

# Call in for a Coffee

RSM Nelson Wheeler, Thailand

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## Introduction

Welcome to RSM's fourth edition of the "Call in for a Coffee" Newsletter. This issue attempts to explain the circumstances in which foreigners and foreign entities can own land and condominiums in Thailand.

## Alien Land & Condominium Ownership Rights

Under normal circumstances, aliens (foreigners) and alien juristic persons are not permitted to own land in Thailand. However, certain aliens or alien juristic persons may acquire land for certain purposes as described below:-

### Alien juristic persons (foreign entities including companies and partnerships) land ownership rights

- Alien juristic persons may be granted promotional privileges under the Investment Promotion Act B.E. 2520. In accordance with Section 27, these persons with promotional privileges shall have the right to own land in order to carry on the promoted activities to such extent as the Board of Investment deems appropriate.
- Juristic persons are not classified as aliens under section 97 and 98 of the Land Code. Juristic persons with less than half of their shareholders being foreign are able to purchase land. However, in general practice a juristic person who has foreigners holding shares ranging from forty to forty nine percent must receive prior approval to purchase land from the Land Department or the Governor of the Province in which the land is situated.

## Aliens

The amendment of the Land Code Act dated 19 May, 1999 allows certain aliens to own land. Aliens who wish to acquire land must bring foreign currency into Thailand for an amount as specified in the ministerial regulations but not less than 40

million Baht for the specified investment prescribed in the same ministerial regulations. Aliens meeting these requirements may obtain permission from the Minister of Interior. This permission allows aliens to own land for residential purposes in an area not exceeding 1 rai.

In addition, aliens are permitted to own condominiums under the Condominium Act. In a building containing condominiums, aliens including alien juristic persons may own a total percentage of such condominiums up to but not exceeding forty nine percent.

### Aliens permitted to own condominiums:

#### *Alien juristic persons*

- Alien juristic persons under section 97 and 98 of the Land Code B.E. 2497 who are registered juristic person under Thai laws.
- Alien juristic persons who have been granted promotional privileges under the investment promotion Act.
- Other juristic persons may own condominiums by bringing in Thai or foreign currency to purchase condominiums or using Thai or foreign currency from their accounts to purchase such.

#### *Aliens*

- Aliens who hold residence permits under the Thai Immigration laws.
- Aliens under the investment promotion law.
- Other aliens who are not permitted to reside in Thailand or have not entered into Thailand under the investment promotion law may own condominiums by bringing in foreign currency to purchase condominiums or using Thai or foreign currency from their own accounts to purchase such.
- Any Thai who has an alien spouse including those who have divorced their alien spouse.



### **Free Consultation**

Translation of business ideas into realistic projects requires expert advice. RSM can assist you in formulating practical solutions to obstacles which may be encountered while undertaking business in Thailand.

If you have financial, legal or other problems that require innovative solutions, please contact the RSM team and “**Call In For A Coffee**” for a free consultation.

### **Our Team**

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