

Thai Partnership and Company Laws

TITLE XXII

PARTNERSHIPS AND COMPANIES

CHAPTER I

GENERAL PROVISIONS

Section 1012. A contract for the organization of a partnership or company is a contract whereby two or more persons agree to unite for a common undertaking, with a view of sharing profit the profits which may be derived there from.

Section 1013. There are three kinds of partnerships or companies, that is to say:

- (1) Ordinary partnerships
- (2) Limited partnerships
- (3) Limited companies

Section 1014. Offices for the registration of partnerships and companies shall be established by regulations issued by the Minister responsible for the registration of partnerships and companies.

Section 1015. A partnership or company, upon registration being made according to the provisions of this Title, continues a juristic person distinct from the partners or shareholders of whom it is composed.

Section 1016. The registration must be made at the Registration Office of that part of the kingdom where the principal business office of the partnership or company is situated.

Any alterations subsequently made in the registered particulars, as well as any other matters ordered or allowed to be registered by this Title must be registered at the same place.

Section 1017. If a fact to be registered or published happens in a foreign country, the period for its registration or publication shall be computed from the time when notice thereof arrives at the place of registration or publication.

Section 1018. There shall be paid in respect of registration such fees as may be provided by the regulations issued by the competent Minister.

Section 1019. If an applicant for registration or a document subject to registration does not contain all the particulars required by this Title to be mentioned in it, or if any of the particulars mentioned in such application or document are contrary to law, or if any of the documents prescribed to be deposited with it are not produced, or if any other condition imposed by law is not complied with, the Registrar may decline to make any entry in his register till the application or documents has been completed or modified or till the prescribed documents are produced, or till the condition is fulfilled.

Section 1020*. Every person is entitled to inspect the documents kept by the Registrar, or to request for a certificate of copy or extract of any other document, on payment of such fee as may be prescribed in the Ministerial Regulations. Any interested person of a partnership or a company is entitled to require a certificate of registration of the partnership or company to be delivered to him by the Registrar, on payment of such fee as may be prescribed in the Ministerial Regulations.

*[*Amendment to the Civil & Commercial Code (No.18) B.E. 2551 (A.D. 2008)]*

Section 1021. Every Registrar shall cause to be published periodically in the Government Gazette, in the form provided by the competent Minister, a summary of the entries made in his register.

Section 1022. On such publication being made, the registered documents or matters referred to in the summary shall be deemed to be known to all persons whether connected with the partnership or company or not

Section 1023*. Until such registration has been made, no advantage may be taken by the partners, the partnership or the company against third persons of the existence of the agreements, documents or particulars required by this Title to be registered, but third persons may take advantage of such existence. However, the partner or shareholder who, and the partnership or company which, has, before such registration, received performance of an obligation is not bound to make restitution.

*[*Amendment to the Civil & Commercial Code (No.18) B.E. 2551 (A.D.20080)]*

Section 1023/1*. No partnership or company may use Section 1023 to avoid its liability to third persons who act in good faith by arguing that the partner, partnership, company or director had no authority to act.

[*Amendment to the Civil & Commercial Code (No.18) B.E. 2551 (A.D.2008)]

Section 1024. As between the partners of shareholders, the partners and the partnership, the shareholders and the company, all books, accounts and documents of any partnership or company or of the liquidators of any partnership or company are presumed to be correct evidence of all matters therein recorded.

CHAPTER II

ORDINARY PARTNERSHIPS

PART I

Definition

Section 1025. The ordinary partnership is that kind of partnership in which all the partners are jointly and unlimitedly liable for all the obligations of the partnership.

PART II

Relationship of Partners between Themselves

Section 1026. Each partner must bring a contribution to the partnership.

Such contribution may consist of money or other properties or of service.

Section 1027. In case of doubt, contributions are presumed to be of equal value.

Section 1028. If the contribution of the partner consists merely of his personal service and the contract of partnership does not fix the value of such services, the share of such partner in the profits is equivalent to the average of the shares of the partners whose contributions are in money or other properties.

Section 1029. If a partner brings as contribution the use of a property, relations between such partners and the partnership with regard to;

1. delivery and repair,

2. liability for defects ,
3. liability for eviction,
4. clause of non-liability,

are governed by the provisions of this Code concerning the Hire of Property.

Section 1030. If the contribution of a partner consists of the ownership of a property, the relations between such partners and partnership with regard to:

1. delivery and repair,
2. liability for defects,
3. liability for eviction ,
4. clause for non-liability,

are governed by the provisions of this Code concerning Sale.

Section 1031. If a partner wholly fails to deliver his contribution, a written notice must be given him by a registered letter to deliver it within a reasonable time, failing which he may be excluded from the partnership by a decision of all the other partners, or of such majority as provided in the contract.

Section 1032. No change in the original partnership or in the nature of the business may be made except by the consent of all the partners, unless there is any agreement providing otherwise.

Section 1033. If nothing has been agreed between the partners as to the management of the business of the partnership, such business may be managed by each of the partners, provided that no partner may enter into a contract to which another partner objects.

In such case, each partner is the managing partner.

Section 1034. If it is agreed that matters relating to the business of the partnership shall be decided by a majority of partners, each partner shall have one vote, irrespective the amount of his contribution.

Section 1035. If it is agreed that the business of the partnership shall be managed by several managing partners, such business may be managed by each of the managing partners, provided that no managing partner may do anything to which another managing partner objects.

Section 1036. Managing partners may be removed from their position only by the consent of all the other partners, unless there be an agreement providing otherwise.

Section 1037. Even if partners have agreed that the business of the partnership shall be managed by one or more managing partners, each non-managing partner has the right to enquire at any time into the management of the business and to inspect and copy any of the partnerships books and documents.

Section 1038. No partner may either on his own account or on account of another person carry on, without the consent of the other partners, any business of the same nature as and competing with that of the partnership.

If a partner acts contrary to the provisions of this section, the other partners are entitled to claim from him all the profits which he has made or compensation for the injury which the partnership has suffered thereby, but such claim cannot be entered later than one year after the date of contravention.

Section 1039. A partner is bound to manage the business of the partnership with as much care as he would take of his own business.

Section 1040. No person may be introduced as partner in the partnership without the consent of all partners, unless there is an agreement providing otherwise.

Section 1041. If a partner, without the consent of the other partners, transfers to a third person the whole or part of his share in the profits of the partnership, such third person does not become partner.

Section 1042. The relations of the managing partners with the other partners are governed by the provisions of this Code concerning AGENCY.

Section 1043. If a non-managing partner manages the business of the partnership or a managing partner acts beyond the scope of his authority, the provisions of this Code concerning MANAGEMENT OF AFFAIRS without Mandate shall be applied.

Section 1044. The share of each partner in the profits or losses is in proportion to his contribution.

Section 1045. If the share of a partner is fixed only as to profits or only as to losses, the proportion is presumed to be the same for profits and losses.

Section 1046. No partner is entitled to remuneration for having managed the business of the partnership, unless there be an agreement providing otherwise.

Section 1047. If the name of a partner whose membership has ceased is used in the firm name, he is entitled to demand that such use shall cease.

Section 1048. A partner may claim from the other partners a share even in a transaction where his own name did not appear.

PART III

Relationship of Partners with Third Persons

Section 1049. No partner can acquire any right against third persons by a transaction where his own name did not appear.

Section 1150. All the partners are bound by the acts done by any of them in the ordinary course of the business of the partnership and are jointly and unlimitedly liable for the performance of the obligations incurred in such management.

Section 1151. A partner whose membership has ceased continues to be liable in respect of obligations incurred by the partnership before he became a partner.

Section 1152. A person who becomes member of a partnership is liable for any obligations incurred by the partnership before he became a partner.

Section 1153. No restrictions of the power of a member of a non-registered partnership to bind the other partners can have effect with respect to third persons.

Section 1054. A person who by words spoken or written, or by conduct, or by consenting to the use of his name in the firm name of the partnership, represents himself, or who knowingly suffers himself to be represented as a member of a partnership becomes liable to third persons as a partner for all the obligations of the partnership.

