



U.S. - Thai Treaty of Amity Companies

FACT SHEET

The U.S. - Thai Treaty of Amity is a special economic agreement between Thailand and the United States that gives American citizens who want to form a limited company in the Kingdom certain rights and privileges that are often closed to other foreign nationals. These American citizens can form a company with or without Thai partners so long as they own the majority of the shares.

What privileges does the Treaty of Amity provide?

- ◆ It enables American citizens or entities to wholly own or hold a majority of the shares in a company in Thailand formed under the Treaty of Amity.
- ◆ Companies formed under the Treaty of Amity are treated, for the most part, like local companies, meaning they can engage in business activities on the same basis as Thai companies and are exempt from most restrictions stipulated in the Foreign Business Act.

Are there any limitations?

While companies formed under the Treaty of Amity enjoy special privileges, but are restricted from:

- ◆ Purchasing and owning land.
- ◆ Participating in inland transportation and the communications industry.
- ◆ Engaging in fiduciary activities.
- ◆ Venturing into banking activities involving depository functions.
- ◆ Trading indigenous agricultural products within the country.
- ◆ The exploitation of land and other natural resources.

What is the minimum capital requirement?

At least THB 1 million in capital is needed to establish a Treaty of Amity company. However, if the company intends to obtain work permits, THB 2 million paid up capital is needed for each work permit issued in addition to the usual foreign work permit requirements.

Criteria for forming a company under the Treaty of Amity:

To come under the Treaty of Amity, the following conditions should be met:

- ✓ At least 51% of the shares in a company must be held by U.S. citizens or a U.S. entity.
- ✓ A company's board of directors must consist of a Thai or U.S. majority.

Notes:

If a member of the board of directors is of any other nationality, they must co-sign with a Thai or U.S. director.

U.S. entities holding the majority of shares in a company must be domiciled and registered in the United States.

Required Documents:

The documents that are required to be submitted to the Ministry of Commerce include:

- ◆ A completed request form for the Treaty of Amity Certification Letter.
- ◆ Notarized certificate of company registration.
- ◆ A list of the company's objectives.
- ◆ Memorandum of Understanding.
- ◆ Articles of Association.
- ◆ Notarized passport copies of major U.S. shareholders.

For more information about Treaty of Amity companies, please feel free to contact us:

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