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A more Simplified Civil and Commercial Code

Major amendments to the Civil and Commercial Code were published in the Government Gazette on 3 March 2008, and will be effective 1 July 2008. These measures include a reduction from 7 persons to 3 in respect of the minimum number of shareholders required for incorporation of a private limited company as well as a reduction in the time required for the incorporation process to just 1 day if certain conditions are met. The reduction in the number of minimum shareholders required will apply to both newly incorporated entities and existing companies.

The new amendments will also allow the passing of a special resolution through only one shareholder meeting where the motion needs to be passed by a majority of not less than $\frac{3}{4}$ of the votes of the shareholders present and having the right to vote. Previously such resolutions needed to be confirmed by two successive shareholder meetings.

The Government hopes that by relaxing some of the administrative requirements, it will help bring Thailand more in line with its peers, which is one step designed to foster foreign investment.

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