

Application Preparation Handbook.
under the Foreign Business Act B.E.2542

To apply for business permitting under the Foreign Business Act B.E. 2542, an applicant must prepare an application, together with a declaration of details of the type of business for which an application is made and submit supporting documents to the committee for consideration.

Department of Business Development, therefore, has prepared this handbook with the purpose of using it as a guideline for application preparation. It contains details of applicant's profile, type of applied business, characteristics of business and stages of operation, capital structure, business structure, size of business, technology transfer plan, and employment.

Bureau of Foreign Business Administration
Department of Business Development

Contents

	Page
1. Application Documents	
1.1 General documents	1
1.2 Supplementary documents	2-7
2. Form of Declaration	
2.1 Letter of submission	8
2.2 A declaration of details of applied business	9-26
3. Example of Application Preparation	27-33

Application Documents

1.1 General Documents

No.	Document List	Juristic Person	
		Registered under Thai law	Registered under foreign law
1	A copy of a certificate or evidence of juristic person status containing particulars of the name, capital, paid-up capital, list of shareholders, objects, place of business, name list of directors and signatories who are authorized to bind the juristic person (AFFIDAVIT).	/	/
2	A copy of the passport, identification document for foreigners or identifications card of the representative appointed.	/	/
3	A certification by the applicant that the applicant, director, manager or representative appointed possesses the qualifications and is not under a prohibition under section 16 of the Foreign Business Act, B.E. 2542 (1999).	/	/
4	A map indicating the approximate location of the place of business operation in Thailand.	/	/
5	A declaration of the details of the type of business for which the license application was made.	/	/
6	A copy of financial statement of the past 3 years with the translation in Thai of head office's main business .	/	/
7	A power of attorney in the case where another person has been authorized to act on the applicant's behalf.	/	/
8	In the case where applicant has been holding the license. - A copy of holding license - Copies of financial statement in Thailand over the past 3 years and the most recent Form Por Ngor Dor. 50	/	/
9	A letter of appointment of a representative issued by the authorized signatory under (1) as appointer of a representative to have charge and of the business operations in Thailand on behalf of juristic person (POWER OF ATTORNEY).	-	/
10	A copy of the house register, a certificate of residence in the Kingdom or evidence of permission to enter the Kingdom for a temporary stay under the law on immigration of the representative appointed.	-	/

1.2 Supplementary Documents

In the case where an applicant is contractor/sub-contractor of government agencies or state enterprises

No.	Document List
1	In the case where a contract has not been signed yet, evidence of project granting from government agencies/state enterprise shall be provided and a copy of contract shall later be submitted when already signed.
2	A copy of contact and its translation containing particulars of : 1) Name of employer and contractor. 2) Contract name/number/date. 3) Commencement and completion date. 4) Scope of work. 5) Responsibilities and liabilities. 6) Contract price (calculated into Thai Baht) 7) Equipment, tool, and machinery used for the project. 8) Training and Technology transfer. 9) A copy of contract showing signature of authorised is persons and contract signing date.
3	A letter, issued by the employer and addressed to Director General, to certify project granting. It shall contain: 1) Type of business or project which must be consistent with contract 2) Name of contractor (Applicant). 3) Contract name/number/date. 4) Commencement and completion date (Including warranty period) 5) Project price (calculated into Thai Baht)
4	A copy of subcontract.
5	A letter issued by subcontractor to certify subcontracting.
6	Joint venture or consortium agreement stating applicant's responsibility/liabilities and share of project price under the contract (calculated into Thai Baht)

Representative office or Regional office

No.	Document List
1	Confirmation from the head office of the salary and other remuneration of the person in charge of the operations in Thailand which shall be notarized by an official or by a person who has been prescribed with the power of notarization by the laws of such country, or by an authorized official of the Thai Embassy stationed in such country for a period not exceeding six months prior to the date of submission of application, with its translation.
2	Service rendered to affiliated/group company . 1) A copy of a certificate or evidence of juristic person containing particulars of name, capital, objects, place of business, list of directors and authorized signatories of the juristic person of affiliated / group company. 2) Chart showing the relationship of affiliated /group company contains following information: <ul style="list-style-type: none">- List of branch offices or affiliated/group companies.- Main business of branch offices or affiliated/group companies.- Registered country.- Head office's shareholding
3	Procurement of supply sources for goods/services 1) Evidence of goods purchasing from Thailand by the head office such as Invoice, L/C, T/T 2) Catalogue 3) For specific goods such as metal, mineral, jewelry, supporting letter from agencies concerned showing that such goods is not in short supply, is required.
4	Inspection and control of the quality and volume of goods, Evidence of goods purchasing from Thailand by the head office or affiliated/group company such as Invoice, L/C, T/T.
5	Consultation on varicose aspects pertaining to the goods. 1) Evidence of selling goods into Thailand such as Invoice, L/C, T/T. 2) List of customer 3) List of distributing agent 4) Catalogue 5) Appointment letter of distributing agent (if any)
6	Dissemination of various information pertaining to new goods or service Catalogue detailing new goods.