If after the death of a partner the partnership business is continued in the old firm name, the continued use of that name or of the deceased partner, as part thereof, does not in itself make his estate liable for any obligations incurred by the partnership after his death.

PART IV

Dissolution and Liquidation of Ordinary Partnerships

Section 1055. An ordinary partnership is dissolved:

1. In the cases, if any, provided by the contract of partnership.
2. If made for a definite period of time, by the expiration of such period.
3. If made for a single undertaking, by the termination of such undertaking.
4. By any of the partners giving to the other partners due notice as provided by section 1056.
5. By the death of any partner or by any partner becoming bankrupt or incapacitated.

Section 1056. If a partnership is entered upon for any indefinite period, it can only be terminated by a partner at the end of a financial year of the partnership; and such partner must give at least six month's notice of his intention to terminate.

Section 1057. An ordinary partnership may also be dissolved by the Court on application by a partner in any of the following cases:

1. When a partner, other than the partner suing willfully or by gross negligence violates any essential obligation imposed upon him by the partnership contract.
2. When the business of the partnership can only be carried on at a loss and there is no prospect of its fortunes being retrieved.

3. When there is any other cause making the continuance of the partnership an impossibility.

Section 1058. Upon the occurrence of any event connected with one partner which according to Section 1057 or Section 1067 entitles the remaining partners to demand the dissolution of the partnership, the Court may upon the application of the remaining partners instead of such dissolution order the expulsion of the partner in question.

For the purpose of the division of property between the partnership and the expelled partner, the partnership property must be assessed and valued at which it stood at the time when the application for the expulsion was first made.

Section 1059. If at the expiration of the period agreed upon, the business of the partnership is continued by the partners or by such of them as habitually managed it during the said period, without any settlement or liquidation accounts, the partners are deemed to have agreed to continue the partnership for an indefinite period of time.

Section 1060. In any case under Section 1055, sub-Section (4) or (5), if the subsisting partners buy the share of the partner whose membership has ceased, the contract of partnership continues between the subsisting partners.

Section 1061. After the dissolution of a partnership the liquidation shall take place, unless some other method of adjustment of property between the partners has been agreed upon or unless the partnership is adjudicated bankrupt.

If the dissolution is brought about by notice given by a creditor of one of the partners or by the bankruptcy of one of the partners, the liquidation can only be dispensed with the consent of the creditor or of the official receiver.

Liquidation shall be carried on by all the partners or by persons appointed by them.

The appointment of liquidators is decided by a majority of votes of the partners.

Section 1062. The liquidation must be made in the following order:

1. Performance of the obligation incurred towards third persons.

2. Reimbursement of advances made and expenses incurred by the partners in managing the business of the partnership.
3. Return of the contributions made by each partners.

The balance, if any, must be distributed as profit between the partners.

Section 1063. If, after the performance of the obligations incurred towards third persons and reimbursement of advances and expenses, the assets are insufficient to return the whole amount of contributions to the partners, the deficiency constitutes a loss and must be divided as such.

PART V

Registration of Ordinary Partnership

Section 1064. An ordinary partnership may be registered.

The entry in the register must contain the following particulars:

1. The firm name of the partnership.
2. Its object.
3. The address of the principal business office and of all branch offices.
4. The full names, addresses and occupations of every partner: if a partner has a trade name the entry in the register must contain his name and his trade name.
5. The names of the managing partners, in case fewer than all of the partners have been appointed as such.
6. The restrictions, if any, imposed upon the powers of the managing partners.
7. The seal or seals which are binding on the partnership.

The entry may contain any other particulars which the parties may deem expedient to make known to the public.

The entry must be signed by every member of the partnership, and must also be sealed with the common seal of the partnership.

A certificate of registration shall be delivered to the partnership.

Section 1064/1. A managing partner of a registered partnership who wishes to resign from his post shall tender his resignation letter to any other managing partner. The resignation in writing shall take effect from the date the registration letter reaches the said other managing partner.

In the case where a registered partnership has only one managing partner, the managing partner who wishes to resign from his post shall notify any other partner of his intention in writing, together with the letter of resignation, so that a meeting could be held with a view to appoint a new managing partner. The resignation shall take effect from the date the resignation reaches the said partner.

The managing partner who resigns under paragraph one or paragraph two hereof may notify the Registrar of his resignation.

Section 1064/2. When there is a change of managing partner, the registered partnership shall effect the registration thereof within fourteen days from the date of such a change.

Section 1065. A partner can take advantage against third persons of any right acquired by the registered partnership, even though his name did not appear in the transaction.

Section 1066. No partner of a registered partnership may, either on his own account or on account of another person, carry on without the consent of all the other partners any business of the same nature as and competing with that of the partnership or without such consent be member with unlimited liability in another partnership carrying on a business of the same nature as and competing with that of the registered partnership.

Such prohibition does not apply if it was already known to the partners at the time of registration of the partnership that one of them was engaged in a business or in other partnership having the same object, and if his withdrawal was not stipulated in the contract of partnership.

Section 1067. If a partner acts contrary to the provisions of the foregoing section, the registered partnership is entitled to claim from him all the profits which he had made or compensation for the injury which the registered partnership has suffered thereby.

Such claim cannot be entered later than one year after the date of contravention.

The provisions of this section are without prejudice to the rights of the remaining partners to demand the dissolution of the partnership.

Section 1068. The liability of a partner in a partnership in respect to obligations incurred by the partnership before he ceased to be a member of such partnership is limited to a period of two years after the ceased to be a member.

Section 1069. In addition to the cases provided by Section 1055, a registered partnership is dissolved if it becomes bankrupt.

Section 1070. The creditor of an obligation due by a registered partnership is entitled, as soon as the partnership is in default, to demand performance of the obligation from any of the partners.

Section 1071. In the case provide by Section 1070, if the partner proves:

1. That the assets of the partnership are sufficient to perform the whole or part of the obligation, and
2. That enforcement against the partnership would not be difficult.

The Court may, in its discretion, order that the obligation be enforced first against the assets of the partnership.

Section 1072. As long as a registered partnership is not dissolved the creditors of a partner may exercise their rights only on the profits or other sums due by the partnership to such partner. After dissolution they may exercise their rights on the share of such partner in the assets of the partnership.

PART VI

Amalgamation of Registered Partnerships

Section 1073. A registered partnership may amalgamate with another registered partnership with the consent of all the partners, unless there is an agreement providing otherwise.

Section 1074. When a registered partnership has decided to amalgamate, the partnership must publish twice at least in a local paper and send to all creditors known to the partnership a notice of the proposed amalgamation requiring the creditors to present within three months from the date of notice any objection they may have to it.

If no objection is raised during such period, none is deemed to exist.

If an objection is raised, the partnership may not proceed with the amalgamation unless it has satisfied the claim given a security for it.

Section 1075. When the amalgamation has been made it shall be the duty of each of the partnership to cause the amalgamation to be registered as a new partnership.

Section 1076. The new partnership is entitled to the rights and subject to the liabilities of the amalgamated partnership.

CHAPTER III

LIMITED PARTNERSHIPS

Section 1077. A limited partnership is that kind of partnership in which there are:

1. One or more partners whose liability is limited to such amount as they may respectively undertake to contribute to the partnership.
2. One or more partners who are jointly and unlimitedly liable for all the obligations of the partnership.

Section 1078. A limited partnership must be registered.

The entry in the register must contain the following particulars:

1. The firm name of the partnership
2. A statement that the partnership is a limited partnership, and the object of such partnership.
3. The address of the principal business office and of all branch offices.
4. The full names, trade names, addresses and occupations of the partners with limited liability, and the amount of their respective contributions of the partnership.
5. The full names, trade names, addresses and occupations of the partners with unlimited liability.
6. The names of the managing partners.
7. The restrictions, if any, imposed upon the partners of the managing partners to bind the partnership.

The entry may contain any other particulars which the parties may deem expedient to be made known to the public.

The entry must be signed by every member of the partnership, and must also be sealed with the common seal of the partnership.

A certificate of registration shall be delivered to the partnership.

Section 1078/1. A managing partner who wishes to resign from his post shall tender his resignation letter to any managing partner.

The resignation shall take effect from the date the resignation letter reaches the said partner.

