10%; treaty or statutory relief should be checked for the particular recipient.

Key Points for Foreign Investors

- A company with 50% or more foreign capital is treated as a 'foreigner' under the Foreign Business Act.
- List 1 activities are prohibited to foreigners; List 2 and List 3 activities may require approval, a Foreign Business Licence or a Foreign Business Certificate.
- BOI-promoted projects can permit majority or 100% foreign ownership for many eligible activities, subject to the promotion conditions and other laws.
- Thai nominee shareholding is prohibited. Genuine Thai shareholders may be required to evidence the source of their investment funds.
- BOI promotion can provide genuine corporate income-tax exemptions for qualifying promoted project profits.

Important 2026 Tax Position

Thailand is not a general 0% or territorial-tax company jurisdiction

A Thai-incorporated company is generally subject to Thai corporate income tax at 20%. Foreign customers, foreign currency receipts or overseas sales do not automatically create a 0% corporate tax result. Genuine 0% corporate tax can arise only under a qualifying statutory incentive, most notably BOI promotion for eligible project profits.

Ownership, Directors & Foreign Business Rules

Topic	Current legal / practical position
Minimum shareholders	Two shareholders are required at all times for a private limited company.
Foreign ownership	A Thai-registered juristic person is a 'foreigner' under the Foreign Business Act where half or more of its capital is foreign-held. Restricted activities must be analysed before operations begin.
List 1	Foreigners are prohibited from operating the activities in List 1.
List 2 / List 3	Foreign participation may be permitted subject to the Foreign Business Act, Cabinet/ministerial approval, Foreign Business Licence or Foreign Business Certificate, as applicable.
BOI projects	For many BOI-eligible List 2 and List 3 activities, foreign investors may hold a majority or all shares, unless another law imposes a specific restriction.
Directors	One or more directors may be appointed. The company registers director details and signing authority with the DBD.
Registered office	The company must maintain a head office in Thailand and keep its DBD and tax registrations current.

Share Capital & Investment

All shares must be subscribed and at least 25% of the value of each share must be paid before company registration. The DBD manual requires the directors to collect at least 25% of the share value after the statutory meeting. Where the registered capital exceeds THB 5 million, additional DBD evidence is required.

Foreign-business and BOI capital rules may be higher

The Foreign Business Act provides minimum-capital rules for foreigners carrying on business in Thailand, including at least THB 2 million generally and at least THB 3 million for businesses requiring permission under the annexed lists, subject to the applicable Ministerial Regulation. BOI-promoted projects generally require at least THB 1 million investment excluding land and working capital unless the eligible activity specifies otherwise.

Corporate Income Tax - General Rate 20%

Thailand's general corporate income-tax rate is 20% of net profit. A Thai company is not exempt merely because it is foreign-owned or earns revenue from clients outside Thailand.

SME Reduced Rates

For qualifying Thai companies and juristic partnerships with paid-up capital not exceeding THB 5 million and annual sales/service revenue not exceeding THB 30 million, the Revenue Department states that net profit up to THB 300,000 is exempt, the portion from THB 300,001 to THB 3 million is taxed at 15%, and the portion above THB 3 million is taxed at 20%. Eligibility must be checked for each accounting period.

BOI - Genuine Corporate Income-Tax Exemptions

Thailand's Board of Investment offers genuine corporate income-tax exemptions for qualifying promoted projects. Under the current investment-promotion framework, activity groups can receive exemptions ranging from 3 years to 8 years, while qualifying A1+ projects may receive 10-13 years. Some exemptions are capped by qualifying investment and some are uncapped. The exemption applies to promoted project profits and only while the project complies with its promotion certificate and conditions.

VAT - 7% / 0% for Qualifying Transactions

The current VAT rate is 7%, extended by Royal Decree No. 807 through 30 September 2027. VAT registration generally applies to businesses with annual turnover above THB 1.8 million. Exports of goods and certain qualifying transactions can be subject to the 0% VAT rate.

Formation Process & Documents Required

1. Activity and foreign-ownership review 2. Company name and structure 3. Memorandum / share subscription 4. Statutory meeting 5. Appointment of directors and auditor 6. Payment of at least 25% of share value 7. DBD incorporation 8. Tax / VAT and operating registrations

The DBD states that, after the memorandum process, all shares are subscribed, the statutory meeting is convened with at least seven days' notice, the first directors and licensed auditor are appointed, and the directors collect at least 25% of the share value. The incorporation application must be filed within three months of the statutory meeting.