Criteria for business permitting “Representative Office”

General characteristic of the representative office

1. Not derive any revenue from its service and not subject to corporate income tax, in accordance with revenue code.
2. Must receive subsidies for office expenses from the head office only.
3. Cannot accept purchase orders, make sales offers or engage in business negotiations with any person.
4. Rendering services to affiliated or group companies is allowed.

Type of business	criteria
1. Procurement of supply sources for goods and services in Thailand for the head office or affiliated /group companies.	1. purchased goods are consistent with business operation of head office or affiliated / group company 2. Supply sources for goods and services and type of goods have been clearly specified. 3. The statistic on goods purchasing from Thailand in the past will be supporting information showing that the office will procure supply source from Thailand. 4. Goods which will be procured are available in Thailand
2. Inspection and control of the quality and volume of goods by the head office or affiliated/group companies or hired by the head office or affiliated/ group companies for production in Thailand.	Goods to be inspected have been purchased by the head office or affiliated/group companies.
3. Consultation on various aspects pertaining to the goods distributed by the head office or affiliated/ group companies to the distributing agent or consumer of goods.	1. The existence of distributing agent will be supporting information showing that representative office will be operated within the scope. 2. In the case where there is no distributing agent, representative office may engage in purchasing and selling activities. 3. Giving advice concerning goods which are considered to be useful to industrial entrepreneurs. 4. Giving advice concerning goods which already sold in Thailand and considered to be useful to the consumer of goods.

Type of business	criteria
<p>4. Dissemination of various information pertaining to new goods or services offered by the head office or affiliated/group company</p>	<ol style="list-style-type: none"> 1. Dissemination of various information concerning new goods/services or goods/service already sold in Thailand. For the later case, there must be the development of such goods/service. 2. Dissemination of various information concerning goods which are essential for Thailand's industry.
<p>5. Reporting business movements in Thailand to the head office or affiliated/group company.</p>	<ol style="list-style-type: none"> 1. Scope and topic of reporting are clear. 2. Reporting information are consistent with the business operation of the head office or affiliated/group companies. 3. The purposes of using reported information have been clearly specified 4. The benefits to Thailand from using the report.

Criteria for business permitting “Regional Office”

1. Scope of business of a regional office:

- 1) Coordination and supervision of operations of branch offices or subsidiary companies situated in the same region on behalf of the head office.
- 2) Consultation and management services in any following areas.
 - (1) Personnel training and development.
 - (2) Financial management.
 - (3) Control of marketing and sales promotion planning.
 - (4) Product development.
 - (5) Research and development service.

Note Applicant can apply for 7 types of activities although only some of them will actually be operated

2. General characteristics.

- 1) The office must be a juristic person established under the law of a foreign country.
- 2) There must be a branch office or subsidiary company situated in the same region.
- 3) The office must not derive any revenue from its services.
- 4) The office cannot accept purchase orders, make sales offers or engage in business negotiations with any person.
- 5) The office must receive subsidies for office expenses from the head office only.
- 6) The office is not liable for corporate income tax under the Tax Code except for interest accrued from deposits of the remainder of sum received from the head office which must be assessed for corporate income tax liability.
- 7) The office must prepare financial statements under the Accounting Act B.E.2543.

Other Businesses

No.	Document List
1	<p>Services rendered to affiliated company.</p> <p>1) A copy a certificate or evidence of juristic person status containing particulars of the name, capital, objects, place of business, list of directors and authorized signatories of the juristic person of affiliated/group company.</p> <p>2) Chart showing the relationship of affiliated/group company contains following information:</p> <ul style="list-style-type: none">- List of branch offices or affiliated/group companies.- Main business of branch office or affiliated/group companies.- Registered country.- Head office's share holding.
2	<p>A copy of specific license from agencies concerned of some applied business (if any)</p> <p>1) A copy of promotion certificate from Board of Investment.</p> <p>2) A copy of license of the Industrial Estate Authority of Thailand.</p> <p>3) Bank of Thailand.</p> <p>4) The Office of Securities and Exchange Commission.</p> <p>5) Department of Insurance</p>

Form of Declaration

Letter of Submission of an Application.

