

MEMORANDUM

November 2010

Re: **Proposed Amendments to Thai companies law**

2008 Amendments

Amendment no. 18 to the CCC was published in the Government Gazette on March 3, 2008. Section 2 of the Act provides that the Act came into force on 1 July 2008 (“**2008 Amendment**”). Among others, the 2008 Amendment provides that notices of all shareholders’ meetings must be published in the newspaper.

2008 New Guidelines and Notification

From August 26, 2008, the Companies Registrar of the Department of Business Development of the Ministry of Commerce was instructed by the Director of the Department to follow new guidelines adopted at a meeting of the Legal Advisory Committee of the Department (“**New Guidelines**”), and the Notification of the Companies Registrar of the Department of Business Development of the Ministry of Commerce issued on September 10, 2008 (“**Notification**”), that likewise provides that any company’s articles of association which contains provisions allowing directors’ proxies or circular resolutions will have no effect, regardless of whether any amendment has made to maintain such provisions.

Draft Amendments to the Civil and Commercial Code (CCC):

On 18 August 2009, the Council of Ministers (the “**Cabinet**”) approved the draft amendment to the Civil and Commercial Code (“**CCC**”) which aims to ease the administration difficulties faced by private limited companies due to the 2008 Amendment, the New Guidelines and the Notification.

In summary, the draft amendment to the CCC provides major changes as follows:

- The presence of the directors in the board meetings will no longer be a requirement if the convocation of a board meeting is made through the current technology, e.g. telephone conference and video conference provided that those procedures must be registered in the articles of association of the company.
- No newspaper publication of a notice of shareholders' meeting will be required for a company that has shares with named certificates.

The Cabinet approved the draft bill (attached) on August 18, 2009 based on the above amendment as proposed by the Ministry of Commerce. This draft act will be forwarded for the consideration of the Office of the Council of State prior to submission to the House of Representatives for their consideration.

The bill is pending consideration of the Council of State.