

# Trade Digest

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## Government Relaxes Investment Rules for 19 Service Businesses

Foreign investors in 19 service-related businesses under the Foreign Business Act (FBA) who aim to hold more than 49 percent ownership in enterprises will be no longer required to seek a foreign business license before operating their businesses in Thailand.

According to Mrs. Apiradi Tantraporn, the Minister of Commerce, the government has recently issued a ministerial regulation removing such businesses from the restricted business activities under Annex III of the Foreign Business Act (FBA), effective from 9 June 2017. The exempted businesses can be divided into two groups, as follows:

- 1) Group 1 – Businesses governed by the laws on financial institutions**, which are financial institution businesses, related businesses or necessary businesses for financial institutions, other businesses of financial institutions, and businesses of companies within the financial business group of financial institutions.
- 2) Group 2 - Businesses covered by specific laws, which are asset management businesses**, representative offices, regional offices, and business operators who are contracted to provide services to government agencies or state-owned enterprises.

Since the abovementioned businesses are now exempted from the licensing requirements, any foreign companies aiming to hold over 49 percent of shares will no longer require a foreign business license in order to operate their businesses in Thailand. Nevertheless, foreign

companies will still be subjected to licensing requirements and foreign shareholding limit requirements under specific regulations.

The move is intended to attract more foreign investment into Thailand as part of the government's efforts to improve the investment environment in Thailand and promote the country as a hub of ASEAN investment.

## Thailand to be hub of ASEAN's Growing Senior Market

Thailand has long been delivering medical services having established an outstanding medical foundation that includes premium services, qualified healthcare specialists and internationally accredited medical facilities. Many leading healthcare providers in Thailand are trusted by foreigners, especially seniors, who come to stay in hospitals and health centers for treatment and rehabilitation. Apart from its world-class medical services, Thailand also offers several beautiful attractions which make it a dream retirement destination for many. It is this combination of medical services and attractions that attracts an increasing number of seniors from overseas to Thailand every year. As such, Thailand is already well-positioned to be the medical hub of ASEAN.

Aware of Thailand's strength in this field, the Thai government has exhibited clear signs of encouraging this trend to grow through policies aimed at establishing Thailand's position as a hub of wellness and medical services since the end of 2016. One such policy was launched by the Board of Investment of Thailand (BOI) to incentivize both Thai and foreign private sectors to invest in or provide medical services in all fields. The incentive involved offering a wide range of tax and non-tax incentives for projects that meet national development objectives, such as the manufacturing

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of high-risk or high-technology medical devices that involve R&D and innovation. In addition to the BOI incentives, several types of support are provided by other government agencies and organizations, including the National Science and Technology Development Agency (NSTDA), Thailand Science Park (TSP), the National Innovation Agency (NIA) and Thailand Center of Excellence for Life Sciences (TCELS).

The competition in this market is high, resulting from the high growth of the senior market. To attract local and foreign manufacturers and distributors of innovative products, InterCare Asia, the international health expo for elderly care, homecare and wellness, will be hosted by NCC Exhibition Organizer on 6-8 July 2017 at the Bangkok International Trade and Exhibition Center (BITEC). The trade fair will display devices, utensils and other products related to seniors as well as some high-technology products and services. It expects to welcome at least 5,000 participants and provide for the circulation of at least 600 million baht over its three-day run.

To support Thailand's goal of becoming the undisputed hub of the ASEAN region's growing seniors market, the public and private sectors will be required to work hand in hand. The public sector, especially, should promote and standardize medical and healthcare services to be more efficient and encourage the holding of trade fairs and exhibitions as venues for business negotiations to enhance the country's competitiveness in the medical and healthcare industry.

Stay informed with latest development in trade negotiations and changes in trade laws/regulations. Get an insight of how the latest news will affect your market and regulatory environment from our “Trade Digest”.

If you have any comments or questions regarding Trade Digest or any matters discussed herein, or if you are interested in finding out more about Bolliger & Company (Thailand) services, please contact any of the persons below:

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