Name of Applicant

Date.....

Subject : Apply for operating business under List 3 of the Foreign Business Act B.E. 2542

Attention : Director-General of Department of Business Development, Ministry of Commerce

Lists of Document

①

1.
2.
3.
4.
5.
6.
7.
8.

(Company's Name).....requests permission to operate business under the Foreign Business Act B.E. 2542 and proposes a declaration of details of the type of business for consideration.

I hereby certify that the information contained herein is true and consistent with the company's real intention. I will fully observe the conditions given when granted permission.

Signature.....

②

(.....Authorized person.....)

Position.....

Date.....

③

For more information, please contact.....

REMARK You may submit supplementary documents if all the information cannot be contained in this form.

Note :-

- ① *The applicant shall completely fill supporting document which shall be attached to Form Tor.2*
- ② *Letter of submission of a declaration of details of the type of business shall be signed by the applicant or by an appointee in the case where another person was authorized by a power of attorney.*
- ③ *The name and contact number of person who prepares or understands details of applied business shall be provided.*

A declaration of details of the type of business

1. Name of Applicant

Thai

English

Note :- Both Thai and English names shall be filled in print .

2. Type of Applied Business

List 3 (.....)
.....
.....
.....
.....

Intended Period of Business Operation
.....
.....

(Attachment 1)

Note :-

- 1) Type of business for which the application in made shall be clearly specified in accordance with the attached Lists of the Act
- 2) In the case where an applicant is the contractor of public/private sector, length of business operation including guarantee period, under the contract, shall be provided.

3. Registered Country Date
Major Shareholder.....Registered Country.....
Percentage of ShareholdingMain Business.....

Note :-

Following information shall be provided

- 1) Country and date of registration.
- 2) Major shareholder and percentage of shareholding.
- 3) Type of operating business of major shareholder.

4. Capital Structure/Financial Position

Registered Capital Million Baht

(Attachment 2)

Note :-**Registered Capital**1) *Juristic person registered in Thailand, please specify, as the case may be :*

- *registered capital for a limited company*
- *paid-up capital for a public limited company*
- *the money invested by partners or members for a partnership*

2) *Juristic person not registered in Thailand, please specify :*

- *registered capital in Thai Baht*
- *Shareholders' equity in the case where registered capital is less than 3 million Baht*
- *Current assets and liabilities in the case where shareholders' equity is less than 3 million Baht*

5. Main Business in Thailand/Main Business in Overseas

.....

.....

Note :-1) *For juristic person registered in Thailand, please specify main business in Thailand*2) *For juristic person not registered in Thailand, please specify main business of the head office***6. Size of Business**

6.1 Estimated Annual Revenue Baht% of Total Revenue

6.2 Estimated Annual Expenditure..... Baht% of Total Revenue

6.3 Total Project Price Baht

The Portion of the Applicant..... Baht% of Total Project Price

(Attachment 3)

Note :-*Please specify :*

- 1) *estimated annual revenue/expenditure and its portion of total revenue/expenditure.*
- 2) *total of project price and the portion of applicant in the case where an applicant is a contractor/sub-contractor of government agencies or state enterprises.*
- 3) *minimum capital calculated from estimated business expenditure over 3 years.*

7. Technology Transfer Plan

Proposed Plan

Annual Budget Baht Forms of Transfer

-

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(Attachment 4)

Note :-

- 1) Please briefly describe forms of technology transfer concerning transferee, intended activity, and budget.
- 2) Details of technology transfer plan shall be separately prepared and attached

8. Employment - Total Employees..... Persons

- Employees for Applied Business..... Persons

(Thai Persons and Foreigner Persons)

(Attachment 5)

Note :-

- 1) Number of total employees and employees of applied business shall be specified.
- 2) For employment of applied business, number of Thai and foreign employees shall be specified.
- 3) Reasons are to be provided when no Thai is employed.

9. Company's view

9.1 Advantages

-

-

9.2 Disadvantages

-

-

Note :-

Please provide company's view on advantages and disadvantages of applied business to Thailand in any following areas

- 1) safety and security.
- 2) economic and social development.
- 3) public order or good moral.
- 4) art, culture and tradition of the county.
- 5) natural resource conservation .
- 6) energy, and environment.
- 7) consumer protection

Characteristics of Business and Stages of Operations

1. Characteristics of Business

Briefly describe characteristics of business and provide reason/
necessity of the request for permission.

2. Stages of Operation

Stages of operation must be presented in order.

