

Economy Profile  
Thailand

# Doing Business 2020

Comparing Business  
Regulation in  
**190** Economies



WORLD BANK GROUP

**Economy Profile of Thailand**

*Doing Business 2020 Indicators  
(in order of appearance in the document)*

<b>Starting a business</b>	Procedures, time, cost and paid-in minimum capital to start a limited liability company
<b>Dealing with construction permits</b>	Procedures, time and cost to complete all formalities to build a warehouse and the quality control and safety mechanisms in the construction permitting system
<b>Getting electricity</b>	Procedures, time and cost to get connected to the electrical grid, and the reliability of the electricity supply and the transparency of tariffs
<b>Registering property</b>	Procedures, time and cost to transfer a property and the quality of the land administration system
<b>Getting credit</b>	Movable collateral laws and credit information systems
<b>Protecting minority investors</b>	Minority shareholders' rights in related-party transactions and in corporate governance
<b>Paying taxes</b>	Payments, time, total tax and contribution rate for a firm to comply with all tax regulations as well as postfiling processes
<b>Trading across borders</b>	Time and cost to export the product of comparative advantage and import auto parts
<b>Enforcing contracts</b>	Time and cost to resolve a commercial dispute and the quality of judicial processes
<b>Resolving insolvency</b>	Time, cost, outcome and recovery rate for a commercial insolvency and the strength of the legal framework for insolvency
<b>Employing workers</b>	Flexibility in employment regulation and redundancy cost

## About Doing Business

The *Doing Business* project provides objective measures of business regulations and their enforcement across 190 economies and selected cities at the subnational and regional level.

The *Doing Business* project, launched in 2002, looks at domestic small and medium-size companies and measures the regulations applying to them through their life cycle.


*Doing Business* captures several important dimensions of the regulatory environment as it applies to local firms. It provides quantitative indicators on regulation for starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency. *Doing Business* also measures features of employing workers. Although *Doing Business* does not present rankings of economies on the employing workers indicators or include the topic in the aggregate ease of doing business score or ranking on the ease of doing business, it does present the data for these indicators.

By gathering and analyzing comprehensive quantitative data to compare business regulation environments across economies and over time, *Doing Business* encourages economies to compete towards more efficient regulation; offers measurable benchmarks for reform; and serves as a resource for academics, journalists, private sector researchers and others interested in the business climate of each economy.

In addition, *Doing Business* offers detailed [subnational studies](#), which exhaustively cover business regulation and reform in different cities and regions within a nation. These studies provide data on the ease of doing business, rank each location, and recommend reforms to improve performance in each of the indicator areas. Selected cities can compare their business regulations with other cities in the economy or region and with the 190 economies that *Doing Business* has ranked.

The first *Doing Business* study, published in 2003, covered 5 indicator sets and 133 economies. This year's study covers 11 indicator sets and 190 economies. Most indicator sets refer to a case scenario in the largest business city of each economy, except for 11 economies that have a population of more than 100 million as of 2013 (Bangladesh, Brazil, China, India, Indonesia, Japan, Mexico, Nigeria, Pakistan, the Russian Federation and the United States) where *Doing Business* also collected data for the second largest business city. The data for these 11 economies are a population-weighted average for the 2 largest business cities. The project has benefited from feedback from governments, academics, practitioners and reviewers. The initial goal remains: to provide an objective basis for understanding and improving the regulatory environment for business around the world.

To learn more about *Doing Business* please visit [doingbusiness.org](http://doingbusiness.org)

Ease of Doing Business in <b>Thailand</b> 	<b>Region</b>	East Asia & Pacific	<b>DB RANK</b>	21	<b>DB SCORE</b>	80.1
	<b>Income Category</b>	Upper middle income				
	<b>Population</b>	69,428,524				
	<b>City Covered</b>	Bangkok				

Rankings on Doing Business topics - Thailand



Topic Scores



<b>Starting a Business</b> (rank)	47
Score of starting a business (0-100)	92.4
Procedures (number)	5
Time (days)	6
Cost (number)	3
Paid-in min. capital (% of income per capita)	0.0
<b>Dealing with Construction Permits</b> (rank)	34
Score of dealing with construction permits (0-100)	77.3
Procedures (number)	14
Time (days)	113
Cost (% of warehouse value)	0.6
Building quality control index (0-15)	11.0
<b>Getting Electricity</b> (rank)	6
Score of getting electricity (0-100)	98.7
Procedures (number)	2
Time (days)	30
Cost (% of income per capita)	3.9
Reliability of supply and transparency of tariff index (0-8)	8
<b>Registering Property</b> (rank)	67
Score of registering property (0-100)	69.5
Procedures (number)	5
Time (days)	9
Cost (% of property value)	7.2
Quality of the land administration index (0-30)	19.0

<b>Getting Credit</b> (rank)	48
Score of getting credit (0-100)	70.0
Strength of legal rights index (0-12)	7
Depth of credit information index (0-8)	7
Credit registry coverage (% of adults)	0.0
Credit bureau coverage (% of adults)	56.5
<b>Protecting Minority Investors</b> (rank)	3
Score of protecting minority investors (0-100)	86.0
Extent of disclosure index (0-10)	10.0
Extent of director liability index (0-10)	7.0
Ease of shareholder suits index (0-10)	9.0
Extent of shareholder rights index (0-6)	5.0
Extent of ownership and control index (0-7)	6.0
Extent of corporate transparency index (0-7)	6.0
<b>Paying Taxes</b> (rank)	68
Score of paying taxes (0-100)	77.7
Payments (number per year)	21
Time (hours per year)	229
Total tax and contribution rate (% of profit)	29.5
Postfiling index (0-100)	73.4

<b>Trading across Borders</b> (rank)	62
Score of trading across borders (0-100)	84.6
<i>Time to export</i>	
Documentary compliance (hours)	11
Border compliance (hours)	44
<i>Cost to export</i>	
Documentary compliance (USD)	97
Border compliance (USD)	223
<i>Time to export</i>	
Documentary compliance (hours)	4
Border compliance (hours)	50
<i>Cost to export</i>	
Documentary compliance (USD)	43
Border compliance (USD)	233
<b>Enforcing Contracts</b> (rank)	37
Score of enforcing contracts (0-100)	67.9
Time (days)	420
Cost (% of claim value)	16.9
Quality of judicial processes index (0-18)	8.5
<b>Resolving Insolvency</b> (rank)	24
Score of resolving insolvency (0-100)	76.8
Recovery rate (cents on the dollar)	70.1
Time (years)	1.5
Cost (% of estate)	18.0
Outcome (0 as piecemeal sale and 1 as going concern)	1
Strength of insolvency framework index (0-16)	12.5

## Starting a Business

This topic measures the number of procedures, time, cost and paid-in minimum capital requirement for a small- to medium-sized limited liability company to start up and formally operate in each economy's largest business city.

To make the data comparable across 190 economies, *Doing Business* uses a standardized business that is 100% domestically owned, has start-up capital equivalent to 10 times the income per capita, engages in general industrial or commercial activities and employs between 10 and 50 people one month after the commencement of operations, all of whom are domestic nationals. Starting a Business considers two types of local limited liability companies that are identical in all aspects, except that one company is owned by 5 married women and the other by 5 married men. The ranking of economies on the ease of starting a business is determined by sorting their scores for starting a business. These scores are the simple average of the scores for each of the component indicators.

The most recent round of data collection for the project was completed in May 2019. [See the methodology for more information.](#)

What the indicators measure	Case study assumptions
<p><b>Procedures to legally start and formally operate a company (number)</b></p> <ul style="list-style-type: none"> <li>• Preregistration (for example, name verification or reservation, notarization)</li> <li>• Registration in the economy's largest business city</li> <li>• Postregistration (for example, social security registration, company seal)</li> <li>• Obtaining approval from spouse to start a business or to leave the home to register the company</li> <li>• Obtaining any gender specific document for company registration and operation or national identification card</li> </ul>	<p>To make the data comparable across economies, several assumptions about the business and the procedures are used. It is assumed that any required information is readily available and that the entrepreneur will pay no bribes.</p>
<p><b>Time required to complete each procedure (calendar days)</b></p> <ul style="list-style-type: none"> <li>• Does not include time spent gathering information</li> <li>• Each procedure starts on a separate day (2 procedures cannot start on the same day)</li> <li>• Procedures fully completed online are recorded as ½ day</li> <li>• Procedure is considered completed once final document is received</li> <li>• No prior contact with officials</li> </ul>	<p><b>The business:</b></p> <ul style="list-style-type: none"> <li>-Is a limited liability company (or its legal equivalent). If there is more than one type of limited liability company in the economy, the limited liability form most common among domestic firms is chosen. Information on the most common form is obtained from incorporation lawyers or the statistical office.</li> <li>-Operates in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.</li> <li>-Performs general industrial or commercial activities such as the production or sale to the public of goods or services. The business does not perform foreign trade activities and does not handle products subject to a special tax regime, for example, liquor or tobacco. It is not using heavily polluting production processes.</li> <li>-Does not qualify for investment incentives or any special benefits.</li> <li>-Is 100% domestically owned.</li> <li>-Has five business owners, none of whom is a legal entity. One business owner holds 30% of the company shares, two owners have 20% of shares each, and two owners have 15% of shares each.</li> <li>-Is managed by one local director.</li> <li>-Has between 10 and 50 employees one month after the commencement of operations, all of them domestic nationals.</li> <li>-Has start-up capital of 10 times income per capita.</li> <li>-Has an estimated turnover of at least 100 times income per capita.</li> <li>-Leases the commercial plant or offices and is not a proprietor of real estate.</li> <li>-Has an annual lease for the office space equivalent to one income per capita.</li> <li>-Is in an office space of approximately 929 square meters (10,000 square feet).</li> <li>-Has a company deed that is 10 pages long.</li> </ul>
<p><b>Cost required to complete each procedure (% of income per capita)</b></p> <ul style="list-style-type: none"> <li>• Official costs only, no bribes</li> <li>• No professional fees unless services required by law or commonly used in practice</li> </ul>	<p><b>The owners:</b></p> <ul style="list-style-type: none"> <li>-Have reached the legal age of majority and are capable of making decisions as an adult. If there is no legal age of majority, they are assumed to be 30 years old.</li> <li>-Are in good health and have no criminal record.</li> <li>-Are married, the marriage is monogamous and registered with the authorities.</li> <li>-Where the answer differs according to the legal system applicable to the woman or man in question (as may be the case in economies where there is legal plurality), the answer used will be the one that applies to the majority of the population.</li> </ul>
<p><b>Paid-in minimum capital (% of income per capita)</b></p> <ul style="list-style-type: none"> <li>• Funds deposited in a bank or with third party before registration or up to 3 months after incorporation</li> </ul>	

Starting a Business - Thailand

Standardized Company

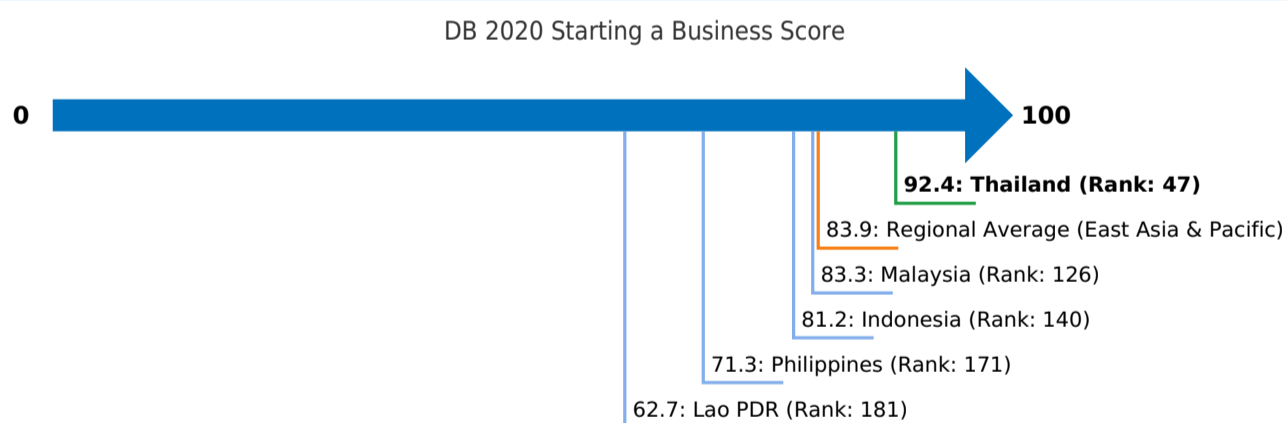
Legal form	Private Limited Liability Company
Paid-in minimum capital requirement	THB 6.3
City Covered	Bangkok

Indicator	Thailand	East Asia & Pacific	OECD high income	Best Regulatory Performance
Procedure - Men (number)	5	6.5	4.9	1 (2 Economies)
Time - Men (days)	6	25.6	9.2	0.5 (New Zealand)
Cost - Men (% of income per capita)	3.0	17.4	3.0	0.0 (2 Economies)
Procedure - Women (number)	5	6.6	4.9	1 (2 Economies)
Time - Women (days)	6	25.7	9.2	0.5 (New Zealand)
Cost - Women (% of income per capita)	3.0	17.4	3.0	0.0 (2 Economies)
Paid-in min. capital (% of income per capita)	0.0	3.5	7.6	0.0 (120 Economies)

Figure - Starting a Business in Thailand - Score

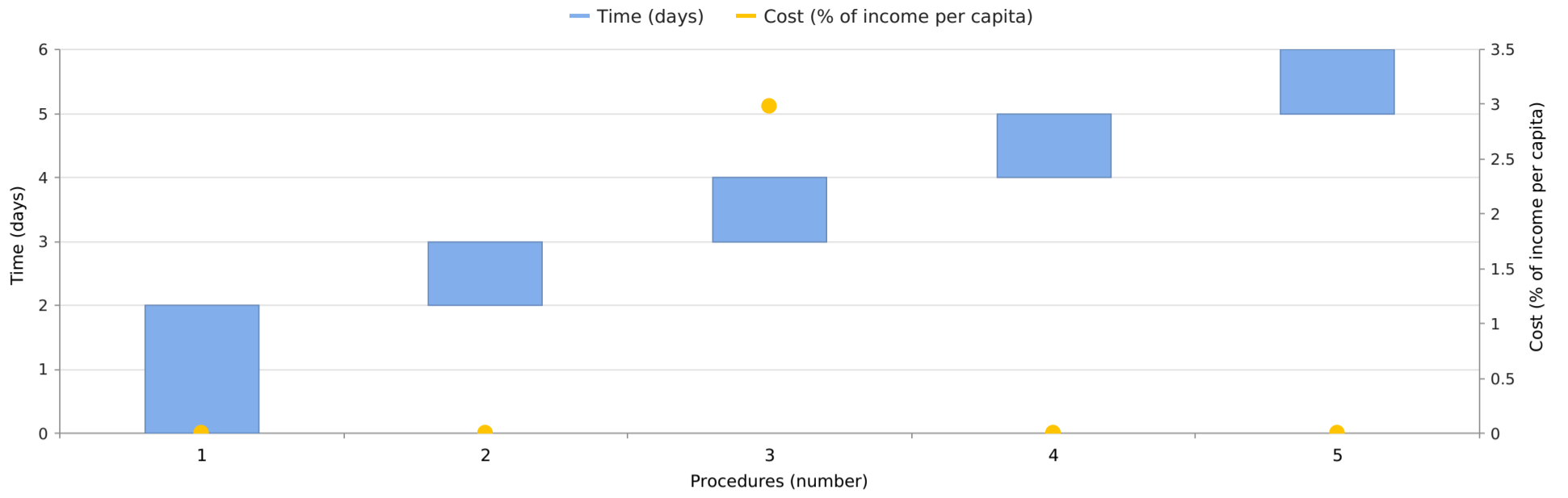


Figure - Starting a Business in Thailand and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of starting a business is determined by sorting their scores for starting a business. These scores are the simple average of the scores for each of the component indicators.

Figure - Starting a Business in Thailand - Procedure, Time and Cost



\*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (<http://doingbusiness.org/en/methodology>). For details on the procedures reflected here, see the summary below.

## Details - Starting a Business in Thailand - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p><b>Search and reserve a company name online</b>  <i>Agency</i> : Department of Business Development, Ministry of Commerce  Promoters can search and reserve a company name on the Department of Business Development's Web site (<a href="http://www.dbd.go.th/dbdweb_en/main.php?filename=index">http://www.dbd.go.th/dbdweb_en/main.php?filename=index</a>). The name reservation in person at the Department's Registrar is no longer available as of 14 January, 2013.</p> <p>3 name options are submitted for approval. Once approved, the name reservation is valid for 30 days.</p>	2 days	no charge
2	<p><b>Deposit paid-in capital in a bank</b>  <i>Agency</i> : Bank  Once the company gets approval for the memorandum and the articles of association, it must hold a statutory meeting. The promoters shall hand over the business to the directors after the meeting. The directors shall thereupon cause the promoters and subscribers to pay in at least 25% of the registered capital.</p>	1 day	no charge
3	<p><b>Register memorandum of association, apply and pay to register the company as a legal entity (final registration) and obtain TIN</b>  <i>Agency</i> : Partnerships and Companies Registration Office, Department of Business Development, Ministry of Commerce  At the Single Point Service Center, entrepreneur can register the company, obtain TIN, register for social security and register for the Workmen's Compensation Fund. All documents are submitted and received in one window, within 1 day.</p> <p>Registration of the Company shall be made within 3 months of the day of the statutory meeting. Under the Civil and Commercial Code, Section 1111/1, for establishing the company, the director committee may require memorandum registration and company registration on the same day. If the promoters complete both steps on the same day, the required proceedings involving the memorandum promoters are as follows:</p> <p>(1) To have the subscribers of all the shares registered in the company;  (2) Under Section 1108, to have a statutory meeting to consider any act of company, with all subscribers and all promoters presenting at the meeting and accepting such act in the statutory meeting;  (3) To have promoters transfer all business to the director committee; and  (4) To have the directors require every subscriber to pay the amount of shares under Section 1110 paragraph 2, and have such amount be fully paid.</p> <p>The required documents for registration of the company which must be signed by the authorized director(s) and affixed with the company's seal (if required) shall include but not limited to the followings:</p> <p>(1) Application form;  (2) Articles of Association;  (3) List of shareholders;  (4) New director form signed by each director;  (5) Declaration of Business Operation form;  (6) List of company registration;  (7) Signed copies of the MOA and the Objectives;  (8) Minutes of the Statutory Meeting signed by the Chairman and the Directors;  (9) Confirmation of payment of share capital (at least 25%) by all subscribers;  (10) Form for company name reservation  (11) Form of certification of registration of limited company; and  (12) Map(s) showing the location(s) of the registered office(s) of head office and branch office(s) (if any) of the company.</p> <p>The promoters prepare the application for registration of the memorandum of association containing the details specified in procedure 2;  The first statutory meeting shall still be convened, provided that the notice to summon the first statutory meeting is not required;  The shareholders must pay at least 25% of the registered capital;  The promoters and authorized signatory director must sign the applications for registration of memorandum of association and for registration of incorporation, respectively, before Private Limited Companies Registrar, attorney at law, or auditor registered with the Registrar.</p> <p>However, if the company has adopted complicated articles of association, the Registrar may take a few days to review the company's articles of association. In such case, the registration of company incorporation may be prolonged for a few days or more.</p> <p>Under the Notice of the Director General of Revenue Department dated 11 January 2012, which is effective from 1 February 2012, company's registration number shall be the same as its tax ID. Thus, the company is not further required to obtain taxpayer identification number or card anymore. Employers (with one or more employees) must register their employees for social security and workers' compensation insurance at the Social Security Office, Ministry of Labor. Work regulations are no longer required to be approved by the Department of Labor Protection and Welfare, however they must be announced and displayed on the wall within company's premises. ). Later during operations, labor inspectors can check proper implementation of the work regulations.</p>	1 day	<ul style="list-style-type: none"> <li>- Fee for registration of memorandum of association: THB 500</li> <li>- Fee for registration of the company: THB 5,000</li> <li>- Stamp duty to be affixed on memorandum of association: THB 200</li> <li>- Stamp duty to be affixed on articles of association: THB 200</li> <li>- Certificate of Registration fee: THB 100</li> <li>- Affidavit fee: THB 200</li> <li>- Certification document fee: THB 50 per page.</li> </ul>



