



Legal Alert

7 June 2022

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Amendments to the Thai Public Limited Companies Act

The electronics means of communication has been accepted by Public Limited Companies Act B.E. 2535 (the “PLCA”) and will become effective on 24 May 2022 onwards.

The reason for the promulgation of the amendment to PLCA is to improve the law to be consistent with the current social and economic situations, alleviate the burden of compliance, and facilitate the business operation of the public limited companies.

We summarize the new concepts under the new amendment to the PLCA as follows:

1. **Electronic Notices:** The new amendment to PLCA enables public companies or its board of directors obligated to deliver notices or documents to its directors, shareholders or creditors by electronic means, provided that the recipients declare their intentions or give a consent for such electronic submission, subject to the rules prescribed by the Registrar.

In this regard, if any corporate process (e.g. calling the shareholders’ meeting) require the advertisement via the local newspaper, the amendments allow the advertisement via electronic platform instead of such conventional newspaper, subject to rules prescribed by the Registrar.

2. **Electronic Meeting:** Despite having the Emergency Decree on the Electronic Meeting B.E. 2563 (2020) (the “**Electronic Meeting Law**”) in place, the new amendment to PLCA clearly specifies that the shareholders and board of directors’ meetings can be held through online channels under the Electronic Meeting Law if the Articles of Association of public company do not prohibit to do so.

In this regard, if the board of directors hold the meeting via electronic, the place of meeting shall be deemed at the head quarter of the company.

Also, the amendment to PLCA facilitates the online proxy appointment for the shareholders' meeting through the measures and process prescribed by the Registrar.

3. **The Board of Directors' Meeting:** The new amendment to PLCA allows for more flexibilities for the board of directors' meeting. The long-standing issue of the Board of directors meeting to be called only by the Chairman has been fixed.

In addition, the law provides the fallback if two or more directors requesting the Chairman for a board meeting being held for the benefits of the public limited companies within 14 days after the request and the Chairman denies to do so within such period, such two directors are entitled to call the meeting by themselves within 14 days after the first 14-day-period lapses.

The amendment to PLCA also reduces the notice period for calling board of directors' meeting from 7 days to 3 days. In the event of urgency in order to protect the rights or benefits of the company, the notice of calling the meeting may be sent earlier than 3 days and can be sent via electronic or other methods.

Deloitte's observation

Even though the new amendment to PLCA allows for more flexibilities by providing electronic means for the public limited companies, the above matters are still pending the rules prescribed by the Registrar (Department of Business Development, Ministry of Commerce). Thus, certain provisions cannot yet be implemented, especially the electronic advertisements and must rely on the Electronic Meeting Law. Based on our discussion with the registrar, such rules are currently being drafted and will soon go through the public hearing process. We are keeping an eye on the new rules to be published and will update you on that. On that note, there are no electronic means provided for private companies yet, which do not cover the electronic advertisement and still subject to publication on newspapers as usual.

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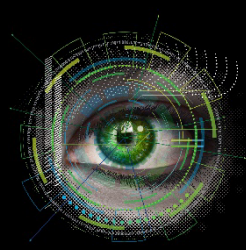
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