Capital Structure

Capital Million Baht..... (Calculated into Thai currency Million Baht Paid-up capital Million Baht)						
Number	Name of Shareholders	Nationality	Foreign Shareholdings		Thai Shareholdings	
			Million Baht	Percentage of Total Shares	Million Baht	Percentage of Total Shares
1						
2						
3						
4						
5						
Total						

Note :-

- 1) Please list shareholders holding at least 25 percent of shares, arranged in order from most to least.
- 2) The rest shall be specified as "others".
- 3) ➤ For a juristic person registered in Thailand, please specify nationality of major shareholder.
- For a juristic person not registered in Thailand, please specify registered country.

Business Structure

Item	Supply of Goods/Services				Demand for Goods/Services	
	Number Of Suppliers	Registered Capital (Million Baht)	Quantity (Unit)	Value (Million Baht)	Quantity (Unit)	Value (Million Baht)
1. Business Structure						
1) Manufacturer and Seller/Service Provider						
- Thai						
- Foreign						
2) Demand for goods/services						
2. Applicant						

Note :-

Please specify following information :

- 1) Business structure of applied business
 - 1.1) Suppliers of goods/services
 - 1.2) Demand for goods/services
- 2) Supply of goods/services of applicant
- 3) Market share of applicant (if any)

Size of Business

Estimated Business Expenditure over 3 years

Item	Total Revenue and Expenditure/Year				Applied Businesses (Type of Business.....)				Not Applied Business or Permitted Business (Type of Business.....)			
	Year 1	Year 2	Year 3	Total	Year 1	Year 2	Year 3	Total	Year 1	Year 2	Year 3	Total
Estimated revenue												
Estimated Expenditure												
1 Initial investment												
1.1 Working capital												
1.2 Investment in assets												
(1) Basic assets used in general operations												
(2) Assets required for a specific business												
Sub-total (1)												
2. Expenses												
2.1 Costs of the sale of goods and the rendering of services												
2.2 Operating expenses												
(1) Staff costs												
(2) Expenses relating to property, plant and equipment												
(3) Office supplies and stationery												
(4) Public utilities												
(5) Communications												
(6) Travel, vehicles and fuel costs												
(7) Maintenance costs												
(8) Professional fees, legal fees and other fees												
(9) Various taxes												
(10) Other expenses (please specify)												
(10.1) Technology transfer												
(10.2) Others												
Sub-total (2)												
Total costs (1) + (2)												
25 % of average of the estimated annual expenditures												
Minimum capital												

Note :-

- Estimated revenue/expenditure over 3 years shall be prepared
- 1) In the case of government contractor or other businesses, estimated expenditure of a company compared with estimated expenditure of applying business shall be prepared. Estimated expenditure of not applying or permitted business shall also be required (if any).
- 2) In the case of representative office/regional office, only estimated expenditure shall be prepared.

Advice for preparation of estimated expenditure.

1. There shall be 12 months in a year commencing from the day when license to operate a business in Thailand has been granted.
2. Data on estimated sales of goods or services in each year which are used as bases for the estimation of expenditure must also be declared.
3. The criteria or procedures or assumptions in the calculation of estimates must also be specified, such as in the case of staff salaries, the number of staff, positions and salary scales must be included together with calculation details.
4. In the case where a license application is made for more than 1 business, a separate form must be used for each business together with an explanation of the procedures for allocating the initial investment sums and the costs of operating each type of business. Details of calculations must also be attached.
5. In the case of a supplementary business license application in addition to an existing business, the allocation of initial investment sums and costs involved in the operation of the business in the application must also be included in the expenditure estimates together with an explanation of allocating procedures. Details of calculations must also be attached.
6. A business may determine an allocation procedure according to the characteristics of the expenditure and characteristics of the business. For example, office space rent may be allocated according to the areas used by each business. Staff salaries may be allocated according to the working hours employed in each business.

Definitions of initial investment and expenses

1. Initial investment

- 1.1 **Working Capital** means the assets available for circulation in the normal operations of the business (current assets less current liabilities), such as account receivable, hire purchase account receivable and inventory.
- 1.2 **Investment in assets** means expenditure incurred in the procurement of assets for use in the distribution of goods or services or for hire or for use in administration. Such assets must be usable for more than one year, namely:
- (1) **Basic assets used in general operations** such as buildings, premises, furniture and fixtures (air-conditioning, desks, cabinets, chairs), office equipment (computers, photocopying machines, facsimiles) and vehicles.
 - (2) **Assets required for a specific type of business**, such as royalties (copyrights and trademarks), patents, concessions, tools for testing communication devices, construction or installation equipment, transport equipment and machinery.