In the case where the limited partnership has only one managing partner, who wishes to resign from his post shall notify any other partner of his intention in writing, together with the letter of resignation, so that a meeting could be held with a view to appointing a new managing partner. The resignation shall take effect from the date the resignation letter reaches the said partner.

The managing partner who has resigned under paragraph one or paragraph two hereof may notify the Registrar of his resignation.

Section 1078/2. When there is a change of the managing partner, the limited partnership shall effect the registration thereof within fourteen days from the date of such a change.

Section 1079. Until registration a limited partnership is deemed an ordinary partnership in which all the partners are jointly and unlimitedly liable for all the obligations of the partnership.

Section 1080. The provisions concerning Ordinary Partnerships apply to Limited Partnerships in so far as they are not excluded or modified by the provisions of this Chapter III.

If there are several partnerships with unlimited liability, the rules of the ordinary partnership apply to their relations to one another and to the partnership.

Section 1081. The firm name shall not contain any of the names of the partners with limited liability.

Section 1082. A partner with limited liability who expressly or impliedly consents to the use of his name in the firm name is liable to third persons in the same manner as if he was a partner with unlimited liability.

As between the partners themselves, the liability of such partner remains governed by the contract of partnership.

Section 1083. The contributors of the partners with limited liability must be in money or other properties.

Section 1084. No dividend or interest may be distributed to partners with limited liability except out of the profits made by the partnerships.

If the capital of the partnership has been reduced by losses, no dividend or interest may be distributed to partners with limited liability until the said losses have been made good.

Provided that a partner with limited liability cannot be obliged to return the dividend or interest which he has received in good faith.

Section 1085. If a partner with limited liability has, by letter, circular or otherwise, informed third persons that his contribution is greater than the registered amount, he becomes liable for such greater amount.

Section 1086. Agreements entered into between the partners for altering the nature or reducing the amount of the contribution of a partner with limited liability have no effect as regards to third persons until registered.

When registered, they have effect only as to obligations incurred by the partnership after their registration.

Section 1087. A limited partnership must be managed only by the partners with unlimited liability.

Section 1088. If a partner with limited liability interferes with the management of the partnership, he becomes jointly and unlimited liable for all the obligations of the partnership.

Options and advice, votes given for the appointment or dismissal of managers in cases provided by the contract of partnership, are not considered as interference with the management of the partnership.

Section 1089. A partner with limited liability may be appointed a liquidator of the partnership.

Section 1090. Partners with limited liability may carry on any business, either on their own account or on the account of third persons, even if such business is of the same nature as that of the partnership.

Section 1091. Partners with limited liability may transfer their shares without the consent of the other partners.

Section 1092. Unless otherwise provided by the contract, a limited partnership is not dissolved by the death of one of the partners with limited liability or by his becoming bankrupt or incapacitated.

Section 1093. If a partner with limited liability dies, his heirs become partners in place, unless otherwise provided by the contract.

Section 1094. If a partner with limited liability becomes bankrupt, his share in the partnership must be sold as an asset of the bankruptcy.

Section 1095. The creditors of a limited partnership have no action against the partners with limited liability as long as the partnership is not dissolved.

After the dissolution of the partnership, they can enter actions against every partner with limited liability up to the following amounts:

1. The part of contributions of such partner which has not been delivered to the partnership.
2. Such part of the contribution as the partner may have withdrawn from the asset of the partnership.
3. Dividends and interest which the partner may have received in bad faith and contrary to the provisions of Section 1084.

CHAPTER IV

LIMITED COMPANIES

PART I

Nature and Formation of Limited Companies

Section 1096. A limited company is that kind of which is formed with the Capital divided into shares, and the liability of the shareholders is limited to the amount, if any, unpaid on the shares respectively held by them.

Section 1096 bis. *(Repealed)*

Section 1097. Any **three** or more persons may, by subscribing their names to a memorandum and otherwise complying with the provisions of this Code, promote and form a limited company.

*[*Amendment to the Civil & Commercial Code (No.18) B.E. 2551 (A.D. 2008)]*

Section 1098. The memorandum must contain the following particulars:

- (1) The name of the proposed company, which must always end with the word "limited".
- (2) The part of the Kingdom in which the registered office of the company shall be situated.
- (3) The objects of the company.
- (4) A declaration that the liability of the shareholders shall be limited
- (5) The amount of share capital with which the company proposes to be registered, and the divisions thereof into shares of a fixed amount.
- (6) The names, addresses, occupations and signatures of the promoters, and the number of shares subscribed by each of them.

Section 1099. The memorandum must be made in two original copies at least and signed by the promoters, and the signatures shall be certified by two witnesses.

One of the copies of the memorandum must be deposited and registered at the Registration Office of that part of the Kingdom in which the registered office of the company is declared to be situated.

Section 1100. Every promoter must subscribe at least one share.

The liability of the directors of a limited company may be unlimited.

In such case, a statement to that effect must be inserted in the memorandum.

The unlimited liability of a director terminates at the expiration of two years after the date at which he ceased to hold office.

Section 1102. No invitation to subscribe for shares shall be made to the public.

Section 1103. *(Repealed)*

Section 1104. The whole number of shares with which the company proposes to be registered must be subscribed or allotted before registration of the company.

Section 1105. Shares may not be issued at a lower price than their nominal amount.

The issue of shares at a higher price than their nominal amount is permissible, if sanctioned by the memorandum. In such case the excess amount must be paid together with the first payment.

The first payment on the shares must not be less than twenty-five per cent of their nominal amounts.

Section 1106. A person by subscribing for shares bind himself, on condition that the company be formed, to pay to the company the amount of such shares in conformity with the prospectus and regulations.

Section 1107. When all the shares to be paid in money have been subscribed, the promoters must without delay hold a general meeting of subscribers which shall be called the statutory meeting.

The promoters shall, at least seven days before the day on which the meeting is to be held, forward to every subscriber a statutory report, duly certified by them, containing the particulars of the business to be transacted at the statutory meeting under the following Section.

The promoters shall cause a copy of the statutory report, certified as by this Section required, to be filed with the Registrar of companies forthwith after sending thereof to the subscribers.

The promoters shall also cause a list showing the names, descriptions and addresses of the subscribers, and the number of shares subscribed by them respectively, to be produced at the meeting.

The provisions of Section 1176, 1187, 1188, 1189, 1191, 1192 and 1195 shall apply *mutatis mutandis* to statutory meeting.

Section 1108. The business to be transacted at the statutory meeting:

- (1) The adoption of the regulations of the company, if any.
- (2) The ratification of any contracts entered into and any expenses incurred by the promoters in promoting the company.
- (3) The fixing of the amount, if any, to be paid to the promoters.

(4) The fixing of the number of preference shares, if any, to be issued, and the nature and extent of the preferential rights accruing to them.

(5) The fixing of the number of ordinary shares or preference shares to be allotted as fully or partly paid-up otherwise than in money, if any, and the amount up to which they shall be considered as paid-up. The description of the service or property in return for which such ordinary shares or preference shares shall be allotted as paid-up shall be expressly laid down before the meeting.

(6) The appointment of the first directors and auditors and the fixing of their respective powers.

Section 1109. A promoter or a subscriber who has a special interest in a resolution cannot exercise the right of voting.

No resolution of the statutory meeting are valid unless passed by a majority including at least one half of the total number of subscribers entitled to vote, and representing at least one half of the total number of shares of such subscribers.

Section 1110. After the statutory meeting is held, the promoters shall hand over the business to the directors.

The directors shall thereupon cause the promoters and subscribers to pay forthwith upon each share payable in money such amount, not less than twenty-five per cent, as provided by the prospectus, notice, advertisement or invitation.

Section 1111. When the amount mentioned in Section 1110 has been paid, the directors must apply for the registration of the company.

The application and entry in the register must contain, in conformity with the decisions of the statutory meeting, the following particulars:

(1) The total number of shares subscribed or allotted, distinguishing ordinary shares and preference shares.

(2) The number of ordinary shares or preference shares allotted as fully or partly paid-up otherwise than in money, and in the latter case, the extent to which they are so paid up.

(3) The amount already paid in money on each share.