4	<p><b>Register for Value Added Tax</b>  <i>Agency</i> : The Revenue Department  VAT registration is mandatory for all companies when the annual revenue exceeds the threshold of THB 1.8 million. The provision of the Thailand tax code can be found on the Revenue Department's website: <a href="http://www.rd.go.th">www.rd.go.th</a>.</p> <p>The company shall apply the application at Bangkok Area Revenue Office where the company office located and must submit the following documents:</p> <ul style="list-style-type: none"> <li>• 01 Application for VAT Registration in 3 copies (photocopy not accepted)</li> <li>• Rental Contract (affixed with stamp duty) or Letter of Consent from owner of the Building and Household Registration of such Building.</li> <li>• Photocopy of I.D. Card, Household Registration of the lessor.</li> <li>• Documents showing ownership of the lessor such as sell and purchases contract, transfer of ownership.</li> <li>• Map showing the location of the Building.</li> <li>• Photograph of the office with signboard name and number of the Building.</li> <li>• Copies of the Company documents certified by the Department of Business Development from the Ministry of Commerce (issued within 6 months) together with Articles of Association, regulation and details of the Objective of the company.</li> </ul> <p>In case the company revenue less than 1.8 million THB, the company shall submit Por.Por.01-1 form.</p> <p>Alternatively, the Revenue Department has recently introduced the possibility of VAT registration through an online system. The online registration process is as follows:</p> <ol style="list-style-type: none"> <li>(1) Complete an online application form for VAT registration (no user account is required for registration);</li> <li>(2) Submit the online application via the electronic service on the website of the Revenue Department (<a href="http://vsreg.rd.go.th/">http://vsreg.rd.go.th/</a>); and</li> <li>(3) The Revenue Department will notify the applicant for completion of VAT registration by e-mail within 15-days from the submission date of the online application.</li> </ol> <p>However, the usage of the online platform for VAT registration is not yet widespread, and entrepreneurs continue visiting the Revenue Department in person in order to register for VAT.</p>	1 day	no charge
5	<p><b>Register employees with the Social Security Office</b>  <i>Agency</i> : Social Security Office  An employer and each employee must be registered as an insured person with the Social Security Office ("the SSO"). The employer shall collect the application form at Social Security Office where the company located and submit the registration form at the Zone Office of Social Security.</p> <p>The employer is responsible to submit the following documents to the SSO within 30 days after hiring at least 1 employee:</p> <ul style="list-style-type: none"> <li>- employer and employee registration forms (Form SSO 1-01 and SSO 1-03)</li> <li>- a photocopy of company registration with objectives</li> <li>- map of working place</li> <li>- a photocopy of VAT registration (Pro.Por20, if applicable) or request of VAT registration (Por.Por.01, if applicable) or special business tax registration or license of factory establishment</li> <li>- letter of power attorney (if applicable) and photocopy of I.D. of the authorized person</li> <li>- lease agreement or letter of consent from the landlord (if requested).</li> </ul>	1 day	no charge

⇒ Takes place simultaneously with previous procedure.

## Dealing with Construction Permits

This topic tracks the procedures, time and cost to build a warehouse—including obtaining necessary the licenses and permits, submitting all required notifications, requesting and receiving all necessary inspections and obtaining utility connections. In addition, the Dealing with Construction Permits indicator measures the building quality control index, evaluating the quality of building regulations, the strength of quality control and safety mechanisms, liability and insurance regimes, and professional certification requirements. The most recent round of data collection was completed in May 2019. [See the methodology for more information](#)

What the indicators measure	Case study assumptions
<p><b>Procedures to legally build a warehouse (number)</b></p> <ul style="list-style-type: none"> <li>• Submitting all relevant documents and obtaining all necessary clearances, licenses, permits and certificates</li> <li>• Submitting all required notifications and receiving all necessary inspections</li> <li>• Obtaining utility connections for water and sewerage</li> <li>• Registering and selling the warehouse after its completion</li> </ul> <p><b>Time required to complete each procedure (calendar days)</b></p> <ul style="list-style-type: none"> <li>• Does not include time spent gathering information</li> <li>• Each procedure starts on a separate day—though procedures that can be fully completed online are an exception to this rule</li> <li>• Procedure is considered completed once final document is received</li> <li>• No prior contact with officials</li> </ul> <p><b>Cost required to complete each procedure (% of income per capita)</b></p> <ul style="list-style-type: none"> <li>• Official costs only, no bribes</li> </ul> <p><b>Building quality control index (0-15)</b></p> <ul style="list-style-type: none"> <li>• Quality of building regulations (0-2)</li> <li>• Quality control before construction (0-1)</li> <li>• Quality control during construction (0-3)</li> <li>• Quality control after construction (0-3)</li> <li>• Liability and insurance regimes (0-2)</li> <li>• Professional certifications (0-4)</li> </ul>	<p>To make the data comparable across economies, several assumptions about the construction company, the warehouse project and the utility connections are used.</p> <p><b>The construction company (BuildCo):</b></p> <ul style="list-style-type: none"> <li>- Is a limited liability company (or its legal equivalent) and operates in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.</li> <li>- Is 100% domestically and privately owned; has five owners, none of whom is a legal entity. Has a licensed architect and a licensed engineer, both registered with the local association of architects or engineers. BuildCo is not assumed to have any other employees who are technical or licensed experts, such as geological or topographical experts.</li> <li>- Owns the land on which the warehouse will be built and will sell the warehouse upon its completion.</li> </ul> <p><b>The warehouse:</b></p> <ul style="list-style-type: none"> <li>- Will be used for general storage activities, such as storage of books or stationery.</li> <li>- Will have two stories, both above ground, with a total constructed area of approximately 1,300.6 square meters (14,000 square feet). Each floor will be 3 meters (9 feet, 10 inches) high and will be located on a land plot of approximately 929 square meters (10,000 square feet) that is 100% owned by BuildCo, and the warehouse is valued at 50 times income per capita.</li> <li>- Will have complete architectural and technical plans prepared by a licensed architect. If preparation of the plans requires such steps as obtaining further documentation or getting prior approvals from external agencies, these are counted as procedures.</li> <li>- Will take 30 weeks to construct (excluding all delays due to administrative and regulatory requirements).</li> </ul> <p><b>The water and sewerage connections:</b></p> <ul style="list-style-type: none"> <li>- Will be 150 meters (492 feet) from the existing water source and sewer tap. If there is no water delivery infrastructure in the economy, a borehole will be dug. If there is no sewerage infrastructure, a septic tank in the smallest size available will be installed or built.</li> <li>- Will have an average water use of 662 liters (175 gallons) a day and an average wastewater flow of 568 liters (150 gallons) a day. Will have a peak water use of 1,325 liters (350 gallons) a day and a peak wastewater flow of 1,136 liters (300 gallons) a day.</li> <li>- Will have a constant level of water demand and wastewater flow throughout the year; will be 1 inch in diameter for the water connection and 4 inches in diameter for the sewerage connection.</li> </ul>

Dealing with Construction Permits - Thailand

Standardized Warehouse

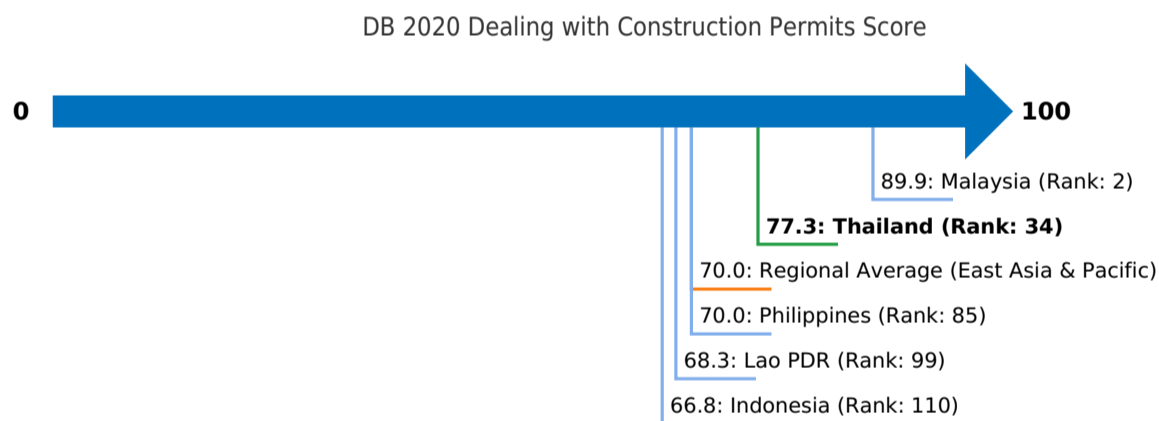
Estimated value of warehouse	THB 11,229,418.60
City Covered	Bangkok

Indicator	Thailand	East Asia & Pacific	OECD high income	Best Regulatory Performance
Procedures (number)	14	14.8	12.7	None in 2018/19
Time (days)	113	132.3	152.3	None in 2018/19
Cost (% of warehouse value)	0.6	3.2	1.5	None in 2018/19
Building quality control index (0-15)	11.0	9.4	11.6	15.0 (6 Economies)

Figure - Dealing with Construction Permits in Thailand - Score

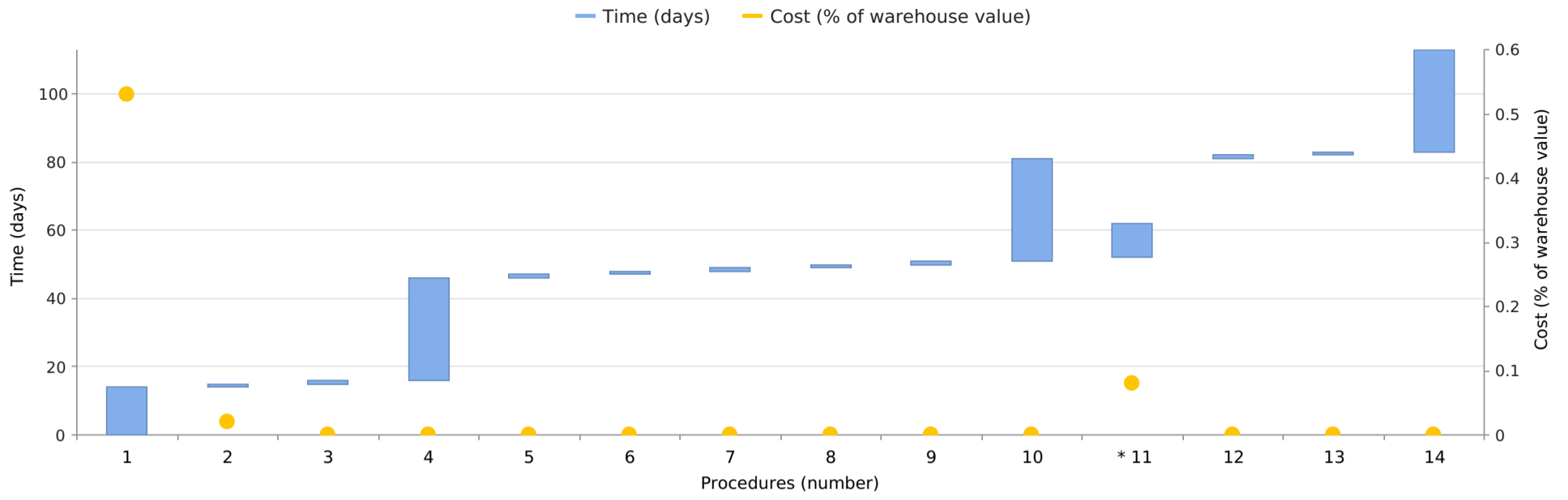


Figure - Dealing with Construction Permits in Thailand and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of dealing with construction permits is determined by sorting their scores for dealing with construction permits. These scores are the simple average of the scores for each of the component indicators.

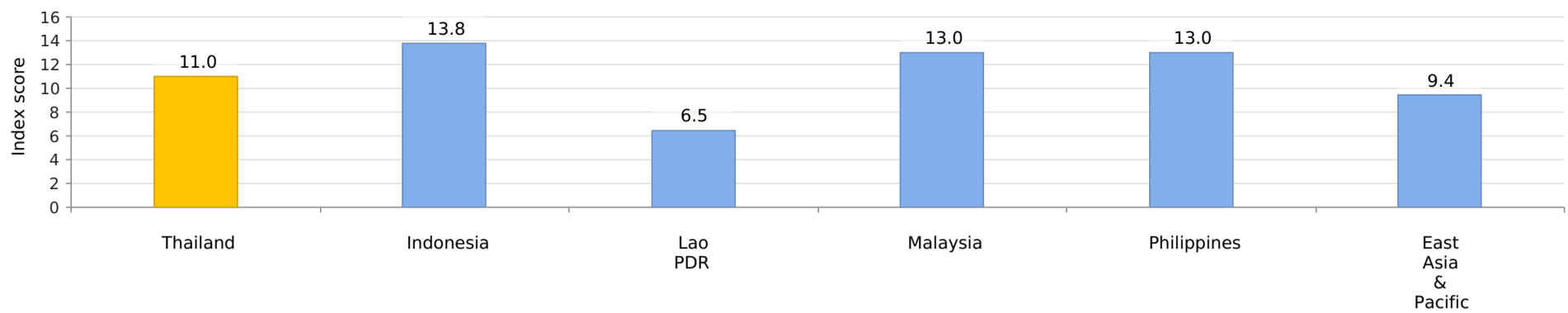
Figure - Dealing with Construction Permits in Thailand - Procedure, Time and Cost



\*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (<http://doingbusiness.org/en/methodology>). For details on the procedures reflected here, see the summary below.

Figure - Dealing with Construction Permits in Thailand and comparator economies - Measure of Quality



## Details - Dealing with Construction Permits in Thailand - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p><b>Obtain a Soil Test for the Foundation</b>  <i>Agency</i> : Private Firm            A soil test is conducted prior to designing the foundation of the warehouse. Soil in Bangkok differs depending on the location and soil tests are considered important for adequately constructing the foundation as many areas are subject to flooding.</p>	14 days	THB 60,000
2	<p><b>Request a building permit from the Bangkok Metropolitan Authority</b>  <i>Agency</i> : Bangkok Metropolitan Authority            An application for a permit to construct, modified, remove, or reallocate a building is required for any building. For buildings of no more than 23 meters in height or 10,000 square meters in area, the application must be submitted to the relevant District Office with the following documents attached:</p> <ul style="list-style-type: none"> <li>• A copy of the applicant's corporate registration</li> <li>• A copy of the land title deed</li> <li>• The personal and tax identification cards of the applicant</li> <li>• Written permission of the architect and a copy of a valid professional license</li> <li>• Written permission of the design/calculation engineer and a copy of a valid professional license</li> <li>• Written permissions of the architect and engineer who will be the construction supervisors and copies of their valid professional licenses</li> <li>• Building plan</li> <li>• A calculation of building structure</li> <li>• For an industrial factory, hospital, fresh market, condominium, apartment, and any undesirable commercial building, details of the water treatment system and its calculation must be provided.</li> </ul> <p>A notice to the local authority in lieu of the building permit could be made. The application could be submitted to the local authority in a situation where construction work must be commenced urgently.</p> <p>The following supporting documents must be attached to the application to the local authority:</p> <ul style="list-style-type: none"> <li>• A copy of the applicant's corporate registration</li> <li>• A copy of the land title deed</li> <li>• Tax identification card of the applicant</li> <li>• Written permission of the senior professional architect and a copy of a valid senior professional license</li> <li>• Written permission of the senior professional design/calculation engineer and a copy of a valid senior professional license</li> <li>• Written permissions of the architect and engineer who will be the construction supervisors and copies of their valid professional licenses</li> <li>• Certificate of building design</li> <li>• Building plan</li> <li>• Calculation of the building area</li> </ul> <p>Acknowledgement of the notification is normally granted within the day of filing the complete application. The cost is the same as for obtaining a building permit.</p>	1 day	THB 2,601
3	<p><b>Receive pre-approval inspection from the Bangkok Metropolitan Authority</b>  <i>Agency</i> : Bangkok Metropolitan Authority            Before the plan approval, the municipal authority inspects the site to confirm that the drawings submitted accurately represent the project on site. The building control officers of the Bangkok Metropolitan Authority process this approval.</p>	1 day	no charge
4	<p><b>Obtain a building permit from the Bangkok Metropolitan Authority</b>  <i>Agency</i> : Bangkok Metropolitan Authority            As of April 1, 2013 the Bangkok Metropolitan Administration (BMA) now allows district directors to act on behalf of the Bangkok Governor under Building Control Act B.E. 2522 (1979) for simple buildings. The district director can issue the building approval for buildings that are not more than 10,000 sq. m. and not taller than 23 meters. This fast-track option has significantly reduced the time to obtain the building permit.</p>	30 days	no charge

5	<p><b>Notify the Bangkok Metropolitan Authority on the commencement of construction works</b>  <i>Agency</i> : Bangkok Metropolitan Authority            After the building permit has been granted, the builder must inform the Bangkok Metropolitan Authority of the commencement of construction and at the same time provide them with the name of the construction supervisor. It is assumed that BuildCo's in-house engineer has the required qualifications to be the construction supervisor.</p>	1 day	no charge
6	<p><b>Receive unscheduled inspection of foundation works</b>  <i>Agency</i> : Bangkok Metropolitan Authority            The Bangkok Metropolitan Authority will inspect the site at the foundations works stage to ensure that work complies with the building code and approved plans. A report is prepared by the BMA inspector to certify compliance.</p>	1 day	no charge
7	<p><b>Receive unscheduled inspection of structural works</b>  <i>Agency</i> : Bangkok Metropolitan Authority            The Bangkok Metropolitan Authority will inspect the site at the structural works stage to ensure that work complies with the building code and approved plans. A report is prepared by the BMA inspector to certify compliance.</p>	1 day	no charge
8	<p><b>Request water connection</b>  <i>Agency</i> : Metropolitan Waterworks Authority (MWA)            BuildCo must contact the local office of the Metropolitan Water Work Authority (MWA) to request a water connection. MWA will then conduct an on-site inspection a few days later.</p>	1 day	no charge
9	<p><b>Receive onsite inspection for water connection</b>  <i>Agency</i> : Metropolitan Waterworks Authority (MWA)            The Metropolitan Waterworks Authority (MWA) will inspect the construction to assess the works that are necessary to ensure that the building will connect to the water grid and check technical conditions such as size of connection and feasibility of water discharge requested.</p>	1 day	no charge
10	<p><b>Request and obtain sewage connection</b>  <i>Agency</i> : Wastewater Management Authority (WMA)            The sewage connection is conducted by the Wastewater Management Authority (WMA). There is no inspection that is needed. The fee is THB 1 per meter.</p>	30 days	THB 150
⇒ 11	<p><b>Obtain water connection</b>  <i>Agency</i> : Metropolitan Waterworks Authority (MWA)            If construction project was carried out according to submitted drawings and standards, the Metropolitan Waterworks Authority will install water meters and complete the final water connection.</p>	10 days	THB 9,500
12	<p><b>Request occupancy permit</b>  <i>Agency</i> : Metropolitan Bangkok Authority            The occupancy permit needs to be requested from the Metropolitan Bangkok Authority prior to the final inspection by the building owner or a representative acting in his behalf.</p>	1 day	no charge
13	<p><b>Receive final inspection</b>  <i>Agency</i> : Bangkok Metropolitan Authority            At the end of construction, the Bangkok Metropolitan Authority will visit the site to ascertain if the construction was carried out according to the master plans and current regulations. A report is submitted which can be utilized to obtain the occupancy permit.</p>	1 day	no charge
14	<p><b>Obtain occupancy permit</b>  <i>Agency</i> : Metropolitan Bangkok Authority            An occupancy permit is usually issued within one month of the request by the building owner and has a nominal cost of THB 20.</p>	30 days	THB 20

⇒ Takes place simultaneously with previous procedure.