2. Costs

- 2.1 **Costs of the sale of goods and the rendering of services:**
- (1) **costs of sales**, consisting of the price of goods and costs incurred in the preparation of such goods for sale, such as import costs;
 - (2) **costs of the rendering of services**, consisting of the costs of supplies used in the provision of services, salaries of experts, wages and hire of other persons as substitute providers.
- 2.2 **Operating expenses (selling and administrative expenses)** means general expenses incurred in overall operations, which can be divided into fixed costs and variable costs.
- (1) **Labour costs, namely:**
- *salaries, wages, overtime pay, bonuses;*
 - *benefits paid by the employer, such as rent and personal income tax;*
 - *various perquisites, such as social insurance supplements, staff uniforms and supplements to the compensatory fund.*

- (2) **Expenses relating to property plant and equipment:**
- *expenses relating to buildings and premises*, such as office rent, cleaning expenses, security expenses and insurance costs;
 - *equipment-related expenses*, such as rent of machinery, rent of tools and equipment, office equipment rent and vehicle rent.
- (3) **Office supplies and stationery**, such as pens, paper, printer ink and staplers.
- (4) **Public utilities**, such as electricity costs and water costs.
- (5) Communication costs, such as telephone costs, postage and internet charges.
- (6) **Travel, vehicle and fuel costs**, such as costs incurred in work-related travel (including accommodation and stipend) and public transportation.
- (7) **Maintenance costs**, such as costs incurred in the maintenance of buildings, machinery, tools and equipment, office equipment and vehicles to restore working conditions.
- (8) **Professional fees, legal fees and other fees**, such as licensing fees, bank charges, auditor's fees, bookkeeping fees and other consultancy fees.
- (9) **Various taxes**, such as building tax.
- (10) **Other expenses**. If there are other expenses which have not been included in the items above, the business should state such expenses as actually incurred in the operation of the business, such as advertising and publication expenses, interest payments, commission and entertainment.
-

Definition of technology transfer.

The Foreign Business Committee has prescribed the following definitions in relation to technology transfer:

(1) **Technology** means a technique, skill, experience or means utilized or adapted for production, trade, services, marketing, administration and management.

(2) **Technology transfer** means the adoption of technology for use or for adaptation in a business operation. The transferor must transfer techniques, skills, experience and means which would enable the transferee to adopt such transferred elements for use or for adaptation in production, trade, services, marketing, administration and management; depending on the characteristics of each type of business.

(3) **Transferor** means a foreigner licensed to operate a business under the Foreign Business Act, B.E. 2542 (1999).

(4) **Transferee** means a Thai national performing work in the transferor's organization and a Thai national who performs work in a juristic person which has trade relations or has engaged in trade transactions with such organization as well as educational institutions and other relevant institutions in Thailand.

In all cases, the determination of the Committee will take into account of the characteristics of each type of business by considering either one or many factors based on the plan details submitted. Account will also be taken of the following matters:

1) The transferor must be the owner of the technology or possess the right to use and transfer such technology to others.

2) The technology adopted must have no effect on national security and consumer safety and must not be harmful to the environment or the conservation of natural resources.

3) In the case where an applicant is the government's contractor, type of business, size of project and contract price shall be considered.

4) The proposed technology must be related to products or a services for which are applied

Undertakings subsequent to a grant of a business license.

After a foreign business has been granted a business license, a report of the operations undertaken under the technology transfer plan must be filed at the Department of Business Development at least once a year.

**Declaration for Technology Transfer
(Technology Transfer Plan)**

- Please detail only proposed transfer plan
- Plan shall be separately prepared for each applied business in the case where an applicant applies more than one business

1. The conclusion of technology transfer contract.

Name of parties	Essence of contract
(1)	
(2)	
(3)	

Note :-

- 1) *The contemplated contractual parties shall be specified.*
- 2) *The essence of the contract, details on the transfer or matters to be transferred shall also be specified.*
- 3) *Transferee shall be staffs of contractor including staffs of educational institutions and other relevant institutions.*

2. Research and development projects.

Topic	Duration	Details of personnel involved in the project				Budget (Baht)
		Position	Qualifications/ Experience	Thai nationals	Foreigners	
(1)						
(2)						
(3)						

Note :-

The matters to be researched and developed, the duration of programmes and the budget allocated to research and development shall be specified. The details of personnel involved in the project, i.e. details on positions, qualifications and experience of such personnel, whether Thai or foreign, shall also be specified.