(4) The total amount of money received in respect of shares.

(5) The names, occupations and addresses of the directors.

(6) If the directors have power to act separately, their respective powers and the number or names of the directors whose signature is binding on the company.

(7) The period, if any has been fixed, for which the company is formed.

(8) The address of the principal of business office and of all branch offices.

The entry may contain any other particulars which the directors may deem expedient to make to the public.

The application must be accompanied by the copy of the regulations, if any, and of the proceedings of the statutory meeting, both certified by the signature of at least one director.

A certificate of registration shall be delivered to the company.

Section 1111/1*. In forming a company, the directors may, upon completing all the following steps on the day the memorandum of association is made by the promoters; apply for registration of the memorandum of association and registration of the company on the same day.

1. Have all shares to be registered by the company subscribed;
2. Hold a statutory meeting to consider the business as provided in Section 1108, the meeting being attended by all promoters and subscribers and the business to be transacted at the meeting being approved by all promoters and subscribers;
3. Have the promoters hand over the business to the directors; and
4. Have the directors cause the subscribers to pay the amount for each share as provided in Section 1110 paragraph two and the amount is actually paid.

*[*Amendment to the Civil & Commercial Code (No. 18) B.E. 2551 (A.D. 2008)]*

Section 1112. If registration does not take place within three months after the statutory meeting, the company is not formed, and all the money received from the applicants must be repaid without deduction.

If any such money has not been so repaid within three months after the statutory meeting, the directors of the company are jointly liable to repay that money with interest from the expiration of the three months.

Provided that a director shall not be liable for repayment of interest if he proves that the loss of money or delay was not due to his fault.

Section 1113. The promoters of the company are jointly and unlimitedly liable for all obligations and disbursement not approved by the statutory meeting; even if approved they remain so liable until the registration of the company.

Section 1114. After a company is registered, a subscriber of shares cannot enter a claim for cancellation by the Court of his subscription on the ground of, mistake, duress or fraud.

Section 1115. If the name inserted in a memorandum is identical with the name of an existing registered company or with the name inserted in a registered memorandum, or so nearly resembling the same as to be likely to deceive the public, any interested person can enter a claim for compensation against the promoters of the company and can ask for an order from the Court that the name be changed.

Upon such order being made, the new name must be registered in the place of the former name and the certificate of registration must be altered accordingly.

Section 1116. Any interested person is entitled to obtain from any company a copy of its memorandum and registration, for which a sum not exceeding one Baht per copy may be charged by the company.

PART II

Shares and Shareholders

Section 1117. The amount of a share may not be less than five Baht.

Section 1118. Shares are indivisible.

If a share is held by two or more persons in common, they must appoint one of them to exercise their rights as shareholders.

Persons holding a share in common are jointly liable to the company for payment of the amount of the share.

Section 1119. The whole amount of every share must be paid in money, except shares allotted under Section 1108 sub-section 5, or under Section 1221.

A shareholder cannot avail himself of a set-off against the company as to payments on shares.

Section 1120. Unless otherwise decided by a general meeting, the directors may make calls upon the shareholders in respect of all money being due on their shares.

Section 1121. Twenty-one days notice at least must be given by registered letter of each call and each shareholder must pay the amount of such call to the person and at the time and place fixed by the directors.

Section 1122. If the call payable in respect of any share has not been paid on the day fixed for payment thereof, the holder of such share is bound to pay interest from the day fixed for payment to the time of the actual payment.

Section 1123. If a shareholder fails to pay a call on the day fixed for payment thereof, the directors may give him notice by registered letter to pay such call with interest.

The notice must fix a reasonable time within which such call and interest must be paid.

It must also fix the place where payment must be made. The notice may also state that in the case of non-payment the share in respect of which such call was made may be forfeited.

Section 1124. If a statement as to forfeiture has been made in the notice the directors may, as long as the call and interest remain unpaid, declare the shares to be forfeited.

Section 1125. Shares forfeited must be sold without delay by public auction. The proceeds must be applied to the payment of the call and interest due. The surplus, if any must be returned to the shareholder.

Section 1126. The title of the purchaser of the forfeited share is not affected by any irregularity in the proceedings of such forfeiture and sale.

Section 1127. A certificate or certificates shall be delivered to each shareholder for the shares held by him.

The delivery of a certificate may be subject to the payment of such fee, not exceeding fifty satang, as the directors may decide.

Section 1128. Every certificate of shares shall be signed by one of the directors at least, and shall bear the seal of the company.

It must contain the following particulars:

1. The name of the company.
2. The numbers of the shares to which it applies.
3. The amount of each share.
4. In the case the shares are not fully paid up, the amount paid on each share.
5. The name of the shareholder or a statement that the certificate is to bearer.

Section 1129. Shares are transferable without the assets of the company unless, in case of shares entered in a name certificate, it is otherwise provided in the regulations of the company.

The transfer of shares entered in a name certificate is void unless made in writing and signed by the transferor and the transferee whose signatures shall be certified by one witness at least.

Such transfer is invalid as against the company and third person until the fact of the transfer and the name and address of the transferee are entered in the register of shareholders.

Section 1130. The company may decline to register a transfer of shares on which a call is due.

Section 1131. The transfer book may be closed during fourteen days immediately preceding the ordinary general meeting.

Section 1132. If by some event such as the death or bankruptcy of any shareholder, another person becomes entitled to a share, the company shall, on surrender of the share certificate when possible, and on proper evidence being produced, register such other person as a shareholder.

Section 1133. The transferor of a share not fully paid up continues to be liable for the full amount unpaid thereon, provided that:

(1) No transferor shall be liable in respect to any obligation of the company incurred after the transfer.

(2) No transferor shall be liable to continue unless it appears to the Court that the existing shareholders are unable to satisfy the contributions required to be made by them.

No action against the transferor for such liability can be entered later than two years after the transfer has been entered in the register of shareholders.

Section 1134. Certificates to bearer may be issued only if authorized by the regulations of the company and for shares which are fully paid up. In such case the holder of a name certificate is entitled to receive certificate to bearer on surrendering the name certificate for cancellation.

Section 1135. Shares entered in a certificate to bearer are transferred by the mere delivery of certificate.

Section 1136. The holder of a certificate to bearer is entitled to receive a name certificate on surrendering the certificate to bearer for cancellation.

Section 1137. If it is prescribed by the regulations of the company that a director must hold a certain number of shares of the company as a qualification for such office, such shares must be shares entered in a name certificate.

Section 1138. Every limited company must keep a register of shareholders containing the following particulars:

1. The names and addresses, and occupations, if any, of the shareholders, a statement of the shares held by each shareholder, distinguishing each share by its number and of the amount paid or agreed to be considered as paid on the shares of each shareholder.
2. The date at which each person was entered in the register as a shareholder.
3. The date at which each shareholder ceased to be a shareholder.
4. The numbers and date of certificates issued to bearer, and the respective numbers of shares entered in each such certificate.
5. The date of cancellation of any name certificate or certificate bearer.

Section 1139. The register of shareholders commencing from the date of the registration of the company shall be kept at the registered office of the company. It shall be gratuitously open to inspection by the shareholders, during business hours, subjected to such reasonable restrictions as the directors may impose, but not less than 2 hours a day.

It shall be the duty of the directors to send once at least in every year to the Registrar, and not later than on the fourteenth day after the ordinary meeting, a copy of the list of all shareholders at the time such meeting and those who have ceased to be shareholders since the date of the last ordinary meeting. Such list shall include all particulars specified in the foregoing section.

Section 1140. Any shareholders is entitled to require a copy of such register or of any part thereof to be delivered to him on payment of fifty satang for every hundred words required to be copied.

Section 1141. The register of shareholders is presumed to be correct evidence of any matters directed or authorized by law to be inserted therein.

Section 1142. If preference shares have been issued, the preferential rights attributed to such shares cannot be altered.

Section 1143. A limited company may not own its own shares or take them in pledge.

PART III

Management of Limited Companies

1. 1. GENERAL PROVISIONS

Section 1144. Every limited company shall be managed by a director or directors under the control of the general meeting of shareholder and according to the regulations of the company.