## Details - Dealing with Construction Permits in Thailand - Measure of Quality

	Answer	Score
<b>Building quality control index (0-15)</b>		<b>11.0</b>
<b>Quality of building regulations index (0-2)</b>		<b>2.0</b>
How accessible are building laws and regulations in your economy? (0-1)	Available online; Free of charge.	1.0
Which requirements for obtaining a building permit are clearly specified in the building regulations or on any accessible website, brochure or pamphlet? (0-1)	List of required documents; Fees to be paid; Required preapprovals.	1.0
<b>Quality control before construction index (0-1)</b>		<b>1.0</b>
Which third-party entities are required by law to verify that the building plans are in compliance with existing building regulations? (0-1)	Licensed architect; Licensed engineer.	1.0
<b>Quality control during construction index (0-3)</b>		<b>2.0</b>
What types of inspections (if any) are required by law to be carried out during construction? (0-2)	Inspections by in-house engineer; Unscheduled inspections.	1.0
Do legally mandated inspections occur in practice during construction? (0-1)	Mandatory inspections are always done in practice.	1.0
<b>Quality control after construction index (0-3)</b>		<b>3.0</b>
Is there a final inspection required by law to verify that the building was built in accordance with the approved plans and regulations? (0-2)	Yes, final inspection is done by government agency; Yes, in-house engineer submits report for final inspection.	2.0
Do legally mandated final inspections occur in practice? (0-1)	Final inspection always occurs in practice.	1.0
<b>Liability and insurance regimes index (0-2)</b>		<b>1.0</b>
Which parties (if any) are held liable by law for structural flaws or problems in the building once it is in use (Latent Defect Liability or Decennial Liability)? (0-1)	Architect or engineer; Professional in charge of the supervision; Construction company.	1.0
Which parties (if any) are required by law to obtain an insurance policy to cover possible structural flaws or problems in the building once it is in use (Latent Defect Liability Insurance or Decennial Insurance)? (0-1)	No party is required by law to obtain insurance .	0.0
<b>Professional certifications index (0-4)</b>		<b>2.0</b>
What are the qualification requirements for the professional responsible for verifying that the architectural plans or drawings are in compliance with existing building regulations? (0-2)	University degree in architecture or engineering; Being a registered architect or engineer.	1.0
What are the qualification requirements for the professional who supervises the construction on the ground? (0-2)	University degree in engineering, construction or construction management; Being a registered architect or engineer.	1.0

## ⚡ Getting Electricity

This topic measures the procedures, time and cost required for a business to obtain a permanent electricity connection for a newly constructed warehouse. Additionally, the reliability of supply and transparency of tariffs index measures reliability of supply, transparency of tariffs and the price of electricity. The most recent round of data collection for the project was completed in May 2019. [See the methodology for more information.](#)

### What the indicators measure

#### Procedures to obtain an electricity connection (number)

- Submitting all relevant documents and obtaining all necessary clearances and permits
- Completing all required notifications and receiving all necessary inspections
- Obtaining external installation works and possibly purchasing material for these works
- Concluding any necessary supply contract and obtaining final supply

#### Time required to complete each procedure (calendar days)

- Is at least 1 calendar day
- Each procedure starts on a separate day
- Does not include time spent gathering information
- Reflects the time spent in practice, with little follow-up and no prior contact with officials

#### Cost required to complete each procedure (% of income per capita)

- Official costs only, no bribes
- Value added tax excluded

#### The reliability of supply and transparency of tariffs index (0-8)

- Duration and frequency of power outages (0-3)
- Tools to monitor power outages (0-1)
- Tools to restore power supply (0-1)
- Regulatory monitoring of utilities' performance (0-1)
- Financial deterrents limiting outages (0-1)
- Transparency and accessibility of tariffs (0-1)

#### Price of electricity (cents per kilowatt-hour)\*

- Price based on monthly bill for commercial warehouse in case study

\*Note: *Doing Business* measures the price of electricity, but it is not included in the ease of doing business score nor in the ranking on the ease of getting electricity.

### Case study assumptions

To make the data comparable across economies, several assumptions about the warehouse, the electricity connection and the monthly consumption are used.

#### The warehouse:

- Is owned by a local entrepreneur and is used for storage of goods.
- Is located in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Is located in an area where similar warehouses are typically located and is in an area with no physical constraints. For example, the property is not near a railway.
- Is a new construction and is being connected to electricity for the first time.
- Has two stories with a total surface area of approximately 1,300.6 square meters (14,000 square feet). The plot of land on which it is built is 929 square meters (10,000 square feet).

#### The electricity connection:

- Is a permanent one with a three-phase, four-wire Y connection with a subscribed capacity of 140-kilo-volt-ampere (kVA) with a power factor of 1, when 1 kVA = 1 kilowatt (kW).
- Has a length of 150 meters. The connection is to either the low- or medium-voltage distribution network and is either overhead or underground, whichever is more common in the area where the warehouse is located and requires works that involve the crossing of a 10-meter road (such as by excavation or overhead lines) but are all carried out on public land. There is no crossing of other owners' private property because the warehouse has access to a road.
- Does not require work to install the internal wiring of the warehouse. This has already been completed up to and including the customer's service panel or switchboard and the meter base.

#### The monthly consumption:

- It is assumed that the warehouse operates 30 days a month from 9:00 a.m. to 5:00 p.m. (8 hours a day), with equipment utilized at 80% of capacity on average and that there are no electricity cuts (assumed for simplicity reasons) and the monthly energy consumption is 26,880 kilowatt-hours (kWh); hourly consumption is 112 kWh.
- If multiple electricity suppliers exist, the warehouse is served by the cheapest supplier.
- Tariffs effective in January of the current year are used for calculation of the price of electricity for the warehouse. Although January has 31 days, for calculation purposes only 30 days are used.



Getting Electricity - Thailand

Standardized Connection

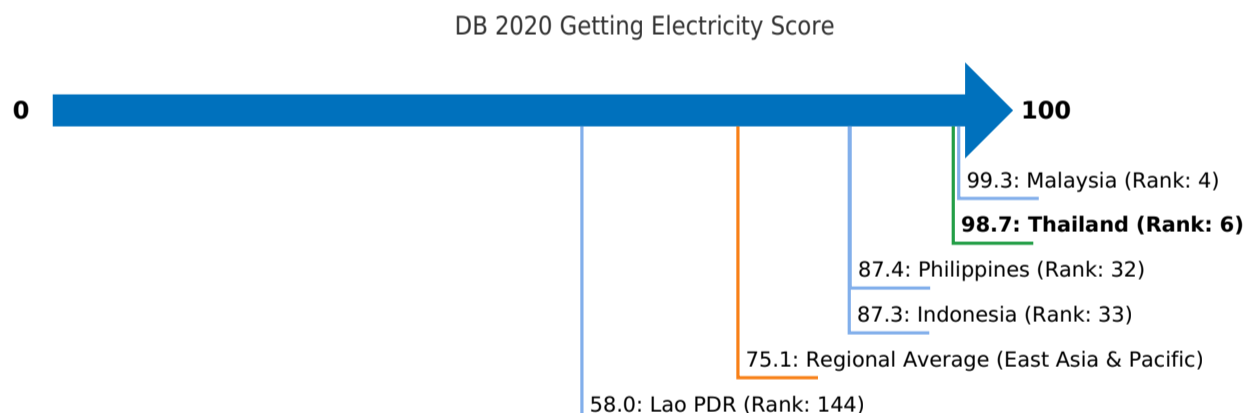
Name of utility	Metropolitan Electricity Authority
Price of electricity (US cents per kWh)	13.7
City Covered	Bangkok

Indicator	Thailand	East Asia & Pacific	OECD high income	Best Regulatory Performance
Procedures (number)	2	4.2	4.4	3 (28 Economies)
Time (days)	30	63.2	74.8	18 (3 Economies)
Cost (% of income per capita)	3.9	594.6	61.0	0.0 (3 Economies)
Reliability of supply and transparency of tariff index (0-8)	8	4.0	7.4	8 (26 Economies)

Figure - Getting Electricity in Thailand - Score

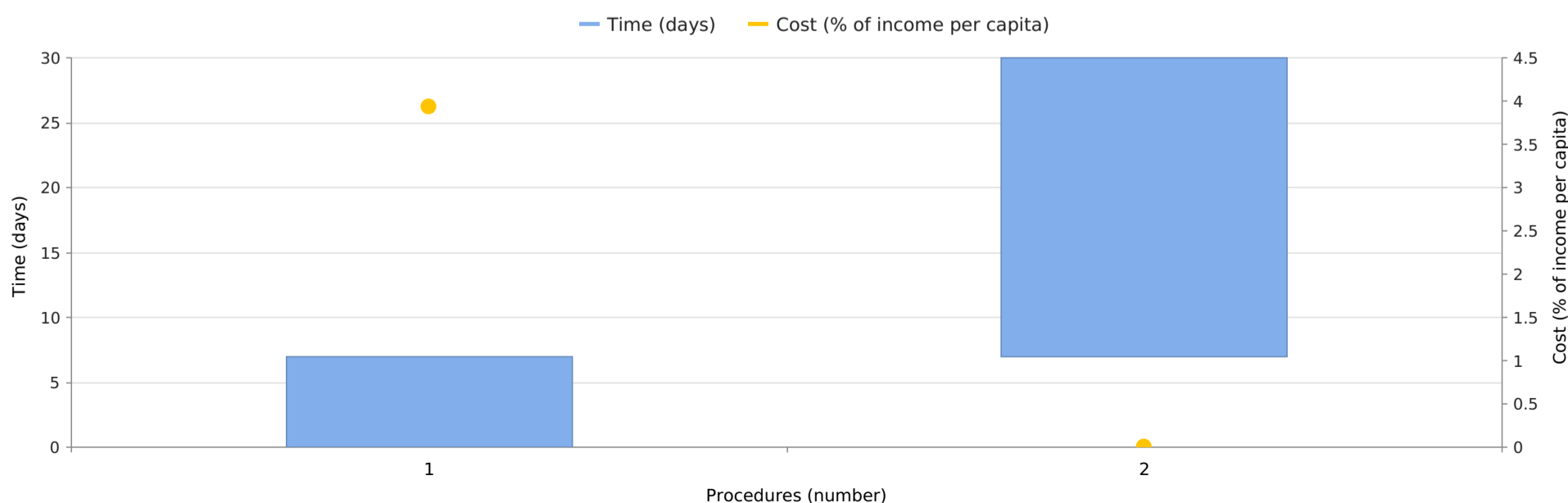


Figure - Getting Electricity in Thailand and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of getting electricity is determined by sorting their scores for getting electricity. These scores are the simple average of the scores for all the component indicators except the price of electricity.

Figure - Getting Electricity in Thailand - Procedure, Time and Cost

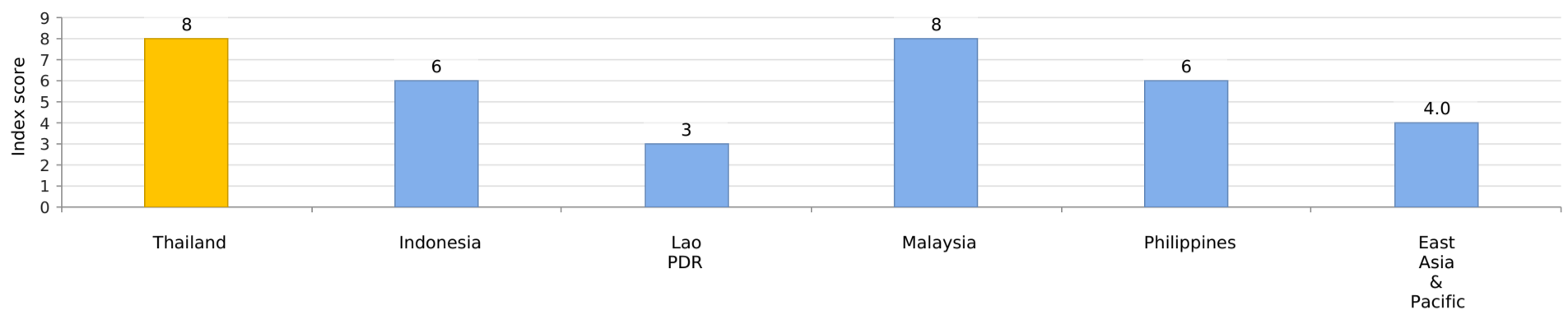


\*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (<http://doingbusiness.org/en/methodology>). For details on the procedures

reflected here, see the summary below.

**Figure - Getting Electricity in Thailand and comparator economies - Measure of Quality**



## Details - Getting Electricity in Thailand - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p><b>Submit application to MEA and pay the security deposit</b>  <i>Agency</i> : Metropolitan Electricity Authority (MEA)            The customer can submit the application for connection in person, online or by a phone app.</p> <p>The utility uses a GIS system to review and approve the connection. Upon approval of the application, the customer must pay a security deposit of THB 48,000, and an internal wiring inspection fee if it applies.</p> <p>Documents required for the application are a copy of identification card, copy of census registration, copy of contract of sales, rent, lease, copy of company affidavit, power of attorney document as well as location map, single line diagram, load schedule and electricity line diagram, detail of use (e.g. areas, machine, electric equipment and type of building). Usually, the representative of the owner of the warehouse would submit the application.</p> <p>The connection fee is based on standard flat rates. If the internal wiring is done by a licensed contractor, no fee is charged and no internal wiring inspection is needed. On the other hand, an internal wiring inspection is required if the installation was made by an unlicensed contractor.</p>	7 calendar days	THB 8,824.52
2	<p><b>Obtain external works and meter installation by MEA</b>  <i>Agency</i> : Metropolitan Electricity Authority (MEA)            MEA can start the external wiring works after receiving payment of the security deposit, and connection fees when applicable. All cable and equipment for external connection are provided by utility. If a transformer needs to be installed, it would belong to the utility and other customers would use the transformer as well.</p> <p>Once the connection works have been completed, MEA will proceed to install the meter and energize the warehouse without further interactions with the customer.</p>	23 calendar days	THB 0

⇨ Takes place simultaneously with previous procedure.

## Details - Getting Electricity in Thailand - Measure of Quality

	Answer
<b>Reliability of supply and transparency of tariff index (0-8)</b>	8
<b>Total duration and frequency of outages per customer a year (0-3)</b>	3
System average interruption duration index (SAIDI)	0.4
System average interruption frequency index (SAIFI)	0.7
What is the minimum outage time (in minutes) that the utility considers for the calculation of SAIDI/SAIFI	1.0
<b>Mechanisms for monitoring outages (0-1)</b>	1
Does the distribution utility use automated tools to monitor outages?	Yes
<b>Mechanisms for restoring service (0-1)</b>	1
Does the distribution utility use automated tools to restore service?	Yes
<b>Regulatory monitoring (0-1)</b>	1
Does a regulator—that is, an entity separate from the utility—monitor the utility's performance on reliability of supply?	Yes
<b>Financial deterrents aimed at limiting outages (0-1)</b>	1
Does the utility either pay compensation to customers or face fines by the regulator (or both) if outages exceed a certain cap?	Yes
<b>Communication of tariffs and tariff changes (0-1)</b>	1
Are effective tariffs available online?	Yes
Link to the website, if available online	<a href="http://www.mea.or.th/en/profile/109/113">http://www.mea.or.th/en/profile/109/113</a>
Are customers notified of a change in tariff ahead of the billing cycle?	Yes

**Note:**

If the duration and frequency of outages is 100 or less, the economy is eligible to score on the Reliability of supply and transparency of tariff index.

If the duration and frequency of outages is not available, or is over 100, the economy is not eligible to score on the index.

If the minimum outage time considered for SAIDI/SAIFI is over 5 minutes, the economy is not eligible to score on the index.

## Registering Property

This topic examines the steps, time and cost involved in registering property, assuming a standardized case of an entrepreneur who wants to purchase land and a building that is already registered and free of title dispute. In addition, the topic also measures the quality of the land administration system in each economy. The quality of land administration index has five dimensions: reliability of infrastructure, transparency of information, geographic coverage, land dispute resolution, and equal access to property rights. The most recent round of data collection for the project was completed in May 2019. [See the methodology for more information.](#)

### What the indicators measure

#### Procedures to legally transfer title on immovable property (number)

- Preregistration procedures (for example, checking for liens, notarizing sales agreement, paying property transfer taxes)
- Registration procedures in the economy's largest business city.
- Postregistration procedures (for example, filling title with municipality)

#### Time required to complete each procedure (calendar days)

- Does not include time spent gathering information
- Each procedure starts on a separate day - though procedures that can be fully completed online are an exception to this rule
- Procedure is considered completed once final document is received
- No prior contact with officials

#### Cost required to complete each procedure (% of property value)

- Official costs only (such as administrative fees, duties and taxes).
- Value Added Tax, Capital Gains Tax and illicit payments are excluded

#### Quality of land administration index (0-30)

- Reliability of infrastructure index (0-8)
- Transparency of information index (0-6)
- Geographic coverage index (0-8)
- Land dispute resolution index (0-8)
- Equal access to property rights index (-2-0)

### Case study assumptions

To make the data comparable across economies, several assumptions about the parties to the transaction, the property and the procedures are used.

#### The parties (buyer and seller):

- Are limited liability companies (or the legal equivalent).
- Are located in the periurban (that is, on the outskirts of the city but still within its official limits) area of the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Are 100% domestically and privately owned.
- Perform general commercial activities.

#### The property (fully owned by the seller):

- Has a value of 50 times income per capita, which equals the sale price.
- Is fully owned by the seller.
- Has no mortgages attached and has been under the same ownership for the past 10 years.
- Is registered in the land registry or cadastre, or both, and is free of title disputes.
- Is located in a periurban commercial zone (that is, on the outskirts of the city but still within its official limits), and no rezoning is required.
- Consists of land and a building. The land area is 557.4 square meters (6,000 square feet). A two-story warehouse of 929 square meters (10,000 square feet) is located on the land. The warehouse is 10 years old, is in good condition, has no heating system and complies with all safety standards, building codes and legal requirements. The property, consisting of land and building, will be transferred in its entirety.
- Will not be subject to renovations or additional construction following the purchase.
- Has no trees, natural water sources, natural reserves or historical monuments of any kind.
- Will not be used for special purposes, and no special permits, such as for residential use, industrial plants, waste storage or certain types of agricultural activities, are required.
- Has no occupants, and no other party holds a legal interest in it.