3. Training.

Topic/Programme	Duration	Qualification/Position of speaker	Details of participants			Budget (Baht)
			Position	Thai nationals	Foreigners	
(1)						
(2)						
(3)						

Note :-

Details on training topics/programmes which are relevant to the performance of work, the length of time involved and budgetary allocations, as well as the qualifications/positions of speakers and positions of personnel expected to undergo such training, whether Thai or foreign, shall be specified.

In this regard, training means a training, conference or academic seminar or workshop, special lecture, apprenticeship or activity known by other names, whether held domestically or abroad, under a project or programme and having a definite timeframe. A training should possess the objective of human development or enhancement of work performance efficiency and shall also include work visits and practical trainings.

4. The appointment of a Thai national to perform work in a position in lieu of foreigners.

Position	Qualifications of personnel	Duration of appointment of Thai national in lieu of foreigners
(1)		
(2)		
(3)		

Note :-

The position and characteristics of foreign personnel in whose place Thai nationals will be appointed as well as the period of appointment shall be specified. Plan of personal development of such person shall be prepared.

5. Educational sponsorship expenses.

Institution	Sponsored items	Budget (Baht)
(1)		
(2)		
(3)		

Note :-

The plan shall provide supports for education or research and development on matters relating to technology. The approximate contemplated budgetary appropriations for educational sponsorship of educational institutes or other relevant institutions. The cooperation project on education shall also be included.

6. The placement of foreign experts as speakers for educating in-house personnel.

Programme	Foreign experts	Details of participating personnel			Budget (Baht)
		Position	Thai nationals	Foreigners	
(1)					
(2)					
(3)					

Note :-

Details on training programmes which include foreign experts as speakers, as well as the qualifications of the experts and participating personnel and the budget allocated for the provision of foreign experts, shall be specified. During the conduct of this program, the participation of 2 representatives or more from educational institutions is required.

7. The development of new products or services to the market.

Type of products/services to be developed	Time of introduction to market	Budget (Baht)

Note :-

The types and details on the products and services which will be developed and duration of introduction to the market as well as the budget involved in the operation shall be specified. The participation of Thai personnel is required.

8. Other activities (please state details).

.....
.....

Note :-

In the case where an intended activity for the transfer of technology does not fall within the scope of any of the activities stated above, the applicant may specify such activities under the "other activities" heading.

In all cases, if all of the contents or details cannot be contained in the forms provided, supplementary documents may be submitted.

I, as director, manager or person responsible for the operations of the juristic person, hereby certify that the above statement is true in every respect and I have submitted _____ sheets/copies of supplemental documents.

(Signed) (1).....

(.....)

(Signed) (2).....

(.....)

Date.....

Employment

1. Total employees Number..... persons (Only applied business)

Thai Number..... persons

Foreigner Number..... persons

No.	Position	Number	Educational Qualification	Nationality	Salary (Baht)	Allocated salaries (Baht) (Percentage of allocation.....%)
1						
2						
3						
4						
5						
	Total					


Note :-

1. Please specify numbers, qualification, nationality, and salary and its allocation of management staffs, manger, and department manager.
2. In the case where a license application is made for more than 1 businesses, a separate employment plan for each business shall be prepared.
3. In the case where the staffs of applying and existing business are the same persons, staff salaries shall be allocated.

2. Director/Representative

Note :-

- In the case of a juristic person registered in Thailand, names of director binding company shall be specified
- In the case of a juristic person not registered in Thailand, name and nationality of representative in charge of the business operations in Thailand shall be specified

 <p>Department of Business Development</p>	<p>Application for Business License Pursuant to Section 17 Foreign Business Act B.E.2542 (1999)</p>	<p>For Officer's Use Application No. Acceptance Date..... License Issue Date.....</p>
<p>Applicant</p>	<p>Name (Thai)</p>	<p>License No.</p>
	<p>(English)</p>	<p>.....</p>
	<p><input type="checkbox"/> Natural Person Age.....Year Nationality..... Occupation.....</p> <p><input type="checkbox"/> Juristic Person as Registration No.</p> <p>Registered at Registration Date.....</p> <p>Address No. Soi Street.....</p> <p>Tambol / Sub - district..... Amphur / District.....</p> <p>Province.....Country</p> <p>Zip CodeTel. Fax</p>	
<p>Type of Application</p>	<p><input type="checkbox"/> Application for business license under List Two</p> <p><input type="checkbox"/> Application for business license under List Two</p>	
<p>Office/ Place of Business in Thailand</p>	<p>Head office Address No.Soi.....Street</p> <p>Tambol / Sub-district..... Amphur / District.....</p> <p>Province.....Zip Code</p> <p>Tel. Fax</p> <p>No. of branchesbranches</p> <p>Branch No.Located at No. Soi.....treet.....</p> <p>Tambol /Sub-district Amphur / District</p> <p>ProvinceZip Code</p> <p>Tel. Fax.</p> <p>Branch No.Located at No. Soi.....Street.....</p> <p>Tambol /Sub-district Amphur / District</p> <p>ProvinceZip Code</p> <p>Tel. Fax.</p>	

