Siam Legal Phuket Advises on Thailand Crackdown After Chon Buri Nominee Firms Shut Down

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Siam Legal International, a full-service Phuket law firm, with over 20 years of experience, is advising foreign investors and business owners on the legal implications of Thailand?s intensified enforcement actions against nominee structures, following the recent shutdown of four companies in Chon Buri province.

The Department of Business Development (DBD), in coordination with relevant government agencies, ordered the closure of four companies suspected of using Thai nominee shareholders to circumvent foreign ownership restrictions under the Foreign Business Act. The multi-day enforcement operation targeted tourism and property-related businesses allegedly controlled by foreign interests through indirect shareholding arrangements.

Authorities identified patterns of corporate structuring designed to bypass legal ownership limits. Several companies were registered under the same address, with a single Thai national reportedly linked to more than 100 companies representing investments exceeding 300 million baht. The enforcement action included

the revocation of licenses for tour operators that failed to meet statutory director requirements, while additional real estate-related entities remain under ongoing investigation.

?This enforcement action reflects a clear shift toward stricter scrutiny of nominee arrangements that have historically operated in legal gray areas,? said Omar O Manee, Attorney-at-Law at Siam Legal International. ?Foreign investors must recognize that regulatory tolerance is narrowing, and the legal and financial consequences of non-compliance are significant.?

Under the Foreign Business Act, the use of nominee shareholders to conceal foreign control is prohibited. Violations may result in criminal penalties, including imprisonment of up to three years and fines ranging from 100,000 to 1,000,000 baht, as well as business closure and potential asset seizure.

The Chon Buri case signals the likelihood of broader nationwide enforcement. Authorities have reportedly flagged more than 100 additional entities for further review, reinforcing the government?s position on maintaining fair competition and regulatory integrity within restricted business sectors.

For foreign investors, the recent developments highlight the importance of ensuring that corporate structures comply fully with Thai law. Improper shareholding arrangements, insufficient director qualifications, or operating in restricted sectors without proper licensing can expose businesses to enforcement risk.

?Businesses should take immediate steps to review their corporate structure, shareholder composition, and licensing position,? Manee added. ?Proactive legal compliance is essential in the current regulatory environment, particularly as enforcement becomes more coordinated and systematic across jurisdictions.?

Siam Legal International provides comprehensive legal advisory services in corporate structuring, foreign business compliance, and regulatory risk assessment. The firm assists international clients in establishing legally compliant operations in Thailand while mitigating exposure to enforcement actions.

With offices in Bangkok, Phuket, Chiang Mai, and Pattaya, Siam Legal International has over two decades of experience supporting foreign nationals and investors across Thailand. The firm offers integrated legal solutions spanning corporate, property, and immigration matters, helping clients maintain a secure and compliant presence in the country.

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Siam Legal Phuket

Siam Legal Phuket provides litigation, immigration, family law, contract drafting, real estate conveyancing, and corporate services. Our lawyers assist foreign clients with effective, cost-efficient legal strategies in Southern Thailand.

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