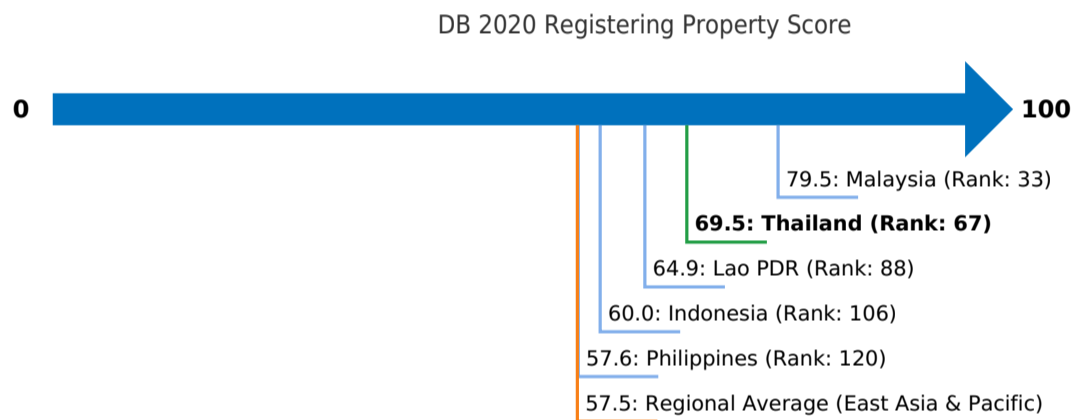
Registering Property - Thailand

Indicator	Thailand	East Asia & Pacific	OECD high income	Best Regulatory Performance
Procedures (number)	5	5.5	4.7	1 (5 Economies)
Time (days)	9	71.9	23.6	1 (2 Economies)
Cost (% of property value)	7.2	4.5	4.2	0.0 (Saudi Arabia)
Quality of the land administration index (0-30)	19.0	16.2	23.2	None in 2018/19

Figure - Registering Property in Thailand - Score

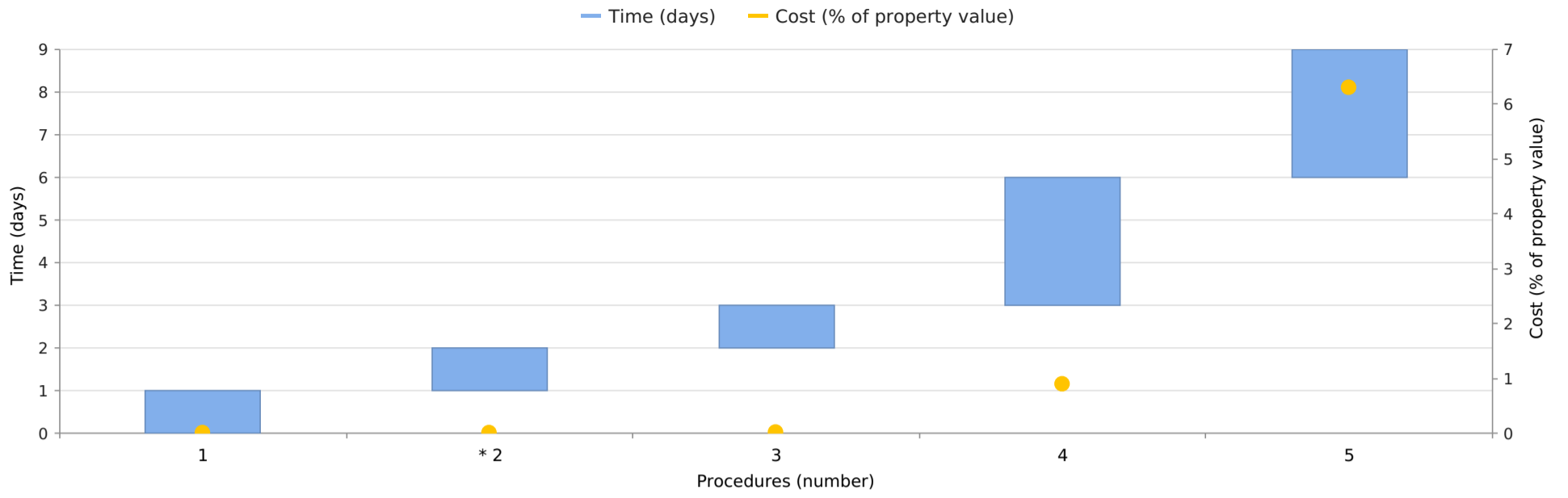


Figure - Registering Property in Thailand and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of registering property is determined by sorting their scores for registering property. These scores are the simple average of the scores for each of the component indicators.

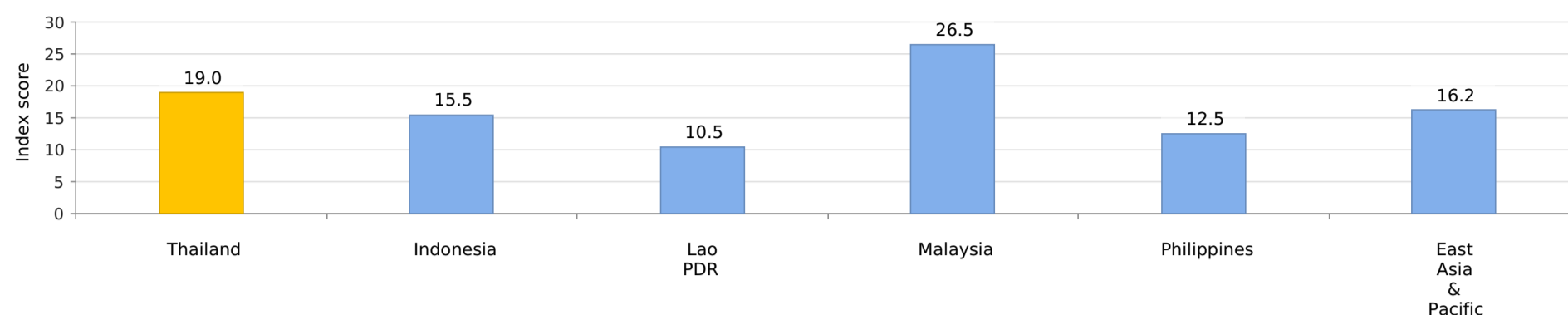
Figure - Registering Property in Thailand - Procedure, Time and Cost



\*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (<http://doingbusiness.org/en/methodology>). For details on the procedures reflected here, see the summary below.

Figure - Registering Property in Thailand and comparator economies - Measure of Quality



## Details - Registering Property in Thailand - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<b>Conduct a title search</b> <i>Agency: Land Office</i> The buyer conducts the title search at the Land Office.	1 day	THB 10
⇒ 2	<b>Lawyer conducts a bankruptcy search</b> <i>Agency: Bankruptcy Court</i> The lawyer would conduct a search at the Bankruptcy Court in Bangkok to ascertain whether the parties of the transaction had or are involved in an insolvency procedure. Although the records are computerized, lawyers do not have access to this database and therefore they have to visit the Court to search for this information.  This procedure is not mandated by law, nor required by the Lands Department. However, it is a common due diligence procedure to properly investigate any liability that could affect the transaction.	1 day	no charge
3	<b>Obtain certified copies of companies' documents from the Ministry of Commerce</b> <i>Agency: Ministry of Commerce</i> Parties obtain from the Ministry of Commerce the following documents: <ul style="list-style-type: none"> <li>• Companies' Affidavits confirming the name, address, the amount of registered capital, names of directors and the authorized signatories. (THB 100)</li> <li>• Certified copies of the Memorandum and Articles of Association of each party (THB 50 per page, cost of certification)</li> <li>• List of shareholders of the company from the Ministry of Commerce to prove their nationality.</li> </ul> On average, the Memorandum of Association (MoA) has 2 pages and the Articles of Association (AoA) about 5 pages.	1 day	THB 900; (THB 200 (Affidavits) + THB 700 (MoA, AoA))
4	<b>Lawyers prepare the sale agreement and the parties sign it</b> <i>Agency: Lawyer's office</i> It is common to require the services of an attorney to transfer the property. After conducting the due diligence, the lawyer drafts the sale agreement and the parties sign it	3 days	THB 100,000



5	<p><b>Parties apply for registration at the Land Office</b>  <i>Agency</i> : Land Office</p> <p>The seller and the buyer, or their representatives, must go to the Land Office where the land is located, to confirm the exact amount to be paid for taxes. The Land Officer calculates all the registration fees and expenses. The parties will have a bank draft issued for the payment and receipts are provided to the land officer on the day when the actual registration is taking place. The registration fee is 2% of the appraised value calculated by the Bureau of Property Valuation (GAV) and announced by the Treasury Department, Ministry of Finance every 4 years (Government Appraised Value (GAV)).</p> <p>The seller has to pay a 1% withholding tax on sale price or GAV - whichever is higher. (Seller may apply this as a credit towards their corporate income tax on any capital gain). As the seller is a company, withholding tax is calculated on the greater of the appraised value and the sale price. The seller has to pay stamp duty, which is 0.5% of the appraisal value if holding period for the individual is more than 5 years. If not, the transfer will be subject to the Specific Business Tax (SBT). This SBT implies that the Seller has to pay 3.3% of the appraisal value or the sales price, whichever is higher. The 3.3% SBT includes a 0.3% municipality tax.</p> <p>The SBT is imposed on persons who sell their property for trade or a profit-seeking purpose. Companies who sell real property in Thailand are deemed to be selling for trade or profit and are subject to specific business tax. Even if a company sells property in order simply to move to a new place, it is still deemed to have sold for a trade or profit seeking purpose. Accordingly, the company who is the seller in this example will be subject to SBT. The registration fee, withholding tax and SBT are collected by the Land Office. The cheque for the taxes are payable to the Ministry of Finance but collected by the Land Office.</p> <p>On the day of registration, the buyer and the seller submit the request for registration with all the required documents, including a copy of the construction permit and household registration of the building as evidence to transfer the building.</p> <p>The Land Officer checks all the documents (from both the seller and the buyer) submitted with the application. He will also compare the original title deed with the original copy kept at the Land Office. All information in both original title deeds must be the same. If everything is consistent, he will proceed with the registration of the transfer of ownership. An official sales agreement is prepared and signed by the authorized representatives of the seller and buyer. The Land Officer then attaches the payment receipts to the application form, and submits all documents to the Chief in charge who is authorized to approve the registration of the transfer. Once the registration is approved, it is deemed completed. The seller will receive one copy of the registered sale agreement. The buyer will receive another copy of the registered sale agreement and the original Land Title Deed.</p> <p>The officer then records the sales transaction at the back of the original land title deeds (both the land owner's and the Land Office's copies).</p>	3 days	THB 707,453.37; (2% of appraised value (registration fee) + 1% of sale price or appraised value, whichever is higher (withholding tax) + 3.3% of sale price or appraised value, whichever is higher (Specific Business Tax))
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⇒ Takes place simultaneously with previous procedure.

## Details - Registering Property in Thailand - Measure of Quality

	Answer	Score
<b>Quality of the land administration index (0-30)</b>		<b>19.0</b>
<b>Reliability of infrastructure index (0-8)</b>		<b>4.0</b>
Type of land registration system in the economy:	Title Registration System	
What is the institution in charge of immovable property registration?	Bangkok Metropolitan Land Office	
In what format are past and newly issued land records kept at the immovable property registry of the largest business city of the economy—in a paper format or in a computerized format (scanned or fully digital)?	Paper	0.0
Is there a comprehensive and functional electronic database for checking for encumbrances (liens, mortgages, restrictions and the like)?	No	0.0
Institution in charge of the plans showing legal boundaries in the largest business city:	Bangkok Metropolitan Land Office	
In what format are past and newly issued cadastral plans kept at the mapping agency of the largest business city of the economy—in a paper format or in a computerized format (scanned or fully digital)?	Computer/Scanned	1.0
Is there an electronic database for recording boundaries, checking plans and providing cadastral information (geographic information system)?	Yes	1.0
Is the information recorded by the immovable property registration agency and the cadastral or mapping agency kept in a single database, in different but linked databases or in separate databases?	Different databases but linked	1.0
Do the immovable property registration agency and cadastral or mapping agency use the same identification number for properties?	Yes	1.0
<b>Transparency of information index (0-6)</b>		<b>4.5</b>
Who is able to obtain information on land ownership at the agency in charge of immovable property registration in the largest business city?	Only intermediaries and interested parties	0.0
Is the list of documents that are required to complete any type of property transaction made publicly available—and if so, how?	Yes, online	0.5
Link for online access:	<a href="http://www.dol.go.th/">http://www.dol.go.th/</a>	
Is the applicable fee schedule for any type of property transaction at the agency in charge of immovable property registration in the largest business city made publicly available—and if so, how?	Yes, online	0.5
Link for online access:	<a href="http://www.dol.go.th">http://www.dol.go.th</a>	
Does the agency in charge of immovable property registration agency formally commit to deliver a legally binding document that proves property ownership within a specific timeframe –and if so, how does it communicate the service standard?	Yes, online	0.5
Link for online access:	<a href="http://www.dol.go.th">http://www.dol.go.th</a>	
Is there a specific and independent mechanism for filing complaints about a problem that occurred at the agency in charge of immovable property registration?	Yes	1.0
Contact information:	<a href="http://app.dol.go.th/DOL3I006.aspx">http://app.dol.go.th/DOL3I006.aspx</a>	
Are there publicly available official statistics tracking the number of transactions at the immovable property registration agency?	Yes	0.5
Number of property transfers in the largest business city in 2018:	130091.0	
Who is able to consult maps of land plots in the largest business city?	Only intermediaries and interested parties	0.0
Is the applicable fee schedule for accessing maps of land plots made publicly available—and if so, how?	Yes, online	0.5
Link for online access:	<a href="http://www.dol.go.th/doingbusiness/Pages/survey.aspx">http://www.dol.go.th/doingbusiness/Pages/survey.aspx</a>	
Does the cadastral/mapping agency formally specifies the timeframe to deliver an updated cadastral plan—and if so, how does it communicate the service standard?	Yes, online	0.5

Link for online access:	<a href="http://110.164.128.67/download/web/pepc.html">http://110.164.128.67/download/web/pepc.html</a> <a href="http://www.dol.go.th/dol/images/medias/dol/dol/pdf/news35.pdf">http://www.dol.go.th/dol/images/medias/dol/dol/pdf/news35.pdf</a>	
Is there a specific and independent mechanism for filing complaints about a problem that occurred at the cadastral or mapping agency?	Yes	0.5
Contact information:	<a href="http://app.dol.go.th/DOL31006.aspx">http://app.dol.go.th/DOL31006.aspx</a>	
<b>Geographic coverage index (0-8)</b>		<b>4.0</b>
Are all privately held land plots in the largest business city formally registered at the immovable property registry?	Yes	2.0
Are all privately held land plots in the economy formally registered at the immovable property registry?	No	0.0
Are all privately held land plots in the largest business city mapped?	Yes	2.0
Are all privately held land plots in the economy mapped?	No	0.0
<b>Land dispute resolution index (0-8)</b>		<b>6.5</b>
Does the law require that all property sale transactions be registered at the immovable property registry to make them opposable to third parties?	Yes	1.5
Legal basis:	1. Under Section 456 of the Civil and Commercial Code, it reads "A sale of immovable property is void unless it is made in writing and registered by the competent official. The same rules applied to ships of five tons or over, to floating houses and to beasts of burdens". 2. Chapter 6, Registration of Rights and Juristic Acts, Act Promulgating the Land Code B.E.2494 [1954]	
Is the system of immovable property registration subject to a state or private guarantee?	Yes	0.5
Type of guarantee:	State guarantee	
Legal basis:	According to the law the section 1373 of the Civil and Commercial Code that "Where property is an immovable entered by the land register, the person whose name is on the register is presumed to have possessory right over it".	
Is there a specific, out-of-court compensation mechanism to cover for losses incurred by parties who engaged in good faith in a property transaction based on erroneous information certified by the immovable property registry?	No	0.0
Legal basis:		
Does the legal system require a control of legality of the documents necessary for a property transaction (e.g., checking the compliance of contracts with requirements of the law)?	Yes	0.5
If yes, who is responsible for checking the legality of the documents?	Registrar;	
Does the legal system require verification of the identity of the parties to a property transaction?	Yes	0.5

If yes, who is responsible for verifying the identity of the parties?	Registrar;	
Is there a national database to verify the accuracy of government issued identity documents?	Yes	1.0
What is the Court of first instance in charge of a case involving a standard land dispute between two local businesses over tenure rights for a property worth 50 times gross national income (GNI) per capita and located in the largest business city?	Civil Court	
How long does it take on average to obtain a decision from the first-instance court for such a case (without appeal)?	Between 1 and 2 years	2.0
Are there publicly available statistics on the number of land disputes at the economy level in the first instance court?	Yes	0.5
Number of land disputes in the economy in 2018:	1.0	
<b>Equal access to property rights index (-2-0)</b>		<b>0.0</b>
Do unmarried men and unmarried women have equal ownership rights to property?	Yes	
Do married men and married women have equal ownership rights to property?	Yes	0.0

## Getting Credit

This topic explores two sets of issues—the strength of credit reporting systems and the effectiveness of collateral and bankruptcy laws in facilitating lending. The most recent round of data collection for the project was completed in May 2019. [See the methodology for more information.](#)

### What the indicators measure

#### Strength of legal rights index (0-12)

- Rights of borrowers and lenders through collateral laws (0-10)
- Protection of secured creditors' rights through bankruptcy laws (0-2)

#### Depth of credit information index (0-8)

- Scope and accessibility of credit information distributed by credit bureaus and credit registries (0-8)

#### Credit bureau coverage (% of adults)

- Number of individuals and firms listed in largest credit bureau as a percentage of adult population

#### Credit registry coverage (% of adults)

- Number of individuals and firms listed in credit registry as a percentage of adult population

### Case study assumptions

*Doing Business* assesses the sharing of credit information and the legal rights of borrowers and lenders with respect to secured transactions through 2 sets of indicators. The depth of credit information index measures rules and practices affecting the coverage, scope and accessibility of credit information available through a credit registry or a credit bureau. The strength of legal rights index measures the degree to which collateral and bankruptcy laws protect the rights of borrowers and lenders and thus facilitate lending. For each economy it is first determined whether a unitary secured transactions system exists. Then two case scenarios, case A and case B, are used to determine how a nonpossessory security interest is created, publicized and enforced according to the law. Special emphasis is given to how the collateral registry operates (if registration of security interests is possible). The case scenarios involve a secured borrower, company ABC, and a secured lender, BizBank.

In some economies the legal framework for secured transactions will allow only case A or case B (not both) to apply. Both cases examine the same set of legal provisions relating to the use of movable collateral.

#### Several assumptions about the secured borrower (ABC) and lender (BizBank) are used:

- ABC is a domestic limited liability company (or its legal equivalent).
- ABC has up to 50 employees.
- ABC has its headquarters and only base of operations in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Both ABC and BizBank are 100% domestically owned.

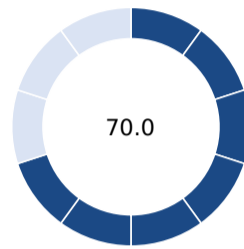
The case scenarios also involve assumptions. In case A, as collateral for the loan, ABC grants BizBank a nonpossessory security interest in one category of movable assets, for example, its machinery or its inventory. ABC wants to keep both possession and ownership of the collateral. In economies where the law does not allow nonpossessory security interests in movable property, ABC and BizBank use a fiduciary transfer-of-title arrangement (or a similar substitute for nonpossessory security interests).

In case B, ABC grants BizBank a business charge, enterprise charge, floating charge or any charge that gives BizBank a security interest over ABC's combined movable assets (or as much of ABC's movable assets as possible). ABC keeps ownership and possession of the assets.

Getting Credit - Thailand

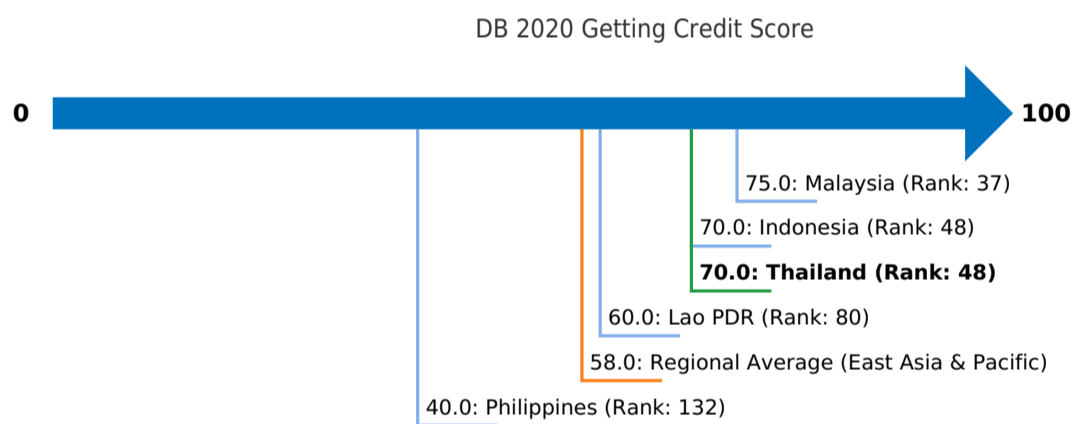
Indicator	Thailand	East Asia & Pacific	OECD high income	Best Regulatory Performance
Strength of legal rights index (0-12)	7	7.1	6.1	12 (5 Economies)
Depth of credit information index (0-8)	7	4.5	6.8	8 (53 Economies)
Credit registry coverage (% of adults)	0.0	16.6	24.4	100.0 (2 Economies)
Credit bureau coverage (% of adults)	56.5	23.8	66.7	100.0 (14 Economies)

Figure - Getting Credit in Thailand - Score



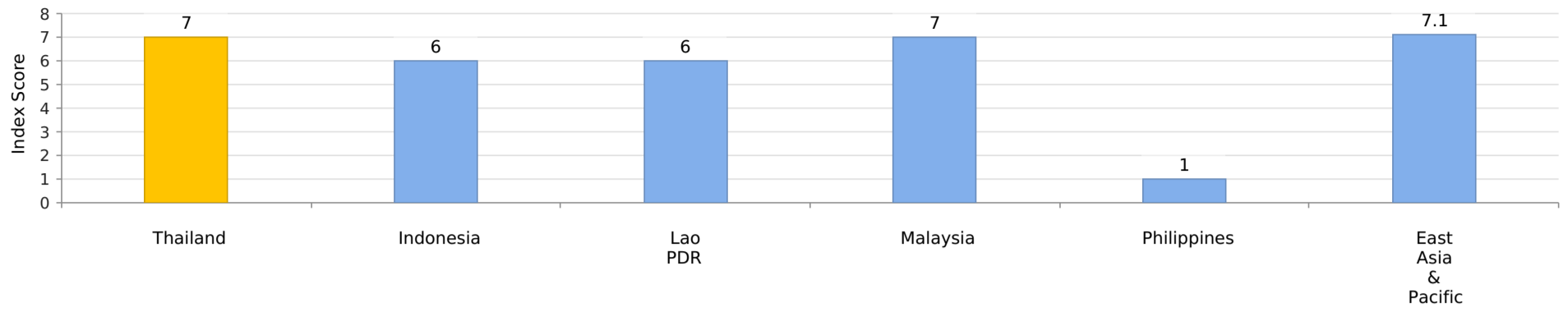
Score - Getting Credit

Figure - Getting Credit in Thailand and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of getting credit is determined by sorting their scores for getting credit. These scores are the sum of the scores for the strength of legal rights index and the depth of credit information index.