Official Government Fees

DBD incorporation of a private limited company: THB 5,000. Certificate: THB 40 per item. Registration certificate: THB 100 per copy. Certified copies of registration documents: THB 50 per page. These are official DBD charges only and do not include BRIS professional fees, translations, legalisation, registered-office, accounting, audit, tax, licensing, BOI or banking costs.

Documents Required from the Client

- Passport / acceptable identification for foreign shareholders, directors and UBOs.
- Proof of residential address.
- For corporate shareholders: registry extract, constitutional documents, directors and ownership chain.
- Proposed company names and detailed business activities.
- Shareholding percentages, share capital and director/signing structure.
- Thai shareholder information and source-of-funds evidence where required by DBD rules.
- Expected turnover, customers, suppliers, countries of operation and transaction profile.
- Source-of-funds / source-of-wealth evidence for KYC and banking.
- Licensing, BOI or Foreign Business Act documents where applicable.

Accounting, Audit & Financial Statements

Thai private limited companies must keep accounting records and prepare annual financial statements. The Revenue Department confirms that limited companies must submit audited financial statements for approval by the general meeting within four months after the accounting year-end and file them with the registrar within one month after approval.

Annual audit is a core compliance requirement

The DBD incorporation procedure itself requires appointment of a licensed auditor. Private limited companies should plan for annual audited financial statements and the related DBD and tax filings.

Annual Tax Compliance

- File the annual corporate income-tax return (CIT 50) within 150 days after the accounting period closes.
- File the half-year corporate income-tax prepayment (CIT 51) within two months after the first six months of the accounting period.
- File VAT returns where VAT-registered and maintain supporting tax invoices / export evidence.
- Apply withholding tax on payments where required.
- Maintain DBD company particulars, shareholder records and statutory corporate records.
- Hold the annual general meeting and approve audited financial statements within the statutory timetable.

International Business & Tax Planning

Thailand can be attractive for an operating company with genuine commercial activity, particularly where the project qualifies for BOI promotion. The central planning question is not simply whether the shareholders are foreign, but whether the proposed activity is permitted under the Foreign Business Act and whether a BOI, Foreign Business Licence, Foreign Business Certificate or sector licence is required.

Genuine 0% corporate tax is possible - but only for qualifying promoted profits

Thailand does not provide a blanket 0% foreign-source income exemption for ordinary companies. However, BOI promotion can grant a genuine corporate income-tax exemption for qualifying project profits for a specified period. Current BOI activity groups can provide 3-8 years of exemption, while qualifying A1+ activities may receive 10-13 years. Conditions, caps and the exact promoted activity must be checked before relying on the exemption.

Other Important Tax Advantages

- Qualifying SMEs can access reduced corporate income-tax bands, including an exemption on the first THB 300,000 of net profit, subject to the statutory capital and revenue tests.
- Exports of goods and specified qualifying transactions can benefit from 0% VAT.
- BOI promotion can also provide import-duty exemptions for machinery and raw materials and non-tax incentives such as foreign ownership, land ownership for promoted activities and facilitation for foreign skilled personnel, subject to the promotion conditions.
- Thailand has an extensive tax-treaty network; treaty relief should be reviewed for dividends, interest, royalties and other cross-border income.

How BRIS Group Supports You

Structure & foreign-ownership review - Assess the proposed activity, shareholder structure, Foreign Business Act position and whether BOI/FBL/FBC or sector approval may be required.

Company formation - Coordinate name reservation, incorporation documentation, statutory meeting, DBD registration and registered-office arrangements.

KYC / UBO - Coordinate shareholder, director, beneficial-owner and source-of-funds / source-of-wealth due diligence.

Tax & accounting - Coordinate tax registration, VAT, bookkeeping, audited financial statements, annual CIT and ongoing compliance.

BOI / licensing support - Coordinate with local specialists for qualifying investment promotion and regulated-business applications where required.

Banking - Prepare corporate and KYC documentation and coordinate banking support where available.

Professional Fees & Official Sources

Professional fees are quoted separately

This guide is informational and is not a fee quotation. BRIS Group professional fees and third-party costs - including registered office, translations, legalisation, accounting, audit, tax, BOI/FBL/FBC, licences and banking support - are quoted separately according to the required work.

Official sources reviewed for this 2026 guide: Thailand Department of Business Development (DBD) - private limited company incorporation procedure and fees, accounting/financial-statement rules and Foreign Business Act materials; Thailand Revenue Department - Corporate Income Tax, SME rates, VAT and Royal Decree No. 807; Thailand Board of Investment (BOI) - Investment Promotion Guide, foreign-shareholding criteria and promoted-project incentives.

PREPARED BY BRIS GROUP

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