Siam Legal International Outlines Nominee Crackdown Risks for Foreign-Owned Businesses

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Bangkok, Thailand - September 17, 2026 -
Siam Legal International, a full-service law firm with more than 22 years of experience assisting foreign nationals in Thailand, is reporting on an intensified government crackdown on nominee business structures following findings that approximately 2,200 companies are suspected of illegally holding land through foreign-majority ownership arrangements.

Deputy Interior Minister Polapee Suwunchawee said the finding followed a meeting with the Justice and Commerce ministries, during which the agencies agreed to share information on nominee arrangements, foreign capital flows, and suspected scam operations. The Department of Lands is expected to accelerate its review of the 2,200 identified companies and pursue compulsory sales of land in cases where violations are confirmed.

Authorities have separately flagged more than 11,000 additional companies as suspicious because of unusual changes in shareholding structures or bank accounts, according to the same report. The Deputy Interior Minister said the combined estimated asset value tied to these companies has risen from THB 65 billion two weeks earlier to THB 85 billion, and that police, the Business Development Department, the Land

Department, and the Department of Provincial Administration are jointly investigating the companies to determine whether each represents a legitimate business or an unlawful nominee arrangement. The investigations are expected to conclude by the end of September.

The scrutiny centers on structures in which a foreign investor holds an ownership stake through Thai nominee shareholders to circumvent restrictions on foreign land ownership and majority ownership in restricted business categories, a practice that has drawn periodic enforcement attention in past years but is now being pursued with expanded interagency cooperation and a defined completion deadline. Under Thailand's Land Code and Foreign Business Act, land and certain categories of business generally require majority Thai ownership, and companies found to be using Thai shareholders as nominees to disguise foreign control can face compulsory disposal of land, corporate dissolution, and criminal liability for those involved in arranging the structure.

Chiara Budelli, Partner and Corporate Advisor at Siam Legal International, said, "Foreign investors who structured their Thai companies some years ago, sometimes with guidance that has not aged well, are now the ones facing the most exposure in this round of enforcement." Budelli said the current review differs from earlier enforcement cycles in that it draws on coordinated data from land, corporate, and banking records rather than isolated tips, making it harder for structures with genuine nominee arrangements to remain undetected. She added that companies with legitimate foreign minority stakes and properly documented capital contributions have less reason for concern, but that any business unable to demonstrate the commercial substance behind its shareholding structure should expect closer questioning during this review period.

Siam Legal International advises foreign investors and Thai companies with foreign shareholders on structuring reviews, documentation of capital contributions, and corporate governance measures intended to demonstrate that a shareholding arrangement reflects genuine investment rather than a nominee relationship. The firm also assists clients responding to inquiries from the Department of Lands, the Business Development Department, or other agencies involved in the current review, including the preparation of records that show the source and timing of capital contributed by each shareholder.

Enhanced screening measures have already contributed to a sharp drop in newly registered companies flagged as at risk compared with the previous year, driven by stricter checks on foreign shareholders, directors, and the source of investment funds. Authorities are cross-checking business registrations against tax records and land ownership data to identify irregular structures, with construction, tourism, real estate, legal services, and restaurants among the sectors seeing more frequent inspections. Additional registration requirements are expected to be introduced in the coming months, adding further verification steps for businesses with foreign involvement. Foreign investors and business owners with an interest in a Thai company, including those holding a passive or silent stake, are advised to review their ownership structure before the new requirements take effect, a process described in detail in Siam Legal's nominee crackdown update, a video briefing produced by the firm's corporate team.

Siam Legal International is a full-service law firm with more than 22 years of experience representing foreign nationals across immigration, property, corporate, and litigation matters in Thailand, with offices in Bangkok, Chiang Mai, Phuket, and Pattaya. The firm advises individuals and businesses on residency planning, property transactions, corporate structuring, and dispute resolution.

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For more information about Siam Legal International, contact the company here:Siam Legal InternationalRex Baay+662 254 8900info@siam-legal.com18th Floor, Unit 1806 Two Pacific Place,142 Sukhumvit Rd, Khlong Toei,Bangkok 10110, Thailand

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Website: https://www.siam-legal.com/

Email: info@siam-legal.com

Phone: +662 254 8900