Figure - Legal Rights in Thailand and comparator economies



Details - Legal Rights in Thailand

Strength of legal rights index (0-12)

7

Does an integrated or unified legal framework for secured transactions that extends to the creation, publicity and enforcement of functional equivalents to security interests in movable assets exist in the economy? No

Does the law allow businesses to grant a non possessory security right in a single category of movable assets, without requiring a specific description of collateral? No

Does the law allow businesses to grant a non possessory security right in substantially all of its assets, without requiring a specific description of collateral? Yes

May a security right extend to future or after-acquired assets, and does it extend automatically to the products, proceeds and replacements of the original assets? Yes

Is a general description of debts and obligations permitted in collateral agreements; can all types of debts and obligations be secured between parties; and can the collateral agreement include a maximum amount for which the assets are encumbered? Yes

Is a collateral registry in operation for both incorporated and non-incorporated entities, that is unified geographically and by asset type, with an electronic database indexed by debtor's name? No

Does a notice-based collateral registry exist in which all functional equivalents can be registered? No

Does a modern collateral registry exist in which registrations, amendments, cancellations and searches can be performed online by any interested third party? No

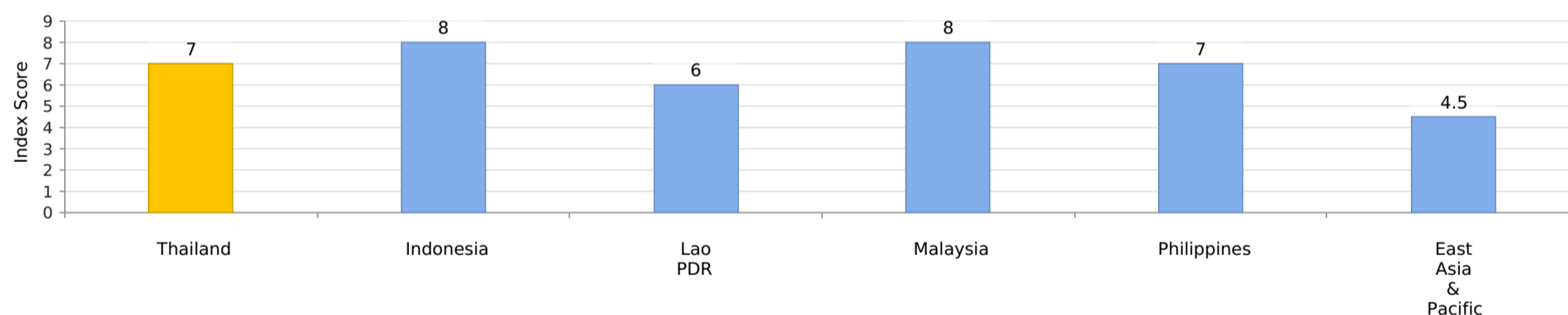
Are secured creditors paid first (i.e. before tax claims and employee claims) when a debtor defaults outside an insolvency procedure? Yes

Are secured creditors paid first (i.e. before tax claims and employee claims) when a business is liquidated? Yes

Are secured creditors subject to an automatic stay on enforcement when a debtor enters a court-supervised reorganization procedure? Does the law protect secured creditors' rights by providing clear grounds for relief from the stay and sets a time limit for it? Yes

Does the law allow parties to agree on out of court enforcement at the time a security interest is created? Does the law allow the secured creditor to sell the collateral through public auction or private tender, as well as, for the secured creditor to keep the asset in satisfaction of the debt? Yes

Figure - Credit Information in Thailand and comparator economies





## Details - Credit Information in Thailand

Depth of credit information index (0-8)	Credit bureau	Credit registry	Score
Are data on both firms and individuals distributed?	Yes	No	1
Are both positive and negative credit data distributed?	Yes	No	1
Are data from retailers or utility companies - in addition to data from banks and financial institutions - distributed?	No	No	0
Are at least 2 years of historical data distributed? (Credit bureaus and registries that distribute more than 10 years of negative data or erase data on defaults as soon as they are repaid obtain a score of 0 for this component.)	Yes	No	1
Are data on loan amounts below 1% of income per capita distributed?	Yes	No	1
By law, do borrowers have the right to access their data in the credit bureau or credit registry?	Yes	No	1
Can banks and financial institutions access borrowers' credit information online (for example, through an online platform, a system-to-system connection or both)?	Yes	No	1
Are bureau or registry credit scores offered as a value-added service to help banks and financial institutions assess the creditworthiness of borrowers?	Yes	No	1

Note: An economy receives a score of 1 if there is a "yes" to either bureau or registry. If the credit bureau or registry is not operational or covers less than 5% of the adult population, the total score on the depth of credit information index is 0.

Coverage	Credit bureau	Credit registry
Number of individuals	27,616,825	0
Number of firms	322,501	0
Total	27,939,326	0
<b>Percentage of adult population</b>	<b>56.5</b>	<b>0.0</b>

## Protecting Minority Investors

This topic measures the strength of minority shareholder protections against misuse of corporate assets by directors for their personal gain as well as shareholder rights, governance safeguards and corporate transparency requirements that reduce the risk of abuse. The most recent round of data collection for the project was completed in May 2019. [See the methodology for more information.](#)

### What the indicators measure

- **Extent of disclosure index (0-10):** Disclosure, review, and approval requirements for related-party transactions
- **Extent of director liability index (0-10):** Ability of minority shareholders to sue and hold interested directors liable for prejudicial related-party transactions; Available legal remedies (damages, disgorgement of profits, disqualification from managerial position(s) for one year or more, rescission of the transaction)
- **Ease of shareholder suits index (0-10):** Access to internal corporate documents; Evidence obtainable during trial and allocation of legal expenses
- **Extent of conflict of interest regulation index (0-30):** Sum of the extent of disclosure, extent of director liability and ease of shareholder suits indices
- **Extent of shareholder rights index (0-6):** Shareholders' rights and role in major corporate decisions
- **Extent of ownership and control index (0-7):** Governance safeguards protecting shareholders from undue board control and entrenchment
- **Extent of corporate transparency index (0-7):** Corporate transparency on ownership stakes, compensation, audits and financial prospects
- **Extent of shareholder governance index (0-20):** Sum of the extent of shareholders rights, extent of ownership and control and extent of corporate transparency indices
- **Strength of minority investor protection index (0-50):** Sum of the extent of conflict of interest regulation and extent of shareholder governance indices

### Case study assumptions

To make the data comparable across economies, a case study uses several assumptions about the business and the transaction.

#### The business (Buyer):

- Is a publicly traded corporation listed on the economy's most important stock exchange.
- Has a board of directors and a chief executive officer (CEO) who may legally act on behalf of Buyer where permitted, even if this is not specifically required by law.
- Has a supervisory board in economies with a two-tier board system on which Mr. James appointed 60% of the shareholder-elected members.
- Has not adopted bylaws or articles of association that go beyond the minimum requirements. Does not follow codes, principles, recommendations or guidelines that are not mandatory.
- Is a manufacturing company with its own distribution network.

#### The transaction involves the following details:

- Mr. James owns 60% of Buyer, sits on Buyer's board of directors and elected two directors to Buyer's five-member board.
- Mr. James also owns 90% of Seller, a company that operates a chain of retail hardware stores. Seller recently closed a large number of its stores.
- Mr. James proposes that Buyer purchase Seller's unused fleet of trucks to expand Buyer's distribution of its food products, a proposal to which Buyer agrees. The price is equal to 10% of Buyer's assets and is higher than the market value.
- The proposed transaction is part of the company's principal activity and is not outside the authority of the company.
- Buyer enters into the transaction. All required approvals are obtained, and all required disclosures made—that is, the transaction was not entered into fraudulently.
- The transaction causes damages to Buyer. Shareholders sue Mr. James and the executives and directors that approved the transaction.

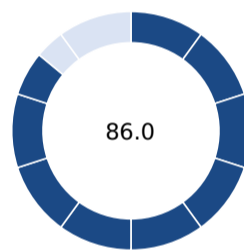
Protecting Minority Investors - Thailand

Stock exchange information

Stock exchange	Stock Exchange of Thailand
Stock exchange URL	http://www.set.or.th
Listed firms with equity securities	688
City Covered	Bangkok

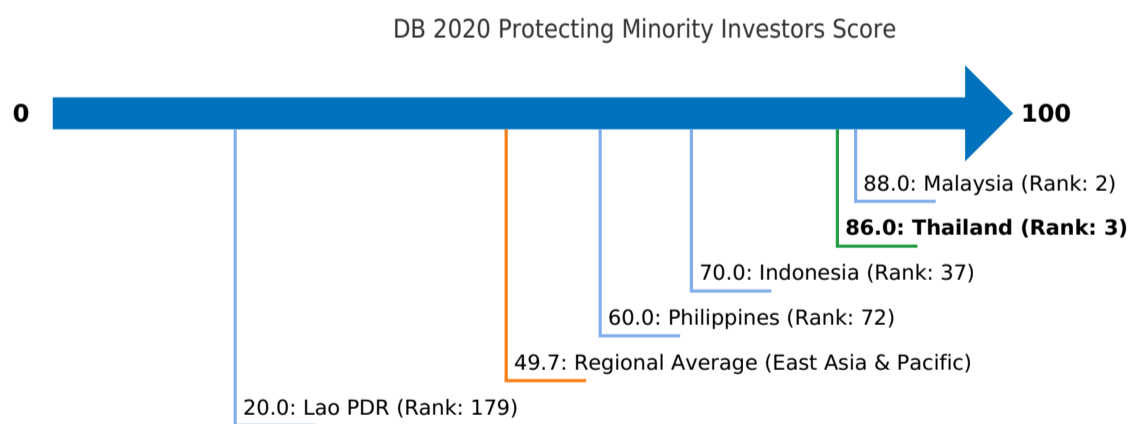
Indicator	Thailand	East Asia & Pacific	OECD high income	Best Regulatory Performance
Extent of disclosure index (0-10)	10.0	5.9	6.5	10 (13 Economies)
Extent of director liability index (0-10)	7.0	5.2	5.3	10 (3 Economies)
Ease of shareholder suits index (0-10)	9.0	6.7	7.3	10 (Djibouti)
Extent of shareholder rights index (0-6)	5.0	2.0	4.7	6 (19 Economies)
Extent of ownership and control index (0-7)	6.0	2.4	4.5	7 (9 Economies)
Extent of corporate transparency index (0-7)	6.0	2.6	5.7	7 (13 Economies)

Figure - Protecting Minority in Thailand - Score



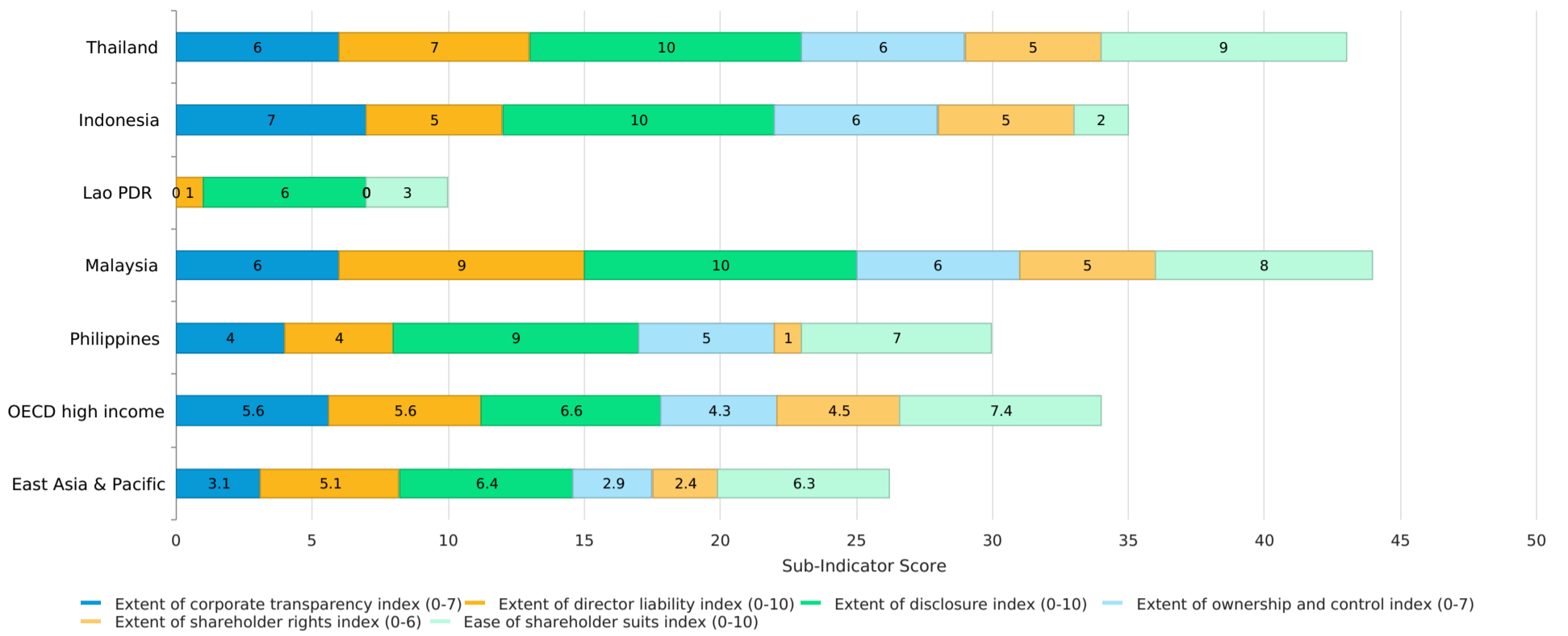
Score - Protecting Minority Investors

Figure - Protecting Minority Investors in Thailand and comparator economies - Ranking and Score



Note: The ranking of economies on the strength of minority investor protections is determined by sorting their scores for protecting minority investors. These scores are the simple average of the scores for the extent of conflict of interest regulation index and the extent of shareholder governance index.

Figure - Protecting Minority Investors in Thailand and comparator economies - Measure of Quality



## Details - Protecting Minority Investors in Thailand - Measure of Quality

	Answer	Score
<b>Extent of conflict of interest regulation index (0-30)</b>		
<b>Extent of disclosure index (0-10)</b>		<b>10.0</b>
Whose decision is sufficient to approve the Buyer-Seller transaction? (0-3)	Shareholders excluding interested parties	3.0
Must an external body review the terms of the transaction before it takes place? (0-1)	Yes	1.0
Must Mr. James disclose his conflict of interest to the board of directors? (0-2)	Full disclosure of all material facts	2.0
Must Buyer disclose the transaction in periodic filings (e.g. annual reports)? (0-2)	Disclosure on the transaction and on the conflict of interest	2.0
Must Buyer immediately disclose the transaction to the public? (0-2)	Disclosure on the transaction and on the conflict of interest	2.0
<b>Extent of director liability index (0-10)</b>		<b>7.0</b>
Can shareholders representing 10% of Buyer's share capital sue for the damage the transaction caused to Buyer? (0-1)	Yes	1.0
Can shareholders hold Mr. James liable for the damage the transaction caused to Buyer? (0-2)	Not liable	0.0
Can shareholders hold the other directors liable for the damage the transaction caused to Buyer? (0-2)	Liable if unfair or prejudicial	2.0
Must Mr. James pay damages for the harm caused to Buyer upon a successful claim by shareholders? (0-1)	Yes	1.0
Must Mr. James repay profits made from the transaction upon a successful claim by shareholders? (0-1)	Yes	1.0
Is Mr. James disqualified upon a successful claim by shareholders? (0-1)	Yes	1.0
Can a court void the transaction upon a successful claim by shareholders? (0-2)	Voidable if negligently concluded	1.0
<b>Ease of shareholder suits index (0-10)</b>		<b>9.0</b>
Before suing, can shareholders representing 10% of Buyer's share capital inspect the transaction documents? (0-1)	Yes	1.0
Can the plaintiff obtain any documents from the defendant and witnesses at trial? (0-3)	Any relevant document	3.0
Can the plaintiff request categories of documents from the defendant without identifying specific ones? (0-1)	Yes	1.0
Can the plaintiff directly question the defendant and witnesses at trial? (0-2)	Preapproved questions only	1.0
Is the level of proof required for civil suits lower than that of criminal cases? (0-1)	Yes	1.0
Can shareholder plaintiffs recover their legal expenses from the company? (0-2)	Yes regardless of outcome	2.0
<b>Extent of shareholder governance index (0-20)</b>		
<b>Extent of shareholder rights index (0-6)</b>		<b>5.0</b>
Does the sale of 51% of Buyer's assets require shareholder approval?	Yes	1.0
Can shareholders representing 10% of Buyer's share capital call for a meeting of shareholders?	Yes	1.0
Must Buyer obtain its shareholders' approval every time it issues new shares?	Yes	1.0
Do shareholders automatically receive preemption rights every time Buyer issues new shares?	No	0.0
Do shareholders elect and dismiss the external auditor?	Yes	1.0
Are changes to the rights of a class of shares only possible if the holders of the affected shares approve?	Yes	1.0

<b>Extent of ownership and control index (0-7)</b>		<b>6.0</b>
Is it forbidden to appoint the same individual as CEO and chairperson of the board of directors?	No	0.0
Must the board of directors include independent and nonexecutive board members?	Yes	1.0
Can shareholders remove members of the board of directors without cause before the end of their term?	Yes	1.0
Must the board of directors include a separate audit committee exclusively comprising board members?	Yes	1.0
Must a potential acquirer make a tender offer to all shareholders upon acquiring 50% of Buyer?	Yes	1.0
Must Buyer pay declared dividends within a maximum period set by law?	Yes	1.0
Is a subsidiary prohibited from acquiring shares issued by its parent company?	Yes	1.0
<b>Extent of corporate transparency index (0-7)</b>		<b>6.0</b>
Must Buyer disclose direct and indirect beneficial ownership stakes representing 5%?	Yes	1.0
Must Buyer disclose information about board members' primary employment and directorships in other companies?	Yes	1.0
Must Buyer disclose the compensation of individual managers?	Yes	1.0
Must a detailed notice of general meeting be sent 21 days before the meeting?	No	0.0
Can shareholders representing 5% of Buyer's share capital put items on the general meeting agenda?	Yes	1.0
Must Buyer's annual financial statements be audited by an external auditor?	Yes	1.0
Must Buyer disclose its audit reports to the public?	Yes	1.0

## Paying Taxes

This topic records the taxes and mandatory contributions that a medium-size company must pay or withhold in a given year, as well as the administrative burden of paying taxes and contributions and complying with postfiling procedures (VAT refund and tax audit). The most recent round of data collection for the project was completed in May 2019 covering for the Paying Taxes indicator calendar year 2018 (January 1, 2018 – December 31, 2018). [See the methodology for more information.](#)

### What the indicators measure

#### Tax payments for a manufacturing company in 2018 (number per year adjusted for electronic and joint filing and payment)

- Total number of taxes and contributions paid or withheld, including consumption taxes (value added tax, sales tax or goods and service tax)
- Method and frequency of filing and payment

#### Time required to comply with 3 major taxes (hours per year)

- Collecting information, computing tax payable
- Preparing separate tax accounting books, if required
- Completing tax return, filing with agencies
- Arranging payment or withholding

#### Total tax and contribution rate (% of commercial profits)

- Profit or corporate income tax
- Social contributions, labor taxes paid by employer
- Property and property transfer taxes
- Dividend, capital gains, financial transactions taxes
- Waste collection, vehicle, road and other taxes

#### Postfiling Index

- Time to comply with VAT refund (hours)
- Time to obtain VAT refund (weeks)
- Time to comply with a corporate income tax correction (hours)
- Time to complete a corporate income tax correction (weeks)

### Case study assumptions

Using a case scenario, *Doing Business* records taxes and mandatory contributions a medium size company must pay in a year, and measures the administrative burden of paying taxes, contributions and dealing with postfiling processes. Information is also compiled on frequency of filing and payments, time taken to comply with tax laws, time taken to comply with the requirements of postfiling processes and time waiting.

