Siam Legal International Issues Advisory on Thai Nominee Scrutiny for Foreign Business Owners

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Siam Legal International, a full-service law firm with more than 22 years of experience assisting foreign nationals in Thailand, is advising foreign investors, business owners, and silent partners in Thai companies to review their ownership structures following a significant escalation in government scrutiny of nominee arrangements across multiple business sectors.

Recent government data confirms that enhanced screening has led to a sharp drop in newly registered high-risk companies compared to the previous year, driven by stricter verification of foreign shareholders, directors, and the source of investment funds. Authorities are actively cross-checking business registrations against tax records, land ownership data, and other government agency databases to identify irregular ownership structures. Sectors currently seeing the most frequent inspections include construction, tourism, real estate, legal services, and restaurants. New stricter registration requirements are expected to roll out in the near term, adding further verification steps for foreign-linked businesses and raising the compliance bar for any company with foreign involvement.

Thai law limits foreign ownership across many business categories under the Foreign Business Act, and using Thai nominee shareholders to work around those limits is illegal regardless of how the arrangement is structured. Companies with foreign shareholdings just under the legal ownership threshold are now subject to increased scrutiny, as authorities have identified this pattern as a common indicator of nominee arrangements designed to circumvent the law. The consequences for businesses found to be operating through illegal nominee structures include prosecution of both the foreign principals and the Thai nominees, forced company dissolution, asset seizure, and, in serious cases, deportation and re-entry bans for foreign nationals involved.

The scale of the current enforcement effort reflects a structural shift in how Thai authorities approach foreign business compliance. The Department of Business Development's Intelligence Business Analytic System, an AI-powered platform operational since October 2025, automatically cross-references corporate registry data with government databases to flag companies exhibiting patterns consistent with nominee ownership. Since its introduction, the number of high-risk company registrations has fallen 60% in the first quarter of 2026 alone, dropping from 3,511 to 1,373, indicating that the screening measures are already producing measurable results before formal prosecution proceedings are initiated.

"The enforcement trend we are seeing is not directed at foreign investment generally. Thailand continues to actively welcome legitimate foreign businesses," said Chiara Budelli, Partner at Siam Legal International and corporate and commercial lawyer specializing in foreign investment and corporate structuring. "What authorities are targeting specifically is the use of ownership workarounds that create legal risk for both the business and its foreign stakeholders. The window to address informal arrangements before new requirements come into force is narrowing, and a compliance review now is significantly less costly than addressing a regulatory challenge after the fact." For further context, Thailand's Nominee Crackdown outlines what the latest enforcement developments mean for foreign business owners in practice.

For foreign nationals seeking compliant business ownership structures in Thailand, several legitimate pathways exist. Board of Investment promotion provides qualifying businesses with the right to own land and operate in restricted sectors without Thai partner requirements. Treaty of Amity protections extend certain ownership rights to American nationals operating in Thailand. Specific business categories open to foreign majority ownership under the Foreign Business Act provide another route, and properly structured joint ventures with genuine Thai partners remain a legally sound option where foreign ownership limits apply.

Siam Legal International is a full-service law firm with more than 22 years of experience assisting foreign nationals in Thailand, with offices in Bangkok, Chiang Mai, Phuket, and Pattaya. The firm provides comprehensive legal support across corporate structuring, foreign investment, regulatory compliance, immigration, property transactions, and litigation.

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