Section 1145. After registration of the company, no regulations may be made and no additions to or alterations of the regulations or of the contents of the memorandum may be adopted except by passing a special resolution.

Section 1146. It shall be the duty of the company to cause to be registered every new regulation, addition or alteration within fourteen days after the date of the special resolution.

Section 1147*. (Repealed)

*[*Amendment to the Civil & Commercial Code (No. 18) B.E. 2551 (A.D. 2008)]*

Section 1148. Every limited company may have a registered office to which all communications and notices may be addressed.

Notice of the situation of the registered office and of any change therein, shall be given to the Registrar of companies, who shall record the same.

Section 1149. As long as the shares have not been fully paid up, the company may not print or mention the capital of the company in any notice, advertisement, bills, invoices, letters or other documents, without clearly mentioning at the same time what proportion of such capital has been paid up.

2. DIRECTORS

Section 1150. The number and remuneration of the directors shall be fixed by a general meeting.

Section 1151. A director can be appointed or removed only by a general meeting.

Section 1152. At the first ordinary meeting after the registration of the company and at the first ordinary meeting in every subsequent year one-third of the directors, or, if their number is not a multiple of three, then the number nearest to one-third must retire from office.

Section 1153. Any director who wishes to resign from his post shall tender his resignation letter to the company. The resignation shall take effect from the date of resignation letter reaches the company.

The director who resigns under paragraph one here of may notify the Registrar of his resignation.

Section 1154. If a director becomes bankrupt or incapacitated, his office is vacated.

Section 1155. Any vacancy occurring in the board of directors otherwise than by rotation may be filled up by the directors, but any person so appointed shall retain his office during such time only as the vacating director was entitled to retain the same.

Section 1156. If a general meeting removes a director before the expiration of his period of office, and appoints another person in his stead, the person so appointed shall retain his office during such time only as the removed director was entitled to retain the same.

Section 1157. When there is a change of a director or directors, the company shall effect the registration thereof within fourteen days from the date of such change.

Section 1158. Unless otherwise provided by the regulations of the company, the directors have the powers described in the six following Sections.

Section 1159. The subsisting directors may act notwithstanding any vacancy among them but, if and so long as their number is reduced below the number necessary to form a quorum, the subsisting directors may act for the purpose of increasing the number of directors to that number, or of summoning a general meeting of the company but for no other purpose.

Section 1160. The directors may fix the quorum necessary for the transaction of business at their meetings and unless so fixed the quorum shall (when the number of directors exceeds three) be three.

Section 1161. Questions arising at any meeting of directors are decided by a majority of votes, in case of an equality of votes the chairman has a casting vote.

Section 1162. A director may at any time summon a meeting of directors.

Section 1163. The directors may elect a chairman of their meetings, and fix the period for which he is to hold office, but if no such chairman is elected, or if at any meeting the chairman is not present at the time appointed for holding the same, the directors present may choose one of their members to be chairman of such meeting.

Section 1164. The directors may delegate any of their powers to managers or to committees consisting of members of their body. Every manager or committee shall, in the exercise of the power so delegated, conform to any order or regulation that may be imposed on them by the directors.

Section 1165. Unless otherwise provided by the delegation, questions arising at any meeting of a committee shall be decided by a majority of votes of the members; in case of an equality of votes the chairman has a casting vote.

Section 1166. All acts done by a director shall, notwithstanding that it be afterwards discovered that there was some defect in his appointment, or that he was disqualified, be as valid as if such person had been duly appointed and was qualified to be a director.

Section 1167. The relations between the directors, the company and third persons are governed by the provisions of this Code concerning AGENCY.

Section 1168. The directors must in their conduct of the business apply the diligence of a careful business man.

In particular they are jointly responsible:

- (1) For the payment of shares by the shareholders being actually made;
- (2) For the existence and regular keeping of the books and documents prescribed by law;
- (3) For the proper distribution of the dividend or interest as prescribed by law;
- (4) For the proper enforcement of resolutions of the general meetings.

A director must not without the consent of the general meeting of shareholders, undertake commercial transactions of the same nature as and competing with that of the company, either on his own account or that of a third person, nor may he be a partner with unlimited liability in another concern carrying on business of the same nature as and competing with that of the company.

Section 1169. Claims against the directors for compensation for injury caused by them to the company may be entered by the company or, in case the company refuses to act, by any of the shareholders.

Such claims may also be enforced by the creditors of the company in so far as their claims against the company remain unsatisfied.

Section 1170. When the acts of a director have been approved by a general meeting, such director is no longer liable for the said acts to the shareholders who have approved them, or to the company.

Shareholders who did not approve of such acts cannot enter their action later than six months after the date of the general meeting on which such acts were approved.

3. GENERAL MEETINGS

Section 1171. A general meeting of shareholders shall be held within six months after the registration, and shall subsequently be held at least every 12 months. Such meeting is called an ordinary meeting.

All other general meetings are called extraordinary meetings.

Section 1172. The directors may summon extraordinary meeting whenever they think fit.

They must without delay summons such meeting when the company has lost half the amount of its capital, in order to inform the shareholders of such loss.

Section 1173. Extraordinary meetings must be summoned if a requisition to that effect is made in writing by shareholders holding not less than one-fifth of the shares of the company. The requisition must specify the object for which the meeting is required to be summoned.

Section 1174. Whenever a requisition for the summoning of an extraordinary meeting is made by the shareholders according to the last preceding Section, the directors shall forthwith summon such meeting.

If the meeting is not summoned within thirty days after the date of the requisition, the requisitions, or any other shareholder amounting to the required number, may themselves summon it.

Section 1175*. Notice of the summoning of every general meeting shall be published at least once in a local paper not later than seven days before the date fixed for the meeting, and sent by post with acknowledgement of receipt to every shareholder whose name appears in the register of shareholders not later than seven days or, in case the notice is for a special resolution to be made by the general meeting, fourteen days before the date fixed for the meeting.

The notice of the summoning of a general meeting shall specify the place, the day and the hour of the meeting and the nature of the business to be transacted. In case the notice is for a special resolution to be made in the general meeting, the substance of the proposed resolution shall also be included in the notice.

*[*Amendment to the Civil & Commercial Code (No. 18) B.E. 2551 (A.D. 2008)]*

Section 1176. Every shareholder has the right to be present at any general meeting.

Section 1177. Unless there are provisions to the contrary in the regulations of the company, the rules provided by the following Sections shall apply to general meetings.

Section 1178. A general meeting may not transact any business unless shareholders representing at least one-fourth of the capital of the company are present.

Section 1179. If within an hour from the time appointment for the general meeting the quorum prescribed by Section 1178 is not present, the meeting, if summoned upon the requisition of shareholders, shall be dissolved.

If the general meeting had not been summoned upon the requisition of shareholders, another general meeting shall be summoned within fourteen days and at such meeting no quorum shall be necessary.

Section 1180. The chairman of the board of directors shall preside at every general meeting of shareholders.

If there is no such chairman, or if at any general meeting he is not present within fifteen minutes after the time appointed for the holding the meeting, the shareholders present may elect one of their members to be chairman.

Section 1181. The chairman may, with the consent of meeting, adjourn any general meeting, but no business may be transacted at any adjourned meeting other than the business left unfinished at the original meeting.

Section 1182. On a show of hands every shareholder present in person or represented by proxy shall have one vote. On a poll every shareholder shall have one vote for each share of which he is the holder.

Section 1183. If the regulations of the company provide that no shareholder is entitled to vote unless he is in possession of a certain number of shares, the shareholder who do not possess such number of shares have the right to join in order to form the said number and appoint one of them as proxy to represent them and vote at any general meeting.

Section 1184. No shareholder is entitled to vote unless all calls due by him have been paid.

Section 1185. A shareholder who has in a resolution, a special interest cannot vote on such resolution.

Section 1186. Holders of certificates to bearer may not vote unless they have deposited their certificate with the company before the meeting.

Section 1187. Any shareholder may vote by proxy, provided the power given to such proxy is in writing.

Section 1188. The instrument appointing a proxy shall be dated and signed by the shareholder and shall contain the following particulars:

1. The number of shares held by the shareholder
2. The name of the proxy
3. The meeting or meetings or the period for which the proxy is appointed.

