

# Thailand Representative Office

## FACT SHEET

Representative offices are typically set up by international corporations that seek to explore business or investment opportunities in Thailand. However, Thai law states that representative offices are only permitted to engage in supporting activities that do not generate income in the country and must render their services only to their head office, affiliate company, or group.

### Permitted Business Activities

Representative offices are limited to the following business activities:

- ◆ Sourcing goods and services in Thailand and surrounding countries for the purpose of assisting the representative office's head office, affiliate company, or group.
- ◆ Monitoring and/or controlling the quality and quantity of goods purchased or manufactured in Thailand by the head office, affiliate company, or group.
- ◆ Providing advice to the head office regarding the head office's goods that are to be sold to agents or consumers.
- ◆ Dissemination of information to the head office, affiliate company, or group regarding new goods or services available in Thailand.
- ◆ Conducting market research regarding new business trends in Thailand for the head office, affiliate company, or group.

### General Characteristics

Representative offices in Thailand should have the following characteristics:

- ◆ Activities conducted by representative offices should not generate revenue.
- ◆ Representative offices should have no authority accept purchase orders, make sales offers, or negotiate business terms with individuals or juristic persons.
- ◆ All expenses should be shouldered by the head office, affiliate company, or group.
- ◆ Representative offices are not subject to income tax, although taxes levied on remittances must be paid by the head office, affiliate company, or group.

### Benefits of a Representative Office:

- ✓ 100% foreign-owned.
- ✓ Representative offices are not subject to corporate taxes.
- ✓ Setting up a representative office does not incur any government fees.
- ✓ Representative offices are not subject to the regular work permit ratio of four Thai employees for each foreign employee. While representative offices are entitled to issuing 2-3 work permits, offices that have sourced more than THB 100,000,000 are eligible for more.
- ✓ The process of incorporating a representative office is usually the easiest way for foreign corporations to establish their presence in Thailand.

### Establishing a Representative Office

Establishing a representative office in Thailand requires a number of documents that are to be submitted to the Department of Business Development. These include a notarized company affidavit, notarized power of attorney, details about the office's activities and address in Thailand, as well as scanned copies of the representative office manager's passport or national ID, among others.

Setting up a representative office requires a minimum investment of THB 3 million over the course of 4 years.

*For more details, please feel free to contact us.*

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