Representative in charge of operation in Thailand	(1) Mr./Mrs./MissAge..... Years Nationality.....Occupation..... Address No. Soi Street..... Tambol /Sub-district Amphur / District ProvinceCountryZip Code Tel. Fax. (2) Mr./Mrs./MissAge..... Years Nationality.....Occupation..... Address No. Soi Street..... Tambol /Sub-district Amphur / District ProvinceCountryZip Code Tel. Fax.
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	No.	List	Section	Business Description (*)
Type of Business Applied for a License				<div style="border-bottom: 1px dashed black; height: 20px;"></div> <div style="border-bottom: 1px dashed black; height: 20px;"></div> <div style="border-bottom: 1px dashed black; height: 20px;"></div> <div style="border-bottom: 1px dashed black; height: 20px;"></div> <div style="border-bottom: 1px dashed black; height: 20px;"></div> <div style="border-bottom: 1px dashed black; height: 20px;"></div> <div style="border-bottom: 1px dashed black; height: 20px;"></div> <div style="border-bottom: 1px dashed black; height: 20px;"></div> <div style="border-bottom: 1px dashed black; height: 20px;"></div> <div style="border-bottom: 1px dashed black; height: 20px;"></div> <div style="border-bottom: 1px dashed black; height: 20px;"></div> <div style="border-bottom: 1px dashed black; height: 20px;"></div>

(*) The English version of the business description may be provided but the Thai version will apply as a basis.

Evidence and Supporting Document	
<input type="checkbox"/>	Natural Person
<input type="checkbox"/>	A copy of the passport or identification document for foreigners;
<input type="checkbox"/>	A copy of the house register, a certificate of residence in the Kingdom or evidence of permission to enter the Kingdom for a temporary stay under the law on immigration;
<input type="checkbox"/>	A certification by the applicant that he/she possesses the qualifications and does not have a prohibited characteristic under section 16 of the Foreign Business Act, B.E. 2542 (1999)
<input type="checkbox"/>	A declaration of the details of the type of business for which the license application was made
<input type="checkbox"/>	A map indicating the approximate location of the place of business operation in Thailand.
<input type="checkbox"/>	A power of attorney in the case where another person has been authorized to act on the applicant's behalf
<input type="checkbox"/>	Other evidence or document (if any).
<input type="checkbox"/>	
<input type="checkbox"/>	
<input type="checkbox"/>	Juristic Person not Registered in Thailand
<input type="checkbox"/>	A copy of a certificate or evidence of juristic person status containing particulars of the name, capital, paid-up capital, list of shareholders, objects, place of business, name list of directors and signatories who are authorized to bind the juristic.
<input type="checkbox"/>	A letter of appointment of a representative issued by the authorized signatory as appointer of a representative to have charge and of the business operations in Thailand on behalf of juristic person
<input type="checkbox"/>	A copy of the passport, identification document for foreigners or identifications card of the representative appointed.
<input type="checkbox"/>	A copy of the house register, a certificate of residence in the Kingdom or evidence of permission to enter the Kingdom for a temporary stay under the law on immigration of the representative appointed.
<input type="checkbox"/>	A certification by the applicant that the applicant, director, manager or representative appointed possesses the qualifications and is not under a prohibition under section 16 of the Foreign Business Act, B.E. 2542 (1999).
<input type="checkbox"/>	A declaration of the details of the type of business for which the license application was made.
<input type="checkbox"/>	A map indicating the approximate location of the place of business operation in Thailand.
<input type="checkbox"/>	A power of attorney in the case where another person has been authorized to act on the applicant's behalf
<input type="checkbox"/>	Other evidence or document (if any).
<input type="checkbox"/>	
<input type="checkbox"/>	
<input type="checkbox"/>	Juristic Person Registered in Thailand
<input type="checkbox"/>	A copy of a certificate or evidence of juristic person status containing particulars of the name, capital, paid-up capital, list of shareholders, objects, place of business, name list of directors and signatories who are authorized to bind the juristic person .
<input type="checkbox"/>	A certification by the applicant that the applicant, director, manager possesses the qualifications and is not under a prohibition under section 16 of the Foreign Business Act, B.E. 2542 (1999).
<input type="checkbox"/>	A declaration of the details of the type of business for which the license application was made.
<input type="checkbox"/>	A declaration of the proportion of shareholdings between Thai persons and foreigners and the number of shares and the class or kind of shares held by foreigners.
<input type="checkbox"/>	A map indicating the approximate location of the place of business operation in Thailand.
<input type="checkbox"/>	A power of attorney in the case where another person has been authorized to act on the applicant's behalf.
<input type="checkbox"/>	Other evidence or document (if any).
<input type="checkbox"/>	
<input type="checkbox"/>	
Applicant's Covenant	Officer's Covenant
I, Director, Manager or the Person in charge of the operation of the juristic person hereby certify that the above information is true in every respect	I hereby certify that I have received the above application
(Signed)(1)..... (.....)	(Signed) (.....)
(2)..... (.....)	
Date.....	Date.....