Section 1189. The instrument appointing a proxy must be deposited with the chairman at or before the beginning of the meeting at which the proxy named in such instrument proposed to vote.

Section 1190. At any general meeting, a resolution put to the vote shall be decided on a show of hands, unless a poll is, before or on the declaration of the result of the show of hands, demanded by at least two shareholders.

Section 1191. At any general meeting, a declaration by the chairman that a resolution has on a show of hands, been passed or lost, and an entry to that effect in the books of the proceedings of the company shall be sufficient evidence of the fact.

If a poll is demanded, the result of the poll shall be deemed to be the resolution of the meeting.

Section 1192. If a poll is duly demanded, it shall be taken in such manner as the chairman directs.

Section 1193. In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting shall be entitled to a second or casting vote.

Section 1194*. Any resolution to carry out a business required by law to be passed as a special resolution shall be passed by a majority of not less than three-fourths of the votes of the present shareholders who are eligible to vote.

*[*Amendment to the Civil & Commercial Code (No. 18) B.E. 2551 (A.D. 2008)]*

Section 1195. If a general meeting has been summoned or held or a resolution passed contrary to the provisions of this Title or contrary to the regulations of the company, the Court shall on application of any director or shareholder, cancel any such resolution or any resolutions passed at such irregular general meeting, provided that the application is entered within one month after the date of resolution.

4. BALANCE SHEET

Section 1196. A balance-sheet must be made at least once every twelve months, at the end of such twelve months as constitute the financial year of the company.

It must contain a summary of the assets and liabilities of the company and a profit and loss account.

Section 1197. The balance-sheet must be examined by one or more auditors and submitted for adoption to a general meeting within four months after its date.

A copy of it must be sent to every person entered in the register of shareholders at least three days before the general meeting.

Copies must also be kept open at the offices of the company during the same period for inspection by the holders of certificates to bearer.

Section 1198. On submitting the balance-sheet, the directors must lay before the general meeting a report showing how the business of the company was conducted during the year under review.

Section 1199. Any person is entitled to obtain from any company a copy of its latest balance-sheet on payment of a sum not exceeding twenty Baht.

It shall be the duty of the directors to send to the Registrar a copy of every balance sheet not later than one month after it has been adopted by the general meeting.

5. DIVIDEND AND RESERVE

Section 1200. The distribution of dividend must be made in proportion to the amount paid upon each share, unless otherwise decided with regards to preference shares.

Section 1201. No dividend may be declared except by a resolution passed in a general meeting.

The directors may from time to time pay to the shareholders such interim dividends as appeared to the directors to be justified by the profits of the company.

No dividend shall be paid otherwise than out of profits. If the company has incurred losses, no dividend may be paid unless such losses have been made good.

Section 1202. The company must appropriate to a reserve fund, at each distribution of dividend, at least one-twentieth of the profits arising from the business of the company, until the reserve fund reaches one-tenth part of the capital of the company or such higher proportion thereof as may be stipulated in the regulations of the company.

If shares have been issued at a value higher than the face value, the excess must be added to the reserve fund until the latter has reached the amount mentioned in the forgoing paragraph.

Section 1203. If dividend has been paid contrary to the provisions of the last two preceding Sections, the creditors of the company are entitled to have the amount so distributed returned to the company, provided that a shareholder cannot be obliged to return dividend which he has received in good faith.

Section 1204*. Notice of any dividend that may have been declared shall be given by letter to each shareholder whose name appears on the register of shareholders. If the company has any share represented by a certificate issued to bearer, the notice shall also be published once at least in a local paper.

*[*Amendment to the Civil & Commercial Code (No. 18) B.E. 2551 (A.D. 2008)]*

Section 1205. No dividend can bear interest against the company.

6. BOOKS AND ACCOUNTS

Section 1206. The directors must cause true accounts to be kept:

- (1) Of the sums received and expended by the company and of the matters in respect of which each receipt or expenditure takes place.
- (2) Of the assets and liabilities of the company.

Section 1207. The directors may cause minutes of all proceedings and resolutions of meetings of shareholders and directors to be duly entered in the books which shall be kept at the registered office of the company. Any such minutes signed by the chairman of the meeting at which such resolution were passed or proceedings had, or by the chairman of the next succeeding meeting, are presumed correct evidence of the matters therein contained, and all resolutions and proceedings of which minutes have been made are presumed to have been duly passed.

Any shareholder may at any time during business hours demand inspection of the above documents.

PART IV

Audit

Section. 1208. The auditors may be shareholders of the company; but no person is eligible as an auditor who is interested otherwise than as a shareholder in any transaction of the company, and no director or other agent or employee of the company is eligible as an auditor during his continuance in office.

Section 1209. The auditors shall be elected every year at an ordinary meeting.

A retiring auditor is eligible for re-election.

Section 1210. The remuneration of the auditors shall be fixed in any general meeting.

Section 1211. If any casual vacancy occurs among the auditors, the directors shall forthwith summon an extraordinary meeting for the purpose of filling the vacancy.

Section 1212. If no election of auditors is made in a manner aforesaid, the Court shall, on the application of not less than five shareholders, appoint an auditor for the current year and fix his remuneration.

Section 1213. Every auditor shall at all reasonable time have access to the books and accounts of the company, and with regard to such books and accounts he may examine the directors or any other agents or employees of the company.

Section 1214. The auditors must make a report to the ordinary meeting on the balance-sheet and accounts.

They must state in such report whether in their opinion the balance-sheet is properly drawn up so as to exhibit and correct view of the state of the affairs of the company.

PART V

Inspection

Section 1215. Upon the application of shareholders holding not less than one-fifth part of the shares of the company, the competent Minister shall appoint one or more competent inspectors to examine into the affairs of any limited company and to report thereon.

The Minister, before appointing any such inspector, may require the applicants to give security for payment of expenses of the inspection.

Section 1216. The directors, employees and agents of the company are bound to produce to the inspectors all books and documents in their custody or power.

Any inspector may examine upon oath the directors, employees and agents of the company in relation to its business.

Section 1217. The inspectors must make a report to be written or printed as the competent Minister directs. Copies must be forwarded by the Minister to the registered office of the company and to the shareholders upon whose application the inspection was made.

Section 1218. All expenses of such inspection must be repaid by the applicants, unless the company, in the first general meeting after such inspection is finished, consents that the same shall be paid out of the assets of the company.

Section 1220. The competent Minister may also, of his own motion, appoint inspectors to report to the Government on the affairs of the company. Such appointment lies entirely within the discretion of the Minister.

PART VI

Increase and Reductions of Capital

Section 1220. A limited company can by special resolution increase its capital by issuing new shares.

Section 1221. No new shares of a limited company may be allotted as fully or partly paid-up otherwise than in money, except in execution of a special resolution.

Section 1222. All new shares must be offered to the shareholders in proportion to the shares held by them.

Such offer must be made by notice specifying the number of shares to which the shareholder is entitled, and fixing a date after which the offer, if not accepted, shall be deemed to be declined.

After such date or on the receipt of intimation from the shareholder that he declined to accept the shares offered, the director may offer such shares for subscription to other shareholders or may subscribe the shares to himself.

Section 1223. A notice to any shareholder to subscribe for New Shares must be dated and Signed to the directors.

Section 1224. A limited company may, by special resolution, reduce its capital either by lowering the amount of each share or by reducing the number of shares.

Section 1225. The capital of the company may not be reduced to less than one-fourth of its total amounts.

Section 1226*. When a company proposes to reduce its capital, it must publish once at least in a local paper and send to all creditors known to the company a notice of the particulars of the proposed reduction, requiring the creditors to present within thirty days from the date of such notice any objection they may have to such reduction.

If no objection is raised within the period of thirty days, none is deemed to exist.

If an objection is raised, the company cannot proceed with the reduction of its capital unless it has satisfied the claim or given security for it.