To make data comparable across economies, several assumptions are used:

- TaxpayerCo is a medium-size business that started operations on January 1, 2017. It produces ceramic flowerpots and sells them at retail. All taxes and contributions recorded are paid in the second year of operation (calendar year 2018). Taxes and mandatory contributions are measured at all levels of government.

#### The VAT refund process:

- In June 2018, TaxpayerCo. makes a large capital purchase: the value of the machine is 65 times income per capita of the economy. Sales are equally spread per month (1,050 times income per capita divided by 12) and cost of goods sold are equally expensed per month (875 times income per capita divided by 12). The machinery seller is registered for VAT and excess input VAT incurred in June will be fully recovered after four consecutive months if the VAT rate is the same for inputs, sales and the machine and the tax reporting period is every month. Input VAT will exceed Output VAT in June 2018.

#### The corporate income tax audit process:

- An error in calculation of income tax liability (for example, use of incorrect tax depreciation rates, or incorrectly treating an expense as tax deductible) leads to an incorrect income tax return and a corporate income tax underpayment. TaxpayerCo. discovered the error and voluntarily notified the tax authority. The value of the underpaid income tax liability is 5% of the corporate income tax liability due. TaxpayerCo. submits corrected information after the deadline for submitting the annual tax return, but within the tax assessment period.

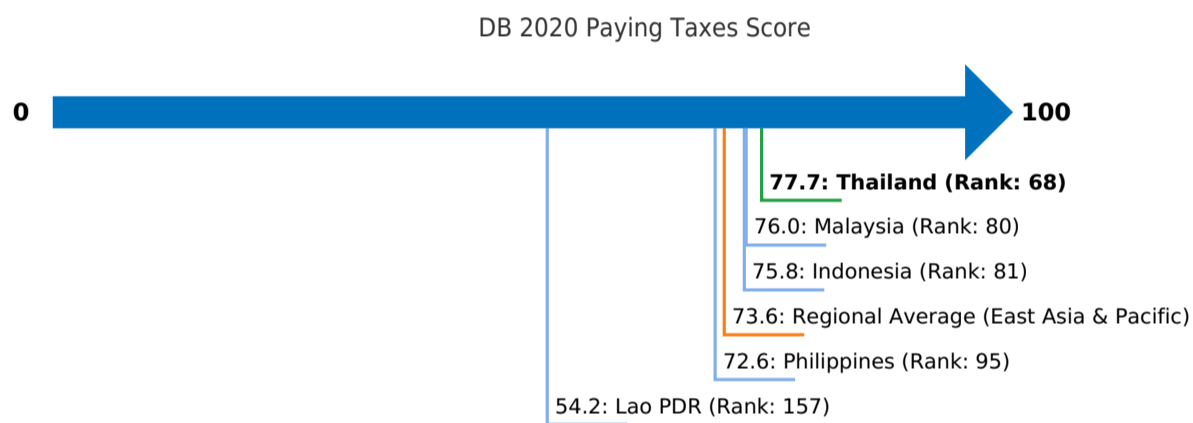
**Paying Taxes - Thailand**

Indicator	Thailand	East Asia & Pacific	OECD high income	Best Regulatory Performance
Payments (number per year)	21	20.6	10.3	3 (2 Economies)
Time (hours per year)	229	173.0	158.8	49 (3 Economies)
Total tax and contribution rate (% of profit)	29.5	33.6	39.9	26.1 (33 Economies)
Postfiling index (0-100)	73.4	56.4	86.7	None in 2018/19

**Figure - Paying Taxes in Thailand - Score**



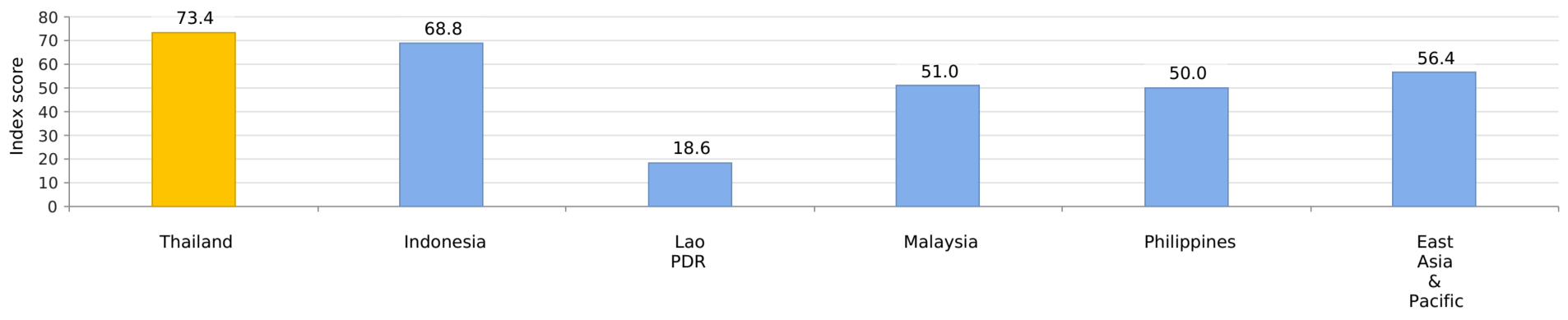
**Figure - Paying Taxes in Thailand and comparator economies - Ranking and Score**



Note: The ranking of economies on the ease of paying taxes is determined by sorting their scores for paying taxes. These scores are the simple average of the scores for each of the component indicators, with a threshold and a nonlinear transformation applied to one of the component indicators, the total tax and contribution rate. The threshold is defined as the total tax and contribution rate at the 15th percentile of the overall distribution for all years included in the analysis up to and including Doing Business 2015, which is 26.1%. All economies with a total tax and contribution rate below this threshold receive the same score as the economy at the threshold.



Figure - Paying Taxes in Thailand and comparator economies - Measure of Quality



## Details - Paying Taxes in Thailand

Tax or mandatory contribution	Payments (number)	Notes on Payments	Time (hours)	Statutory tax rate	Tax base	Total tax and contribution rate (% of profit)	Notes on TTCR
Corporate income tax	1.0	online	123.0	20%	taxable profit	20.23	
Employer paid - Social security contributions	12.0		48.0	5%	gross salaries	5.15	
Business specific tax	1.0	online		3.3%	taxable profit	2.00	
Property transfer tax	1.0			2%	sale price	1.21	
Property tax	1.0			12.5%	assessed rental value	0.63	
Employer paid - Workmen compensation fund	1.0			0.2% to 1%	gross salaries	0.22	
Vehicle tax	1.0			Baht 3,600	fixed fee	0.04	
Tax on check transactions	1.0			3 Baht per check		0.01	
Tax on interest	0.0			2%	interest income	0.00	included in other taxes
Fuel tax	1.0			Baht 6.44 per liter	included into the fuel price	0.00	small amount
Value added tax (VAT)	1.0	online	58.0	7%	value added	0.00	not included
Totals	21		229			29.5	

## Details - Paying Taxes in Thailand - Tax by Type

Taxes by type	Answer
Profit tax (% of profit)	22.2
Labor tax and contributions (% of profit)	5.4
Other taxes (% of profit)	1.9

## Details - Paying Taxes in Thailand - Measure of Quality

	Answer	Score
<b>Postfiling index (0-100)</b>		<b>73.4</b>
<b>VAT refunds</b>		
Does VAT exist?	Yes	
Does a VAT refund process exist per the case study?	Yes	
Restrictions on VAT refund process	none	
Percentage of cases exposed to a VAT audit (%)	75% - 100%	
Is there a mandatory carry forward period?	No	
Time to comply with VAT refund (hours)	16.0	68.0
Time to obtain VAT refund (weeks)	33.0	42.1
<b>Corporate income tax audits</b>		
Does corporate income tax exist?	Yes	
Percentage of cases exposed to a corporate income tax audit (%)	0% - 24%	
Time to comply with a corporate income tax correction (hours)	10.5	83.5
Time to complete a corporate income tax correction (weeks)	No tax audit per case study scenario	100

**Notes:** Names of taxes have been standardized. For instance income tax, profit tax, tax on company's income are all named corporate income tax in this table.

The hours for VAT include all the VAT and sales taxes applicable.

The hours for Social Security include all the hours for labor taxes and mandatory contributions in general.

The postfiling index is the average of the scores on time to comply with VAT refund, time to obtain a VAT refund, time to comply with a corporate income tax correction and time to complete a corporate income tax correction.

N/A = Not applicable.

## Trading across Borders

*Doing Business* records the time and cost associated with the logistical process of exporting and importing goods. *Doing Business* measures the time and cost (excluding tariffs) associated with three sets of procedures—documentary compliance, border compliance and domestic transport—within the overall process of exporting or importing a shipment of goods. The most recent round of data collection for the project was completed in May 2019. [See the methodology for more information.](#)

### What the indicators measure

#### Documentary compliance

- Obtaining, preparing and submitting documents during transport, clearance, inspections and port or border handling in origin economy
- Obtaining, preparing and submitting documents required by destination economy and any transit economies
- Covers all documents required by law and in practice, including electronic submissions of information

#### Border compliance

- Customs clearance and inspections
- Inspections by other agencies (if applied to more than 20% of shipments)
- Handling and inspections that take place at the economy's port or border

#### Domestic transport

- Loading or unloading of the shipment at the warehouse or port/border
- Transport between warehouse and port/border
- Traffic delays and road police checks while shipment is en route

### Case study assumptions

To make the data comparable across economies, a few assumptions are made about the traded goods and the transactions:

**Time:** Time is measured in hours, and 1 day is 24 hours (for example, 22 days are recorded as  $22 \times 24 = 528$  hours). If customs clearance takes 7.5 hours, the data are recorded as is. Alternatively, suppose documents are submitted to a customs agency at 8:00a.m., are processed overnight and can be picked up at 8:00a.m. the next day. The time for customs clearance would be recorded as 24 hours because the actual procedure took 24 hours.

**Cost:** Insurance cost and informal payments for which no receipt is issued are excluded from the costs recorded. Costs are reported in U.S. dollars. Contributors are asked to convert local currency into U.S. dollars based on the exchange rate prevailing on the day they answer the questionnaire. Contributors are private sector experts in international trade logistics and are informed about exchange rates.

#### Assumptions of the case study:

- For all 190 economies covered by *Doing Business*, it is assumed a shipment is in a warehouse in the largest business city of the exporting economy and travels to a warehouse in the largest business city of the importing economy.
- It is assumed each economy imports 15 metric tons of containerized auto parts (HS 8708) from its natural import partner—the economy from which it imports the largest value (price times quantity) of auto parts. It is assumed each economy exports the product of its comparative advantage (defined by the largest export value) to its natural export partner—the economy that is the largest purchaser of this product. Shipment value is assumed to be \$50,000.
- The mode of transport is the one most widely used for the chosen export or import product and the trading partner, as is the seaport or land border crossing.
- All electronic information submissions requested by any government agency in connection with the shipment are considered to be documents obtained, prepared and submitted during the export or import process.
- A port or border is a place (seaport or land border crossing) where merchandise can enter or leave an economy.
- Relevant government agencies include customs, port authorities, road police, border guards, standardization agencies, ministries or departments of agriculture or industry, national security agencies and any other government authorities.

Trading across Borders - Thailand

Indicator	Thailand	East Asia & Pacific	OECD high income	Best Regulatory Performance
Time to export: Border compliance (hours)	44	57.5	12.7	1 (19 Economies)
Cost to export: Border compliance (USD)	223	381.1	136.8	0 (19 Economies)
Time to export: Documentary compliance (hours)	11	55.6	2.3	1 (26 Economies)
Cost to export: Documentary compliance (USD)	97	109.4	33.4	0 (20 Economies)
Time to import: Border compliance (hours)	50	68.4	8.5	1 (25 Economies)
Cost to import: Border compliance (USD)	233	422.8	98.1	0 (28 Economies)
Time to import: Documentary compliance (hours)	4	53.7	3.4	1 (30 Economies)
Cost to import: Documentary compliance (USD)	43	108.4	23.5	0 (30 Economies)

Figure - Trading across Borders in Thailand - Score

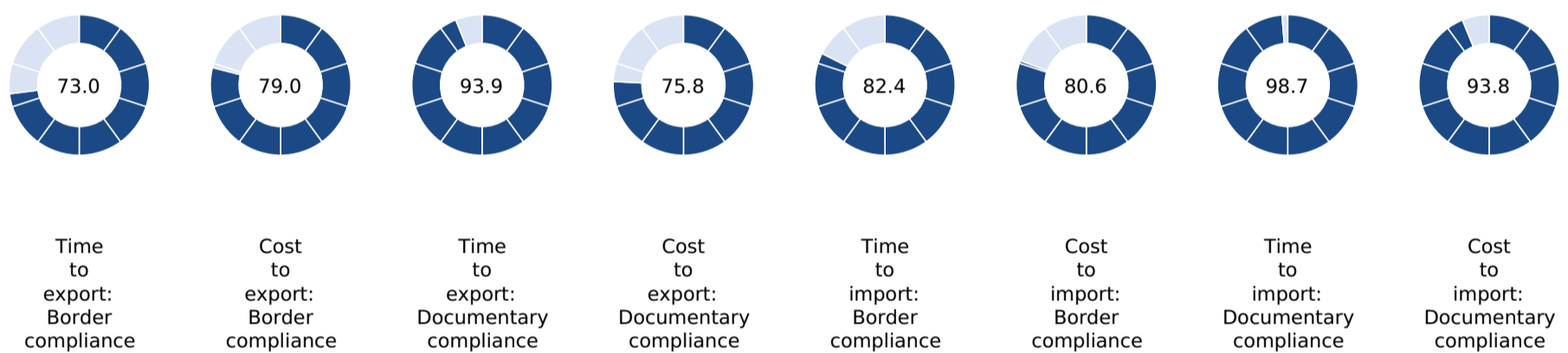
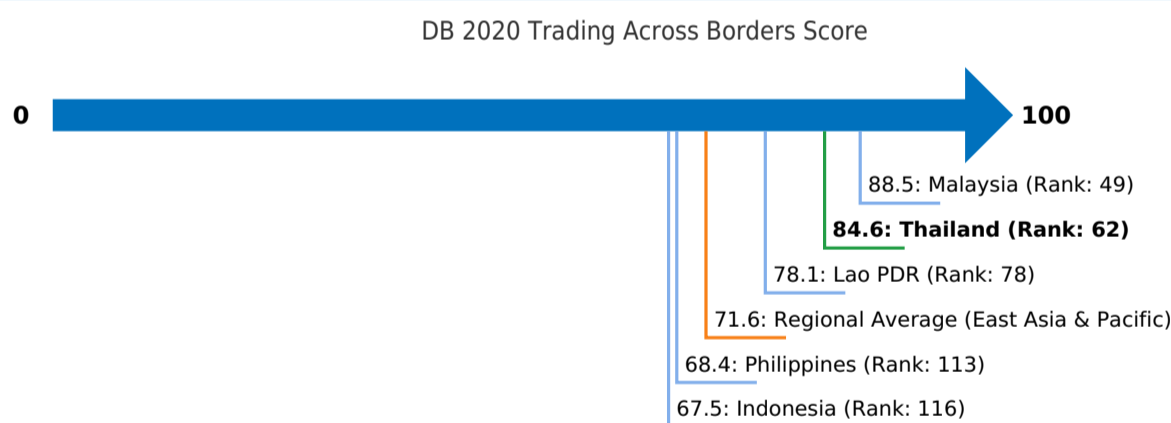
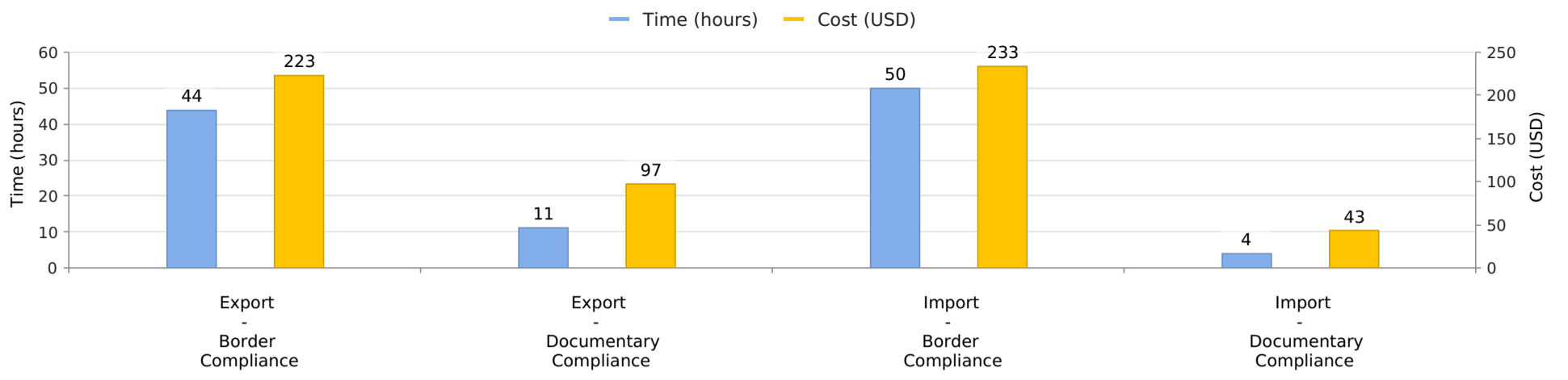


Figure - Trading across Borders in Thailand and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of trading across borders is determined by sorting their scores for trading across borders. These scores are the simple average of the scores for the time and cost for documentary compliance and border compliance to export and import.

Figure - Trading across Borders in Thailand - Time and Cost



## Details - Trading across Borders in Thailand

Characteristics	Export	Import
Product	HS 84 : Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	HS 8708: Parts and accessories of motor vehicles
Trade partner	China	Japan
Border	Laem Chabang port	Laem Chabang port
Distance (km)	129	129
Domestic transport time (hours)	2	2
Domestic transport cost (USD)	147	147

## Details - Trading across Borders in Thailand - Components of Border Compliance

	Time to Complete (hours)	Associated Costs (USD)
Export: Clearance and inspections required by customs authorities	12.0	90.2
Export: Clearance and inspections required by agencies other than customs	0.0	0.0
Export: Port or border handling	32.0	132.4
Import: Clearance and inspections required by customs authorities	28.2	106.2
Import: Clearance and inspections required by agencies other than customs	0.0	0.0
Import: Port or border handling	50.2	126.4



## Details - Trading across Borders in Thailand - Trade Documents

Export	Import
Bill of lading	Bill of lading
Terminal handling receipts	Commercial invoice
Commercial invoice	Packing list
Packing list	Delivery order
Customs declaration	Customs declaration
Certificate of origin (Form E)	Import license
Technical standards certificates	Technical standards certificates
SOLAS certificate	Certificate of origin (Form A)
	SOLAS certificate

## Enforcing Contracts

The enforcing contracts indicator measures the time and cost for resolving a commercial dispute through a local first-instance court, and the quality of judicial processes index, evaluating whether each economy has adopted a series of good practices that promote quality and efficiency in the court system. The most recent round of data collection was completed in May 2019. [See the methodology for more information.](#)

### What the indicators measure

#### Time required to enforce a contract through the courts (calendar days)

- Time to file and serve the case
- Time for trial and to obtain the judgment
- Time to enforce the judgment

#### Cost required to enforce a contract through the courts (% of claim value)

- Average attorney fees
- Court costs
- Enforcement costs

#### Quality of judicial processes index (0-18)

- Court structure and proceedings (-1-5)
- Case management (0-6)
- Court automation (0-4)
- Alternative dispute resolution (0-3)

### Case study assumptions

The dispute in the case study involves the breach of a sales contract between two domestic businesses. The case study assumes that the court hears an expert on the quality of the goods in dispute. This distinguishes the case from simple debt enforcement.

