



Siam Legal International Advises on Intensified Crackdown on Nominee Business Structures in Thailand

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Siam Legal International, a Thailand-based law firm advising on legal, immigration, and regulatory matters, is providing guidance to foreign investors and business operators following the Thai government's latest escalation in enforcement against nominee business arrangements and foreign-controlled entities operating outside the scope of local regulations.

The advisory comes amid a coordinated national effort to address the misuse of Thai nominees, strengthen anti-money laundering measures, and reinforce compliance standards across multiple industries.

According to government officials, the crackdown builds on earlier enforcement under the "Quick Big Win" policy, which targets practices deemed harmful to Thailand's economic integrity. These include the use of Thai nationals as proxy shareholders to circumvent restrictions on foreign business ownership Thailand, particularly under the Foreign Business Act. Authorities have emphasized that such arrangements not only undermine regulatory frameworks but also distort fair market competition.

Recent data indicates that enforcement measures are already producing measurable outcomes. Since January 1, 2026, companies identified as being at risk of nominee involvement have been required to submit additional financial documentation during the registration process. This policy shift has led to a reported 60% reduction in high-risk companies in the first quarter of 2026 compared to the same period in the previous year.

Further tightening of investment verification requirements, introduced on April 1, has accelerated this trend. Between April 1 and April 23, authorities identified 175 high-risk companies, representing a 75% decrease from the same timeframe in 2025. These figures reflect a significant shift in regulatory enforcement and signal a more structured approach to screening foreign-linked business activities.

The next phase of enforcement will focus on three core areas: in-depth investigations into nominee networks, expanded on-site inspections combined with inter-agency data integration, and closer scrutiny of foreign-owned legal entities suspected of violating Thai laws. Authorities have already identified 11 high-risk business groups linked to more than 300 legal entities, with cases referred to the Central Investigation Bureau for further action.

In addition, inspections have been conducted across 27 locations in 10 provinces, with findings distributed among multiple government bodies for coordinated legal follow-up. A total of 4,372 foreign-linked companies have been examined, with evidence currently being compiled for potential enforcement proceedings.

A key development in this initiative is the formalization of cooperation among 21 state agencies, expected to be finalized through an inter-agency agreement at Government House. This framework is designed to enhance data sharing, improve joint monitoring systems, and establish more effective enforcement mechanisms against what authorities describe as "grey business" operations.

Kittisak Sripareesri, Attorney at Law, commented on the legal implications of these developments: "Thailand is entering a stricter enforcement phase where nominee arrangements are no longer treated as a regulatory grey area. Authorities are actively investigating ownership structures, financial flows, and operational control to determine whether businesses are genuinely compliant or operating through concealed foreign control."

He further emphasized the legal risks associated with improper structuring: "In cases where nominee arrangements are identified, the consequences can extend beyond administrative penalties. Businesses and individuals may face criminal liability, asset seizure, and long-term restrictions on conducting business in Thailand. The current enforcement environment requires full transparency and legally sound structuring from the outset."

Siam Legal International advises foreign nationals and companies currently operating in Thailand to conduct

immediate compliance reviews of their corporate structures, particularly in sectors where foreign ownership limitations apply. This includes verifying shareholder arrangements, reviewing corporate governance practices, and ensuring that all financial disclosures meet current regulatory standards.

The firm also notes that the government's intensified enforcement is not solely punitive. By addressing illegal nominee arrangements and strengthening regulatory oversight, Thailand aims to improve investor confidence and create a more stable and transparent business environment for legitimate foreign investment.

Siam Legal International is a Thailand-based law firm with an established presence across Bangkok, Chiang Mai, Phuket, and Pattaya, providing legal and regulatory advisory services to both foreign and Thai clients.

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