*[*Amendment to the Civil & Commercial Code (No. 18) B.E. 2551 (A.D. 2008)]*

Section 1227. If a creditor has, in consequence of his ignorance of the proposed reduction of capital, failed to give notice of his objection thereto, and such ignorance was in no way due to his fault, those shareholders of the company to whom has been refunded or remitted a portion of their shares remain, for a period of two years from the date of registration of such reduction, personally liable to such creditor to the extent of the amount refunded or remitted.

Section 1228. The special resolution by which any increase or reduction of capital has been authorized must be registered by the company within fourteen days after its date.

PART VII

Debentures

Section 1229. Debentures may not be issued.

Section 1230 to 1235 (Repealed)

PART VIII

Dissolution

Section 1236. A limited company is dissolved:

1. In the case, if any, provided by its regulations.
2. If formed for a period of time, by the expiration of such period.
3. If formed for a single undertaking, by the termination of such undertaking.
4. By a special resolution to dissolve.
5. By the company becoming bankrupt

Section 1237. A limited company may also be dissolved by the court on the following grounds:

1. If default is made in filing the statutory report or in holding the statutory meeting.
2. If the company does not commence business within a year from the date of registration or suspends its business for a whole year.
3. If the business of the company can only be carried on at a loss and there is no prospect of its fortunes, being retrieved.
4. If the number of the shareholders is reduced to less than three*.

However, in the case of default in filing the statutory report or in holding the statutory meeting, the Court may, instead of dissolving the company, direct that the statutory report be filed or the statutory meeting be held as it may think fit.

*[*Amendment to the Civil & Commercial Code (No. 18) B.E. 2551 (A.D. 2008)]*

PART IX

Amalgamation of Limited Companies

Section 1238. A limited company may not amalgamate with another limited company Except by special resolution.

Section 1239. The special resolution by which an amalgamation is decided must be registered by the company within fourteen days from its date.

Section 1240. The company must publish once at least in a local paper and send to all creditors known to the company a notice of the particulars of the proposed amalgamation requiring the creditors to present within sixty days after the date of the notice any objections they may have to it.*

If no objection is raised during such period, none is deemed to exist.

If an objection is raised, the company cannot proceed with the amalgamation unless it has satisfied the claim or given security for it.

*[*Amendment to the Civil & Commercial Code (No. 18) B.E. 2551 (A.D. 2008)]*

Section 1241. When the amalgamation has been made, it must be registered within fourteen days by each amalgamated company and the limited company formed by the amalgamation must be registered as a new company.

Section 1242. The share capital of the new company must be equivalent to the total share capital of the amalgamated companies.

Section 1243. The new company is entitled to the rights and subject to the liabilities of the amalgamated companies.

PART X

Notices

Section 1244. A notice is deemed to be duly served by the company to a shareholder if it is delivered personally or sent by post to such shareholder at the address appearing in the register of shareholders.

Section 1245. Any notice sent by post in a letter properly addressed is deemed to have been served at the time when such letter would have been delivered in the ordinary course of post.

PART XI

Removal of Defunct Companies from Register

Section 1246* (Repealed)

*[*Amendment to the Civil & Commercial Code (No. 18) B.E. 2551 (A.D. 2008)]*

PART XII

Conversion of a **registered partnership or limited partnership into a limited company**

Section 1246/1*. A registered partnership or limited partnership consisting of at least three partners may be converted into a limited company by consent of all partners and performance of the following:

- (1) Notification of the consent of partners to convert the partnership into a limited company to the Registrar in writing within fourteen days from the date of consent by all partners; and**
- (2) Publication at least once in a local paper and sending to all creditors known to the partnership a notice of the particulars of the proposed conversion, requiring the creditors to present within thirty days from the date of such notice, any objection they may have to such conversion.**

If an objection is raised, the partnership cannot proceed with the conversion unless it has satisfied the claim or given security for it.

*[*Amendment to the Civil & Commercial Code (No. 18) B.E. 2551 (A.D. 2008)]*

Section 1246/2*. If no objection is raised or an objection is raised but the claim has been satisfied or security has been given, all partners shall hold a meeting to consent to and proceed with the following:

- (1) Prepare the memorandum of association and the articles of association of the company (if any);**
- (2) Fix the amount of share capital of the company, which shall be equivalent to the amount of total contributions of all partners, and fix the number of shares of the company to be vested with each partner;**
- (3) Fix the amount already paid in money on each share, which shall be at least twenty-five percent of the stated value of each share;**
- (4) Fix the number of ordinary shares or preference shares to be issued and allotted to the partners and the nature and extent of the preferential rights accruing to the preference shares;**
- (5) Appoint directors and fix their respective powers;**
- (6) Appoint auditors; and**
- (7) Carry out other activities as necessary for the conversion.**

In proceeding with the actions under the first paragraph, the provisions relating to a limited company regarding such respective actions shall *mutatis mutandis*.

[*Amendment to the Civil & Commercial (No. 18) B.E. 2551 (A.D. 2008)]

Section 1246/3*. The former managing partners shall deliver the business, property, accounts, documents and evidence of the partnership to the board of directors of the company within fourteen days after the consent by partners and the completion of actions under Section 1246/2.

If any partner has not paid in at least twenty-five percent of the price of any share or has not transferred ownership of any property or produced any document or evidence of exercise of rights to the board of directors, the board of directors of the company shall issue a letter demanding that the partner pay in the share price, transfer the ownership, or produce the document or evidence of exercise of rights, as the case may be, for the board of directors within thirty days from the date of receipt of the demand letter.

[*Amendment to the Civil & Commercial Code (No. 18) B.E. 2551 (A.D. 2008)]

Section 1246/4*. The board of directors of the company shall file with the Registrar an application to register the conversion into a limited company within fourteen days from the date of full compliance with Section 1246/3.

In applying for registration of the conversion, the board of directors shall also submit to the Registrar, together with the application for registration, the minutes of partner's meeting on consideration of consenting to and proceeding with the conversion of the partnership into a limited company under Section 1246/2, the memorandum of association, the articles of association, and the list of shareholders.

*[*Amendment to the Civil & Commercial Code (No. 18) B.E. 2551 (A.D. 2008)]*

Section 1246/5*. After the conversion of the registered partnership or limited partnership into a limited company has been accepted for registration by the Registrar, the former registered partnership or limited partnership shall lose its status as a registered partnership or limited partnership under the Civil and Commercial Code and the Registrar shall make a note of such loss on the register.

*[*Amendment to the Civil & Commercial Code (No. 18) B.E. 2551 (A.D. 2008)]*

Section 1246/6*. After the registration for conversion of the registered partnership or limited partnership into a limited company, the company shall be vested with all the property, obligations, rights and responsibilities of the former registered partnership or limited partnership.

*[*Amendment to the Civil & Commercial Code (No. 18) B.E. 2551 (A.D. 2008)]*

Section 1247/7*. If after the registration for conversion into a limited company, the company is unable to perform any obligation as vested from the converted partnership, the creditor of such obligation may enforce the performance of the obligation on the partners of the converted partnership to the extent that each partner is liable for the obligations of the partnership.

*[*Amendment to the Civil & Commercial Code (No. 18) B.E. 2551 (A.D. 2008)]*

CHAPTER V

LIQUIDATION OF REGISTERED PARTNERSHIP, LIMITED PARTNERSHIPS AND LIMITED COMPANIES

Section 1247. The liquidation of a bankrupt registered partnership, limited partnership or limited company shall be made, as far as practicable, in accordance with the provisions of the Law of Bankruptcy for the time being in force.

The competent Minister shall issue Ministerial Regulations governing the liquidation of partnership and companies and determining the rate of fees for this purpose.

Section 1248. When a general meeting is prescribed in this Chapter, it means:

(1) As to registered partnerships and limited partnerships, a meeting of all the partners, in which a majority of votes decides.

(2) As to limited companies, the general meeting provided by [Section 1171](#).

Section 1249. A partnership or company is deemed to continue after its dissolution as far as it is necessary for the purpose of liquidation.

Section 1250. The duties of the liquidators are to settle the affairs of the partnership or company, to pay its debts and to distribute its assets.

Section 1251. Upon dissolution of a partnership or company for any other cause than bankruptcy, the managing partners or directors become liquidators unless otherwise provided by the contract of partnership or by the regulations of the company.