To make the data on the time and comparable across economies, several assumptions about the case are used:

- The dispute concerns a lawful transaction between two businesses (Seller and Buyer), both located in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- The Buyer orders custom-made furniture, then fails to pay alleging that the goods are not of adequate quality.
- The value of the dispute is 200% of the income per capita or the equivalent in local currency of USD 5,000, whichever is greater.
- The Seller sues the Buyer before the court with jurisdiction over commercial cases worth 200% of income per capita or \$5,000 whichever is greater.
- The Seller requests the pretrial attachment of the defendant's movable assets to secure the claim.
- The claim is disputed on the merits because of Buyer's allegation that the quality of the goods was not adequate.
- The judge decides in favor of the seller; there is no appeal.
- The Seller enforces the judgment through a public sale of the Buyer's movable assets.

Enforcing Contracts - Thailand

Standardized Case

Claim value	THB 427,834
Court name	Bangkok Civil Court
City Covered	Bangkok

Indicator	Thailand	East Asia & Pacific	OECD high income	Best Regulatory Performance
Time (days)	420	581.1	589.6	120 (Singapore)
Cost (% of claim value)	16.9	47.2	21.5	0.1 (Bhutan)
Quality of judicial processes index (0-18)	8.5	8.1	11.7	None in 2018/19

Figure - Enforcing Contracts in Thailand - Score

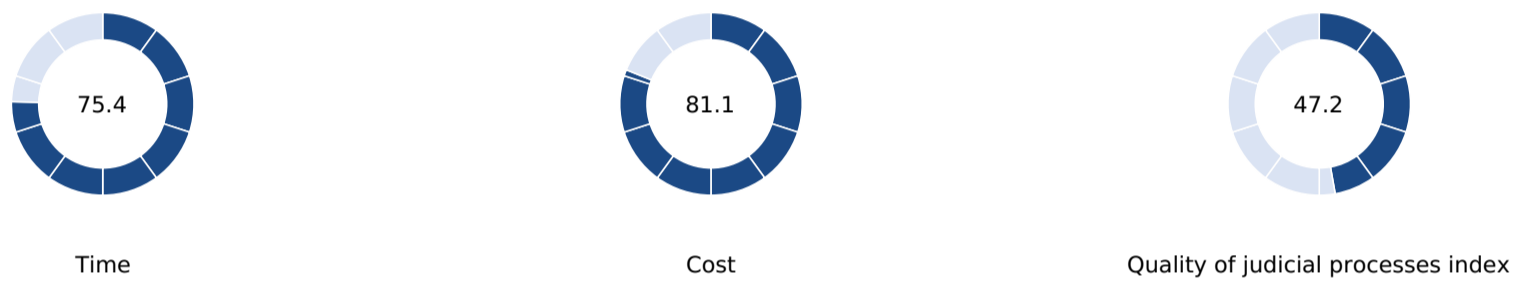
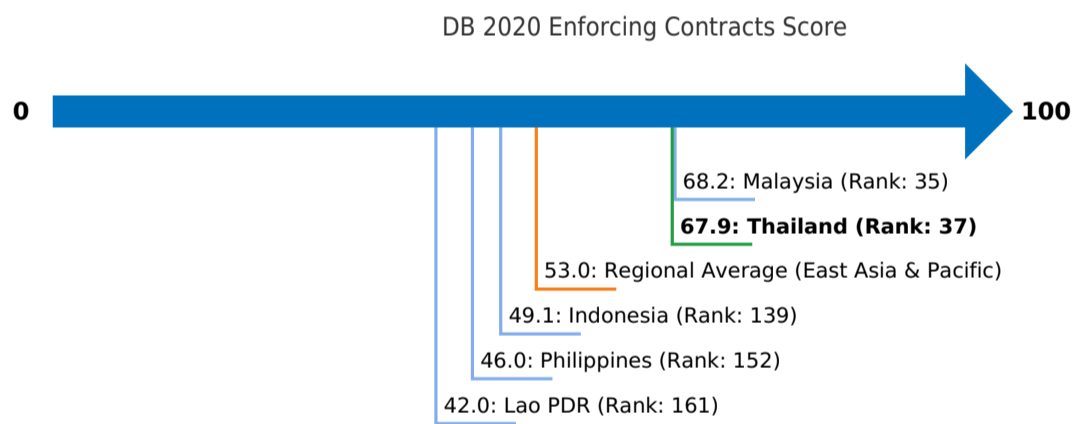


Figure - Enforcing Contracts in Thailand and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of enforcing contracts is determined by sorting their scores for enforcing contracts. These scores are the simple average of the scores for each of the component indicators.

Figure - Enforcing Contracts in Thailand - Time and Cost

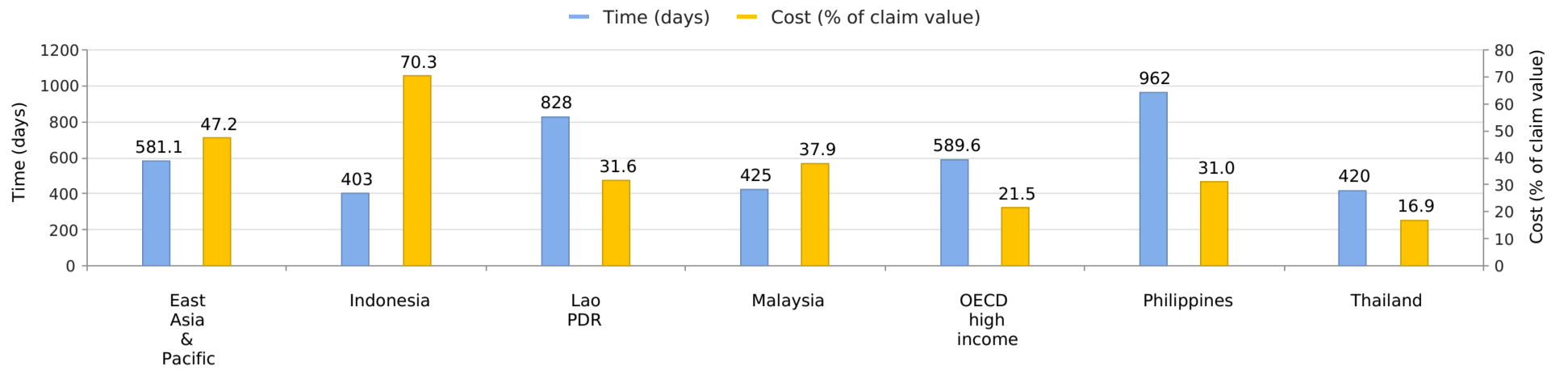
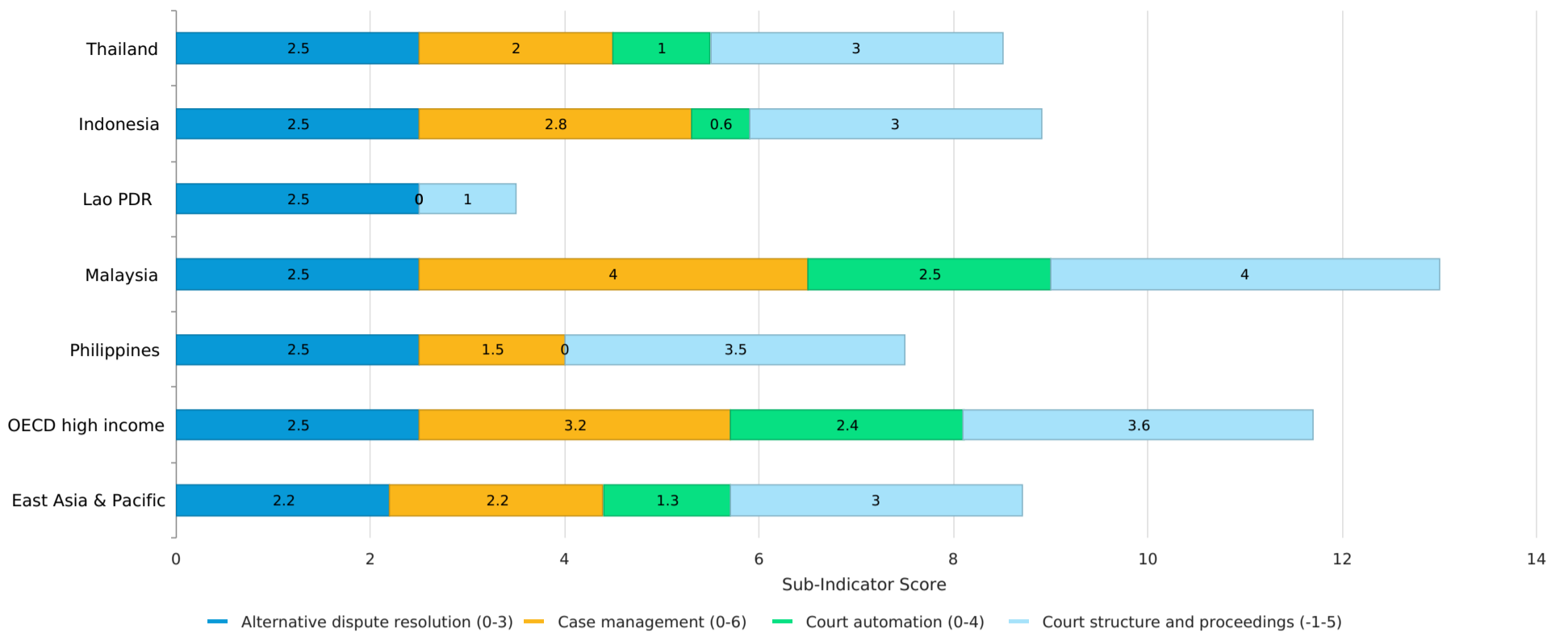


Figure - Enforcing Contracts in Thailand and comparator economies - Measure of Quality



Details - Enforcing Contracts in Thailand

	Indicator
<b>Time (days)</b>	<b>420</b>
Filing and service	60
Trial and judgment	260
Enforcement of judgment	100
<b>Cost (% of claim value)</b>	<b>16.9</b>
Attorney fees	10
Court fees	6.5
Enforcement fees	0.4
<b>Quality of judicial processes index (0-18)</b>	<b>8.5</b>
Court structure and proceedings (-1-5)	3.0
Case management (0-6)	2.0
Court automation (0-4)	1.0
Alternative dispute resolution (0-3)	2.5

## Details - Enforcing Contracts in Thailand - Measure of Quality

	Answer	Score
<b>Quality of judicial processes index (0-18)</b>		<b>8.5</b>
<b>Court structure and proceedings (-1-5)</b>		<b>3.0</b>
1. Is there a court or division of a court dedicated solely to hearing commercial cases?	No	0.0
2. Small claims court		1.5
2.a. Is there a small claims court or a fast-track procedure for small claims?	Yes	
2.b. If yes, is self-representation allowed?	Yes	
3. Is pretrial attachment available?	Yes	1.0
4. Are new cases assigned randomly to judges?	Yes, but manual	0.5
5. Does a woman's testimony carry the same evidentiary weight in court as a man's?	Yes	0.0
<b>Case management (0-6)</b>		<b>2.0</b>
1. Time standards		0.0
1.a. Are there laws setting overall time standards for key court events in a civil case?	Yes	
1.b. If yes, are the time standards set for at least three court events?	No	
1.c. Are these time standards respected in more than 50% of cases?	Yes	
2. Adjournments		0.0
2.a. Does the law regulate the maximum number of adjournments that can be granted?	No	
2.b. Are adjournments limited to unforeseen and exceptional circumstances?	No	
2.c. If rules on adjournments exist, are they respected in more than 50% of cases?	n.a.	
3. Can two of the following four reports be generated about the competent court: (i) time to disposition report; (ii) clearance rate report; (iii) age of pending cases report; and (iv) single case progress report?	Yes	1.0
4. Is a pretrial conference among the case management techniques used before the competent court?	Yes	1.0
5. Are there any electronic case management tools in place within the competent court for use by judges?	No	0.0
6. Are there any electronic case management tools in place within the competent court for use by lawyers?	No	0.0
<b>Court automation (0-4)</b>		<b>1.0</b>
1. Can the initial complaint be filed electronically through a dedicated platform within the competent court?	No	0.0
2. Is it possible to carry out service of process electronically for claims filed before the competent court?	No	0.0
3. Can court fees be paid electronically within the competent court?	Yes	1.0
4. Publication of judgments		0.0
4.a. Are judgments rendered in commercial cases at all levels made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	No	
4.b. Are judgments rendered in commercial cases at the appellate and supreme court level made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	No	
<b>Alternative dispute resolution (0-3)</b>		<b>2.5</b>
1. Arbitration		1.5
1.a. Is domestic commercial arbitration governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all its aspects?	Yes	
1.b. Are there any commercial disputes—aside from those that deal with public order or public policy—that cannot be submitted to arbitration?	No	
1.c. Are valid arbitration clauses or agreements usually enforced by the courts?	Yes	

2. Mediation/Conciliation	1.0
2.a. Is voluntary mediation or conciliation available?	Yes
2.b. Are mediation, conciliation or both governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all their aspects (for example, definition, aim and scope of application, design)?	No
2.c. Are there financial incentives for parties to attempt mediation or conciliation (i.e., if mediation or conciliation is successful, a refund of court filing fees, income tax credits or the like)?	Yes

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## Resolving Insolvency

*Doing Business* studies the time, cost and outcome of insolvency proceedings involving domestic legal entities. These variables are used to calculate the recovery rate, which is recorded as cents on the dollar recovered by secured creditors through reorganization, liquidation or debt enforcement (foreclosure or receivership) proceedings. To determine the present value of the amount recovered by creditors, *Doing Business* uses the lending rates from the International Monetary Fund, supplemented with data from central banks and the Economist Intelligence Unit. The most recent round of data collection was completed in May 2019. [See the methodology for more information.](#)

### What the indicators measure

#### Time required to recover debt (years)

- Measured in calendar years
- Appeals and requests for extension are included

#### Cost required to recover debt (% of debtor's estate)

- Measured as percentage of estate value
- Court fees
- Fees of insolvency administrators
- Lawyers' fees
- Assessors' and auctioneers' fees
- Other related fees

#### Outcome

- Whether business continues operating as a going concern or business assets are sold piecemeal

#### Recovery rate for creditors

- Measures the cents on the dollar recovered by secured creditors
- Outcome for the business (survival or not) determines the maximum value that can be recovered
- Official costs of the insolvency proceedings are deducted
- Depreciation of furniture is taken into account
- Present value of debt recovered

#### Strength of insolvency framework index (0- 16)

- Sum of the scores of four component indices:
- Commencement of proceedings index (0-3)
- Management of debtor's assets index (0-6)
- Reorganization proceedings index (0-3)
- Creditor participation index (0-4)

### Case study assumptions

To make the data on the time, cost and outcome comparable across economies, several assumptions about the business and the case are used:

- A hotel located in the largest city (or cities) has 201 employees and 50 suppliers. The hotel experiences financial difficulties.
- The value of the hotel is 100% of the income per capita or the equivalent in local currency of USD 200,000, whichever is greater.
- The hotel has a loan from a domestic bank, secured by a mortgage over the hotel's real estate. The hotel cannot pay back the loan, but makes enough money to operate otherwise.

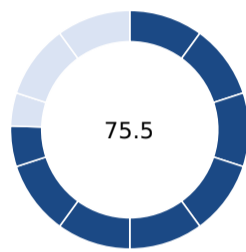
In addition, *Doing Business* evaluates the quality of legal framework applicable to judicial liquidation and reorganization proceedings and the extent to which best insolvency practices have been implemented in each economy covered.



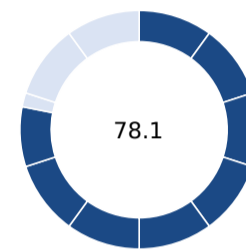
Resolving Insolvency - Thailand

Indicator	Thailand	East Asia & Pacific	OECD high income	Best Regulatory Performance
Recovery rate (cents on the dollar)	70.1	35.5	70.2	92.9 (Norway)
Time (years)	1.5	2.6	1.7	0.4 (Ireland)
Cost (% of estate)	18.0	20.6	9.3	1.0 (Norway)
Outcome (0 as piecemeal sale and 1 as going concern)	1	..	..	..
Strength of insolvency framework index (0-16)	12.5	7.0	11.9	None in 2018/19

Figure - Resolving Insolvency in Thailand - Score

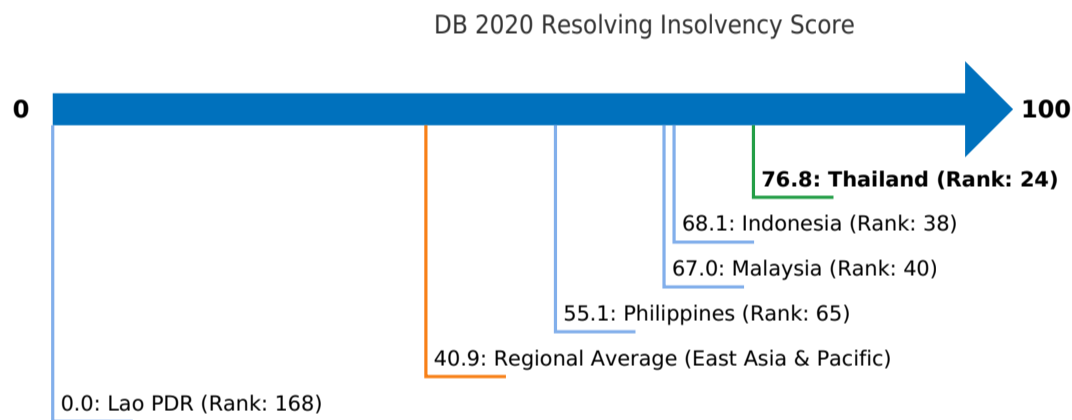


Recovery rate



Strength of insolvency framework index

Figure - Resolving Insolvency in Thailand and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of resolving insolvency is determined by sorting their scores for resolving insolvency. These scores are the simple average of the scores for the recovery rate and the strength of insolvency framework index.

