

## Doing Business in Thailand – Representative Office

One of the most interesting ways to start a business presence in Thailand for a foreign investor is the “Representative Office”. The Representative Office is not a distinct legal entity or “juristic person” under Thai law. Therefore, there is no requirement that it have partners or shareholders of any kind.

The law limits the functions of the Representative Office to supporting roles such as:

- Searching for local sources of goods or services in Thailand for the offshore head office or affiliates or subsidiaries of the offshore head office;
- Checking and controlling the quality and quantity of goods purchased or manufactured in Thailand by the off-shore head office or affiliates or subsidiaries of the off-shore head office;
- Giving advice and assistance concerning goods of the offshore head office or affiliates or subsidiaries of the offshore head office sold to agents or consumers in Thailand;
- Disseminating information concerning goods or new services of the offshore head office or affiliates or subsidiaries of the offshore head office; and/or
- Reporting on business developments in Thailand to the offshore head office or affiliates/subsidiaries of that office.

The Representative Office is allowed to have foreign employees. And these employees are granted significant income tax relief. However, a Representative Office itself is not allowed to receive any income from its activities in Thailand. Thus, the operations of the Representative Office must be financed in their entirety by the offshore head

office. Even so, a Representative Office is still required to file annual audited financial statements to the Thai Revenue Department.

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