If there are no persons to be liquidators under the foregoing provision, a liquidator or liquidators shall be appointed by the Court upon the application of the Public Prosecutor or any other interested person.

Section 1252. The managing partners or directors retain as liquidators the same respective powers which they had as managing partners or directors.

Section 1253. When fourteen days after the date of dissolution or in case of liquidators appointed by the Court, after the date of appointment, the liquidators must:

(1) Notify the public by advertisement once at least in a local paper that the partnership or company is dissolved and that its creditors must apply for payment to the liquidators, and*

(2) Send a similar notice by registered letter to each creditor whose name appears in the books or documents of the partnership or company.

[*Amendment to the Civil & Commercial Code (No. 18) B.E. 2551 (A.D. 2008)]

Section 1254. The dissolution of the partnership or company and the names of the liquidators must be registered within fourteen days after the date of dissolution by the liquidators.

Section 1255. The liquidators must, as soon as possible, make a balance-sheet and have it examined and certified by the auditors, and must summon a general meeting.

Section 1256. The business of the general meeting is:

- (1) To confirm the directors or managing partners as liquidators, or appoint other liquidators in their stead, and
- (2) To adopt the balance-sheet.

The general meeting may direct the liquidators to make an inventory or to do whatever the meeting may deem advisable for the settlement of the affairs of the partnership or company.

Section 1257. Liquidators not appointed by the Court may be removed and superseded by a unanimous vote of the partners or by a general meeting of the shareholders. Liquidators, whether appointed by the Court or not, may be removed and superseded by the Court on the request of one of the partners or of the shareholders representing one-twentieth part of the paid-up capital of the company.

Section 1258. Any change amongst the liquidators must be registered, within fourteen days after the date of change, by the liquidators.

Section 1259. The liquidators have power:

- (1) To bring or defend any legal proceeding, civil or criminal, and to make compromise, in the name of the partnership or company.
- (2) To carry on the business of the partnership or company, as far as may necessary for a beneficial settlement of the affairs.
- (3) To sell the property of the partnership or company.
- (4) To do all other acts as may be necessary for a beneficial settlement of the liquidation.

Section 1260. No limitation of the power of the liquidators is valid as against third persons.

Section 1261. Unless otherwise fixed by the general meeting or by the Court at the time of the appointment of the liquidators, no act of the liquidators is valid unless done by them jointly.

Section 1262. A resolution of a general meeting or a decision of the Court authorizing a liquidator or liquidators to act separately must be registered within fourteen days from its date.

Section 1263. All costs, charges and expenses properly incurred in the liquidation must be paid by the liquidators in preference to other debts.

Section 1264. If a creditor does not apply for payment, the liquidators must deposit the amount due to him as described by the provisions of the Code concerning Deposit in lieu of performance.

Section 1265. The liquidators may require the partners or shareholders to pay such part of their contributions or shares as may be still unpaid and such part must be paid at once, even if it was previously agreed by the contracts of partnership or the regulations of the company that it would be called for at a later period.

Section 1266. If the liquidators find that after the whole of the contributions or shares has been paid up, the assets insufficient to meet the liabilities, they must apply at once to the Court to have the partnership or company declared bankrupt.

Section 1267. The liquidators must deposit every three months at the Registration Office a report of their activities, showing the situation of the accounts of the liquidation. Such report shall be upon gratuitously for inspection to the partners, shareholders or creditors.

Section 1268. If the liquidators continues for more than one year, the liquidators must summon a general meeting at the end of each year from the beginning of the liquidation and must lay before this meeting a report of their activities and detailed account of the situation.

Section 1269. Only so much of the property of the partnership or company may be divided amongst the partners or shareholders as is not required for performing all the obligations of the partnership or company.

Section 1270. As soon as the affairs of the partnership or company are fully liquidated, the liquidators shall make up an account of the liquidation showing how the liquidation has been conducted and the property of the partnership or company has been disposed of; and thereupon shall call a general meeting for the purpose of laying before it the account and giving any explanation thereof.

After the account is approved, the proceedings of the meeting must be registered within fourteen days from its date by the liquidators.

Such registration is taken as being the end of the liquidation.

Section 1271. After the liquidation, the books, accounts and documents of the liquidated partnership or company shall be deposited within fourteen days provided by the foregoing Section at the Registrar's Office where they shall be kept for ten years after the end of the liquidation.

All such books, accounts and documents shall be gratuitously open for inspection by any interested person.

Section 1272. No action for payment of debts due from the partnership or company or from the partners, shareholders or liquidators as such can be entered later than two years after the end of the liquidation.

Section 1273. The provisions of Sections [1172](#) to Section [1193](#) and Section [1207](#) shall be applied to general meetings held during liquidation *mutatis mutandis*.

Section 1273/1*. Where the Registrar has reasonable cause to believe that a registered partnership, a limited partnership or a company is not carrying on business or in operation, he shall send to the partnership or company by post with acknowledgement of receipt a letter inquiring whether the partnership or company is carrying on business or in operation and informing it that if an answer is not received within thirty days from the sending date thereof, a notice will be published in a newspaper with a view to striking the name of the partnership or company off the register.

If the Registrar either receives an answer from the partnership or company to the effect that it is not carrying on business or in operation, or does not within thirty days after sending the letter receive any answer, he may publish once at least in one of the local newspapers, and send to the partnership or company by post with acknowledgment of receipt, a notice that at the expiration of ninety days from the sending date of that notice the name of the partnership or company mentioned therein will, unless clause is shown to the contrary, be struck off the register.

[*Amendment to the Civil & Commercial Code (No. 18) B.E. 2551 (A.D. 2008)]

Section 1273/2*. If, in any case where a partnership or company has been dissolved and is in the process of liquidation, the Registrar has reasonable cause to believe either that no liquidator is acting or that the affairs of the partnership or company are fully wound up, and the liquidation returns have not been made by the liquidator or the registration of completion of liquidation process has not been applied for by the liquidator, the Registrar may send a letter by post with acknowledgment of receipt to the partnership or company and to the liquidator at his last known place of business demanding the appointment of an acting liquidator, submission of the returns or registration of the completion of liquidation, as the case may be, and informing them that if the action is not carried out within one hundred and eighty days from the sending date thereof, a notice will be published in a newspaper with a view to striking the name of the partnership or company off the register.

If the partnership or company or the liquidator fails to take the action within the period of time prescribed in the foregoing paragraph, the Registrar shall publish once at least in a local newspaper and send by post with acknowledgment of receipt to the partnership or company and the liquidator notice that at the expiration of ninety days from the date of sending of that notice the name of the partnership or company mentioned therein will, unless cause is shown to the contrary, be struck off the register.

[*Amendment to the Civil & Commercial Code (No. 18) B.E. 2551 (A.D. 2008)]

Section 1273/3*. At the expiration of the time mentioned in the notice under Section 1273/1 or Section 1273/2, the Registrar may, unless cause to the contrary is previously shown by the partnership or company or the liquidator, strike the name of the partnership or company off the register, and on the strike of its name off the register the partnership or company shall lose its status as a juristic person: provided that the liability of every managing partner, partner, director, managing officer and shareholders shall continue and may be enforced as if the partnership or company had not lost its status as a juristic person.

[*Amendment to the Civil & Commercial Code (No. 18) B.E. 2551 (A.D. 2008)]

Section 1273/4*. If a partnership, a partner, a company or any shareholder or creditor thereof feels unfairly aggrieved by the partnership or company having been struck off the register, the Court on the application of the partnership, partner, company or shareholder or creditor may, if satisfied that the partnership or company was at the time of the striking off carrying on business or in operation, or otherwise that it is just that the partnership or company be restored to the register, order the name of the company to be restored to the register, and thereupon the partnership or company shall be deemed to have continued in existence as if its name had not been struck off; and the Court may by the order give such directions and make such provisions as seem just for placing the partnership or company and all other persons in the same position as nearly as may be as if the name of the partnership or company had not been struck off.

Any request for restoration of the name of the partnership or company to the register may not be made after the expiration of ten years from the day the name is struck off by the Registrar.”

*[*Amendment to the Civil & Commercial Code (No. 18) B.E. 2551 (A.D. 2008)]*