

Siam Legal Phuket Issues Advisory as Nominee Crackdown Reaches Phuket's Freedom Beach

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Siam Legal Phuket is advising foreign nationals with property and business interests in Phuket to seek immediate legal review following government enforcement action that has now reached the island directly, with Prime Minister Anutin Charnvirakul personally overseeing operations at Freedom Beach on May 13, 2026.

The Phuket operation marked a significant escalation from earlier enforcement activity on Koh Phangan and Koh Samui. More than 200 officers searched 14 locations at Freedom Beach, seizing 37 land title deeds covering approximately 51 rai of land valued at more than 150 million baht. Authorities said they are examining six law offices suspected of helping set up 27 nominee entities, and 23 cases have already been filed covering 63 rai. The crackdown identified 15 businesses in Phuket involving foreign nationals operating in violation of the Foreign Business Act and nominee laws, with Russians representing the largest group of suspects followed by Chinese nationals. Charges include operating businesses in sectors restricted to Thai nationals and using nominees to circumvent ownership laws.

The crackdown is reshaping conversations throughout Thailand's foreign business community, with law firms reporting rising demand for corporate restructuring, compliance reviews, and BOI applications as investors seek legal alternatives to nominee arrangements. Some foreign nationals have expressed concern that authorities may apply evolving enforcement standards retrospectively to structures created years ago under looser oversight environments. New DBD screening rules that took effect January 1, 2026 have already produced measurable results, with the number of high-risk company registrations falling 60% in the first quarter of 2026, dropping from 3,511 to 1,373.

"The enforcement action at Freedom Beach sends a clear message that no part of Phuket is outside the scope of this investigation," said Omar O Manee, Attorney at Law at Siam Legal Phuket. "Foreign investors who have held property or operated businesses through nominee structures, even those established many years ago, should not assume those arrangements remain below the radar. Proactive legal review is now a matter of urgency." Investigators are also applying the Rule of Five, under which five or more companies registered at a single address trigger an automatic red flag requiring the submission of formal consent letters, floor plans, and evidence of a genuine right to occupy the premises.

Prime Minister Anutin has ordered an urgent investigation into local officials in Phuket and Surat Thani provinces over alleged involvement in nominee businesses, illegal land encroachment, and other unlawful activity in major tourist areas. At Freedom Beach, authorities have expressed concern over the influence of a group described as the Freedom Beach Mafia, which allegedly claims ownership of encroached land and has reportedly sold portions to foreign nationals, with reports of shooting threats used to intimidate officials conducting inspections.

For foreign nationals holding property or business interests in Phuket, Siam Legal Phuket outlines the legally compliant alternatives. Freehold condominium ownership within the 49% foreign quota remains the most secure route, provided purchase funds are remitted from abroad and documented with a Foreign Exchange Transaction Form issued by a Thai bank. Registered 30-year leaseholds remain a recognized option for landed property, though renewal clauses are contractual promises and not guaranteed by statute. Superficies and usufruct rights offer further compliant structures, and the Board of Investment promotion can unlock extended land use rights for qualifying investors and businesses.

Siam Legal Phuket is part of Siam Legal International, a Thailand-based law firm with offices in Bangkok, Chiang Mai, Phuket, and Pattaya. For over 22 years, the firm has provided legal and regulatory advisory services to both foreign and Thai clients, with a focus on property law, corporate structuring, family law, litigation, and long-term residency planning.

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Siam Legal Phuket

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