Figure - Resolving Insolvency in Thailand - Time and Cost

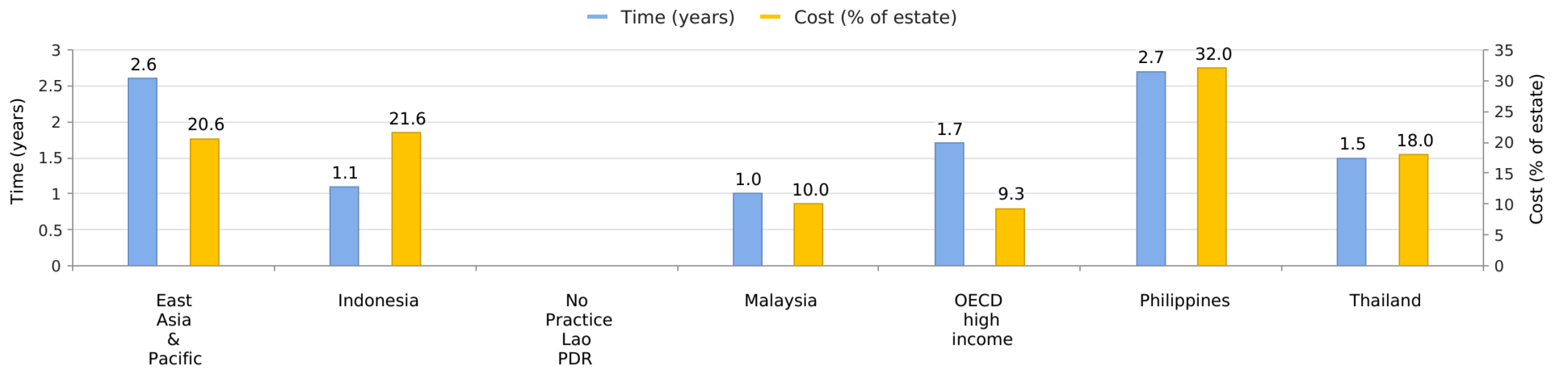
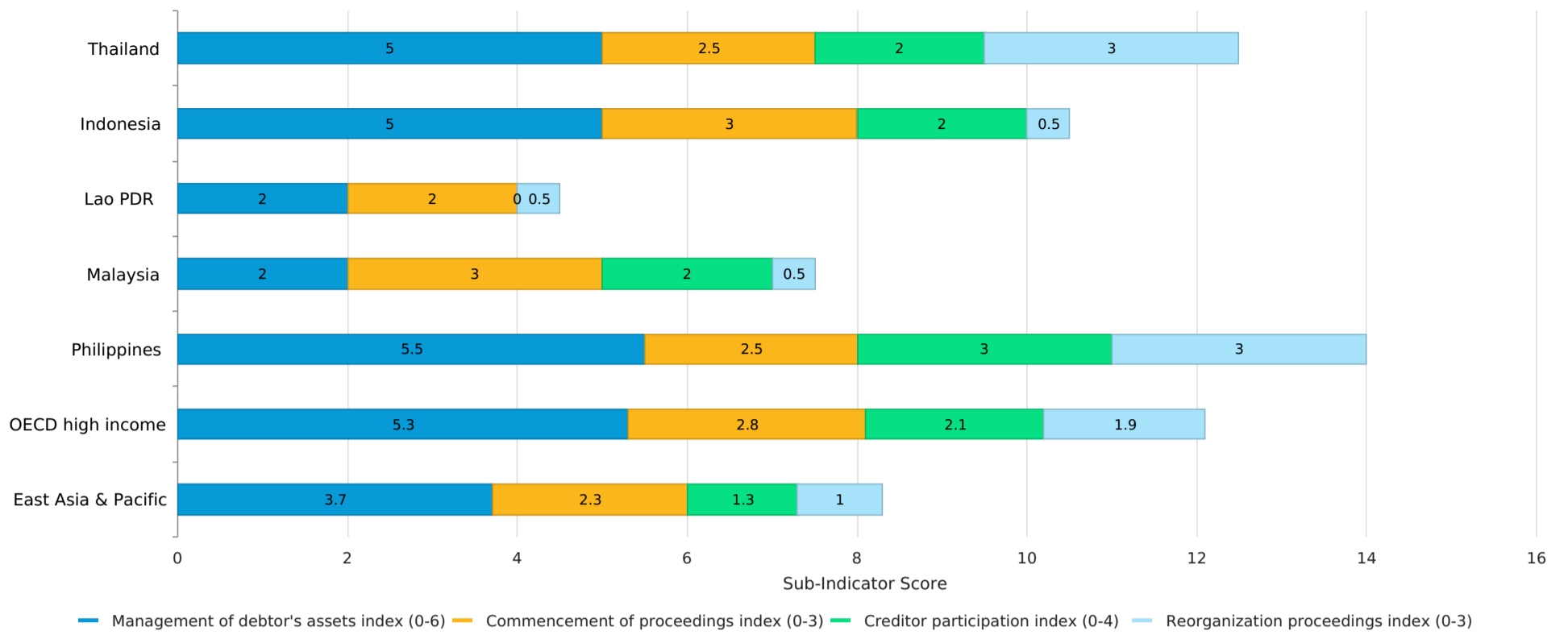
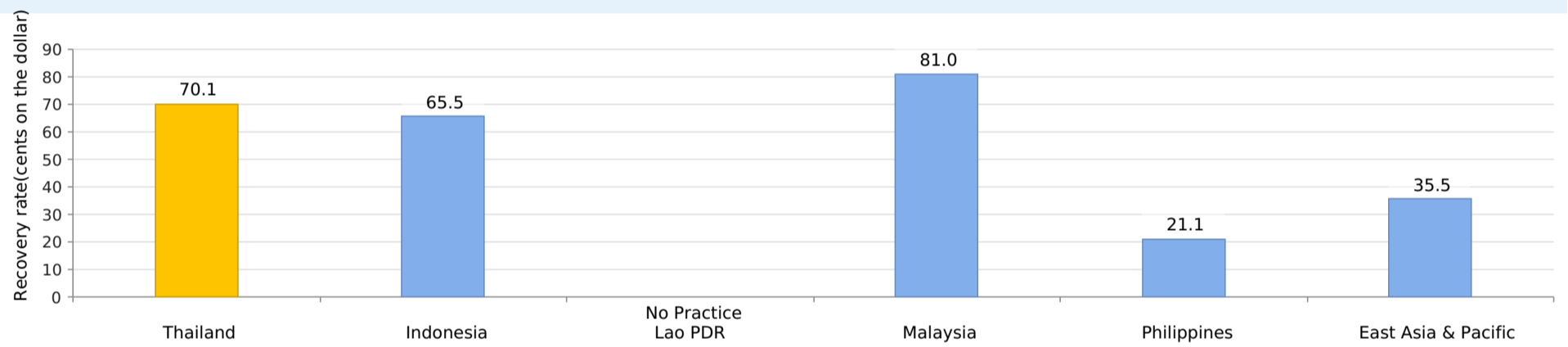


Figure - Resolving Insolvency in Thailand and comparator economies - Measure of Quality



Note: Even if the economy's legal framework includes provisions related to insolvency proceedings (liquidation or reorganization), the economy receives 0 points for the strength of insolvency framework index, if time, cost and outcome indicators are recorded as "no practice."

Figure - Resolving Insolvency in Thailand and comparator economies - Recovery Rate



## Details - Resolving Insolvency in Thailand

Indicator	Answer	Score
Proceeding	reorganization	Mirage management will initiate reorganization as it serves to preserve the value of the hotel and keep the business; in addition, there is an opportunity under the reorganization process to compromise debts with creditors. As specified in Section 90/12 (6) of the Bankruptcy Act B.E. 2483, no secured creditors shall enforce payment of debt against the asset which is security.
Outcome	going concern	The reorganization plan will be approved and the hotel keeps operating as a going concern.
Time (in years)	1.5	The reorganization procedure will approximately take 1.5 years in total. After Mirage's petition to initiate reorganization, it takes around 4 months for the court to review the case, proceed with inquiries to relevant parties to examine the grounds for business reorganization, order the beginning of the reorganization proceeding and appoint an official receiver overseeing the entire process. Pursuant to Section 90/17, the Court would appoint the person who is nominated by Mirage as the plan preparer if suitable, which could take approximate 3 months. Creditors may file an application for repayment of debts for business reorganization within one month after the order of appointment of the plan preparer is published under Section 90/26. As specified in Section 90/43, within 3 months after the appointment, the plan preparer is required to submit the reorganization plan to the official receiver and creditors. In practice it will take around 1 years to prepare the creditor list, draft and vote the plan taking consideration of all possible objections and corresponding amendments to the plan. After the reorganization plan is approved by creditors and verified by the court, the implementation of the plan may take additional 6 months or more until BizBank is repaid some or all of the money owed to it.
Cost (% of estate)	18.0	The costs associated with the case would amount to approximately 18%. Cost incurred during the entire insolvency process mainly include lawyer fees (7%), the fees of the insolvency representative (plan preparer) (5%), other professionals involved, such as accountants and financial advisors (5%) and court fees (1%). Expand
Recovery rate (cents on the dollar)		70.1

## Details - Resolving Insolvency in Thailand - Measure of Quality

	Answer	Score
<b>Strength of insolvency framework index (0-16)</b>		<b>12.5</b>
<b>Commencement of proceedings index (0-3)</b>		<b>2.5</b>
What procedures are available to a DEBTOR when commencing insolvency proceedings?	(c) Debtor may file for reorganization only	0.5
Does the insolvency framework allow a CREDITOR to file for insolvency of the debtor?	(a) Yes, a creditor may file for both liquidation and reorganization	1.0
What basis for commencement of the insolvency proceedings is allowed under the insolvency framework? (a) Debtor is generally unable to pay its debts as they mature (b) The value of debtor's liabilities exceeds the value of its assets	(c) Both (a) and (b) options are available, but only one of them needs to be complied with	1.0
<b>Management of debtor's assets index (0-6)</b>		<b>5.0</b>
Does the insolvency framework allow the continuation of contracts supplying essential goods and services to the debtor?	No	0.0
Does the insolvency framework allow the rejection by the debtor of overly burdensome contracts?	Yes	1.0
Does the insolvency framework allow avoidance of preferential transactions?	Yes	1.0
Does the insolvency framework allow avoidance of undervalued transactions?	Yes	1.0
Does the insolvency framework provide for the possibility of the debtor obtaining credit after commencement of insolvency proceedings?	Yes	1.0
Does the insolvency framework assign priority to post-commencement credit?	(b) Yes over ordinary unsecured creditors but not over secured creditors	1.0
<b>Reorganization proceedings index (0-3)</b>		<b>3.0</b>
Which creditors vote on the proposed reorganization plan?	(b) Only creditors whose rights are affected by the proposed plan	1.0
Does the insolvency framework require that dissenting creditors in reorganization receive at least as much as what they would obtain in a liquidation?	Yes	1.0
Are the creditors divided into classes for the purposes of voting on the reorganization plan, does each class vote separately and are creditors in the same class treated equally?	Yes	1.0
<b>Creditor participation index (0-4)</b>		<b>2.0</b>
Does the insolvency framework require approval by the creditors for selection or appointment of the insolvency representative?	Yes	1.0
Does the insolvency framework require approval by the creditors for sale of substantial assets of the debtor?	No	0.0
Does the insolvency framework provide that a creditor has the right to request information from the insolvency representative?	No	0.0
Does the insolvency framework provide that a creditor has the right to object to decisions accepting or rejecting creditors' claims?	Yes	1.0

**Note:** Even if the economy's legal framework includes provisions related to insolvency proceedings (liquidation or reorganization), the economy receives 0 points for the strength of insolvency framework index, if time, cost and outcome indicators are recorded as "no practice."

## Employing Workers

*Doing Business* presents detailed data for the employing workers indicators on the *Doing Business* website (<http://www.doingbusiness.org>). The study does not present rankings of economies on these indicators or include the topic in the aggregate ease of doing business score or ranking on the ease of doing business.

The most recent round of data collection was completed in May 2019. [See the methodology for more information.](#)

### What the indicators measure

#### Hiring

(i) whether fixed-term contracts are prohibited for permanent tasks; (ii) maximum cumulative duration of fixed-term contracts; (iii) length of the maximum probationary period; (iv) minimum wage; (v) ratio of minimum wage to the average value added per worker.

#### Working hours

(i) maximum number of working days allowed per week; (ii) premiums for work: at night, on a weekly rest day and overtime; (iii) whether there are restrictions on work at night, work on a weekly rest day and for overtime work; (iv) length of paid annual leave.

#### Redundancy rules

(i) whether redundancy can be basis for terminating workers; (ii) whether employer needs to notify and/or get approval from third party to terminate 1 redundant worker and a group of 9 redundant workers; (iii) whether the law requires employer to reassign or retrain a worker before making worker redundant; (iv) whether priority rules apply for redundancies and reemployment.

#### Redundancy cost

(i) notice period for redundancy dismissal; (ii) severance payments, and (iii) penalties due when terminating a redundant worker. Data on the availability of unemployment protection for a worker with one year of employment is also collected.

### Case study assumptions

To make the data comparable across economies, several assumptions about the worker and the business are used.

#### The worker:

- Is a cashier in a supermarket or grocery store, age 19, with one year of work experience.
- Is a full-time employee.
- Is not a member of the labor union, unless membership is mandatory.

#### The business:

- Is a limited liability company (or the equivalent in the economy).
- Operates a supermarket or grocery store in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Has 60 employees.
- Is subject to collective bargaining agreements if such agreements cover more than 50% of the food retail sector and they apply even to firms that are not party to them.
- Abides by every law and regulation but does not grant workers more benefits than those mandated by law, regulation or (if applicable) collective bargaining agreements.

## Employing Workers - Thailand

## Details - Employing Workers in Thailand

	Answer
<b>Hiring</b>	
Fixed-term contracts prohibited for permanent tasks?	Yes
Maximum length of a single fixed-term contract (months)	No limit
Maximum length of fixed-term contracts, including renewals (months)	No limit
Minimum wage applicable to the worker assumed in the case study (US\$/month)	248.7
Ratio of minimum wage to value added per worker	0.3
Maximum length of probationary period (months)	0.0
<b>Working hours</b>	
Standard workday	8.0
Maximum number of working days per week	6.0
Premium for night work (% of hourly pay)	0.0
Premium for work on weekly rest day (% of hourly pay)	0.0
Premium for overtime work (% of hourly pay)	50.0
Restrictions on night work?	No
Restrictions on weekly holiday?	No
Restrictions on overtime work?	No
Paid annual leave for a worker with 1 year of tenure (working days)	6.0
Paid annual leave for a worker with 5 years of tenure (working days)	6.0
Paid annual leave for a worker with 10 years of tenure (working days)	6.0
Paid annual leave (average for workers with 1, 5 and 10 years of tenure, in working days)	6.0
<b>Redundancy rules</b>	
Dismissal due to redundancy allowed by law?	Yes
Third-party notification if one worker is dismissed?	No
Third-party approval if one worker is dismissed?	No
Third-party notification if nine workers are dismissed?	No
Third-party approval if nine workers are dismissed?	No
Retraining or reassignment obligation before redundancy?	No
Priority rules for redundancies?	No
Priority rules for reemployment?	No
<b>Redundancy cost</b>	
Notice period for redundancy dismissal for a worker with 1 year of tenure (weeks of salary)	4.3
Notice period for redundancy dismissal for a worker with 5 years of tenure (weeks of salary)	4.3
Notice period for redundancy dismissal for a worker with 10 years of tenure (weeks of salary)	4.3
Notice period for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure, in weeks of salary)	4.3
Severance pay for redundancy dismissal for a worker with 1 year of tenure (weeks of salary)	15.0
Severance pay for redundancy dismissal for a worker with 5 years of tenure (weeks of salary)	30.0

Severance pay for redundancy dismissal for a worker with 10 years of tenure (weeks of salary)	50.0
Severance pay for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure, in weeks of salary)	31.7
Unemployment protection after one year of employment?	Yes



## Business Reforms in Thailand

From May 2, 2018 to May 1, 2019, 115 economies implemented 294 business regulatory reforms across the 10 areas measured by Doing Business. Reforms inspired by *Doing Business* have been implemented by economies in all regions. The following are reforms implemented since *Doing Business* 2008.

✓ = *Doing Business* reform making it easier to do business. ✗ = Change making it more difficult to do business.

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### DB2020

✓ **Dealing with Construction Permits:** Thailand made dealing with construction permits easier by introducing legislation requiring phased inspections during construction.

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### DB2019

✓ **Starting a Business:** Thailand made starting a business less costly by introducing fixed registration fees.

✓ **Getting Electricity:** Thailand increased the transparency of electricity tariff changes. Thailand also made getting electricity easier by streamlining the number of procedures needed to obtain a new connection.

✓ **Paying Taxes:** Thailand made paying taxes easier by enhancing its online platform for calculating and filing corporate income tax.

✓ **Trading across Borders:** Thailand made trading across borders faster by introducing the E-Matching system for electronic cargo control, thereby reducing the time for border compliance.

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### DB2018

✓ **Starting a Business:** Thailand made starting a business easier by abolishing the requirement to obtain a company's seal and eliminating the need for approval from the Labor Department of company work regulations.

✓ **Getting Electricity:** Thailand made getting electricity easier by streamlining procedures through the implementation of a geographic information system, eliminating the external site inspection.

✓ **Registering Property:** Thailand improved the reliability of its land administration system by implementing a geographic information system and by scanning maps for most of Bangkok.

✓ **Getting Credit:** Thailand strengthened access to credit by adopting new legislation that broadens the scope of assets that can be used as collateral. Thailand now allows a general description of assets granted as collateral and allows the security interest to automatically attach to the proceeds of the original asset. It also establishes clear grounds for relief from a stay for secured creditors during reorganisation procedures and allows out-of-court enforcement of collateral.

✓ **Protecting Minority Investors:** Thailand strengthened minority investor protections by making it easier to sue directors in case of prejudicial related-party transactions, increasing shareholder rights and role in major corporate decisions and clarifying ownership and control structures.

✓ **Paying Taxes:** Thailand made paying taxes easier by introducing an automatic risk-based system for selecting companies for a tax audit. It also made paying taxes less costly by reducing the property transfer tax rate.

✓ **Enforcing Contracts:** Thailand made enforcing contracts easier by introducing a system that allows users to pay court fees electronically. Thailand also reduced enforcement times by increasing the automation and efficiency of enforcement processes.

✓ **Resolving Insolvency:** Thailand made resolving insolvency easier by changing the voting procedures for reorganization plans.

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### DB2017

✓ **Starting a Business:** Thailand made starting a business easier by creating a single window for registration payment and reducing the time to obtain a company seal.

✓ **Getting Credit:** Thailand improved access to credit information by starting to provide credit scores to banks and financial institutions.

✓ **Resolving Insolvency:** Thailand made resolving insolvency easier by introducing new restructuring for small and medium-size companies and by streamlining provisions related to company liquidation.

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### DB2015

✓ **Dealing with Construction Permits:** Thailand made dealing with construction permits less time-consuming by introducing a fast-track approval process for building permits for smaller buildings.

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### DB2014

✓ **Paying Taxes:** Thailand made paying taxes less costly for companies by reducing employers' social security contribution rate.

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### DB2013

✓ **Starting a Business:** Thailand made starting a business easier by allowing the registrar at the Department of Business Development to receive the company's work regulations.

✓ **Paying Taxes:** Thailand made paying taxes less costly for companies by reducing the profit tax rate.

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DB2012

- ✓ **Starting a Business:** Thailand made starting a business easier by introducing a one-stop shop.
  - ✗ **Registering Property:** Thailand made registering property more expensive by increasing the registration fee.
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DB2011

- ✗ **Registering Property:** Thailand made registering property more costly by repealing a 2-year temporary tax reduction for property transfers.
  - ✓ **Paying Taxes:** Thailand temporarily lowered taxes on business by reducing its specific business tax for 12 months.
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DB2010

- ✓ **Starting a Business:** Thailand made starting a business easier by merging 2 registration procedures in a single application form.
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DB2009

- ✓ **Registering Property:** Thailand reduced the cost to transfer property through provisional cuts in 2 taxes: the transfer fee and the specific business tax.
  - ✓ **Protecting Minority Investors:** Thailand strengthened investor protections by enhancing directors' duties and increasing remedies in cases where related-party transactions harm the company.
  - ✓ **Paying Taxes:** Thailand made paying taxes easier and less costly for companies by encouraging electronic filing and payment, by introducing an exemption from corporate income tax for companies with taxable income not exceeding 1.2 million baht and concessionary rates for newly listed companies and by reducing the special business tax on property transactions as well as property transfer and mortgage fees.
  - ✓ **Trading across Borders:** Thailand reduced the time and number of documents for exporting and importing by upgrading the electronic data interchange system.
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DB2008

- ✓ **Trading across Borders:** Thailand reduced the time required for trading across borders by implementing a system allowing electronic submission of customs declarations and simultaneous verification of data by different agencies.

*Doing Business 2020* is the 17th in a series of annual studies investigating the regulations that enhance business activity and those that constrain it. It provides quantitative indicators covering 12 areas of the business environment in 190 economies. The goal of the *Doing Business* series is to provide objective data for use by governments in designing sound business regulatory policies and to encourage research on the important dimensions of the regulatory environment for firms.

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