Example of Application Preparation

Example of a declaration of details of the type of business

1. Name of Applicant

บริษัท เคโร อินเตอร์เนชันแนล แวงค็อค จำกัด
KERO INTERNATIONAL BANGKOK CO., LTD.

2. Type of Applied Business

List 3 (14) Retailing of machinery for Biomass Power Plant under the brand “KERO”

List 3 (21) Repair and Maintenance service of machinery for Biomass Power Plant under the brand “KERO” at the head office located at 133 Moo 5 Tiwanon Road, Tambol Bangkadee, Amphur Muang, Phatumthani

(Attachment 1)

3. Registered Country Thailand Date 8 December 2006

Major Shareholder Kero Corporation Registered country Japan Percentage of Shareholding 93

Main Business Manufacture of machinery for Biomass Power Plant under the brand “KERO”

4. Capital Structure/Financial Position

Registered Capital 6 Million Baht

(Attachment 2)

5. Main Business in Thailand

Retailing, and repair and maintenance service of machinery for Biomass Power Plant under the brand “KERO” which are manufactured by Kero Corporation (Major shareholder)

6. Size of Business

Item	Estimated Annual Revenue		Estimated Annual Expenditure		Minimum Capital (Million Baht)
	(Million Baht)	Percentage of Total Revenue	(Million Baht)	Percentage of Total Expenditure	
Retailing	9.33	60.80	12.00	52.17	3.00
Repair and Maintenance Service	9.00	39.13	11.00	47.83	3.12
Total Minimum Capital					6.12

(Attachment 3)

7. Technology Transfer Plan

The placement of foreign experts as speakers for educating in-house personnel, company's client, and representative from educational institutions with the annual budget of 400,000 Baht.

Training topics are as follows :

- Information pertaining qualification and repair of machinery for Biomass Power Plant.
- Inspection and replacement of machinery parts of Gasification system.
- Gas modification for each type of engine.

(Attachment 4)

8. Employment - Total employees 10 persons
(Thai 8 persons and Foreigner 2 persons)

(Attachment 5)

9. Company's view

9.1 Advantages

- There is technology to be transferred to Thai people.

9.2 Disadvantages

- Company might compete with Thai people who have already been in these businesses.

Characteristics of Business and Stages of Operations

1. Characteristics of Business

- 1.1 Retailing of machinery for Biomass Power Plant under the brand “KERO” which are imported from Kero Corporation (Major shareholder). The products then will be sold to industrial entrepreneurs. Company’s products, namely Gasification system, are used for manufacture of electricity or gaseous fuels from by-products of agriculture or from agriculture waste such as coconut shell, rice straw, rice husk, coffee waste.
- 1.2 Repair and maintenance of machineries for Biomass Power Plant which are the company’s retailed products. Manufactured by using sophisticated/specific technology, the products, therefore, need to be repaired by company’s expert.

2. Stages of Operation

2.1 Retailing

- 2.1.1 Take purchase orders from the client.
- 2.1.2 Import products from Kero Corporation (Major Shareholder).
- 2.1.3 Deliver products to client and ask for payment.

2.2 Repair and Maintenance Service

- 2.2.1 Take repair order.
- 2.2.2 Carry out inspections.
- 2.2.3 Repair the products (During warranty period, service will be provided free of charge)

Capital Structure

Capital 6 Million Baht (Paid-up capital 1.5 Million Baht)						
Number	Name of Shareholders	Nationality	Foreign Shareholdings		Thai Shareholdings	
			Million Baht	Percentage of Total Shares	Million Baht	Percentage of Total Shares
1	Kero Corporation	Japanese	5.58	93.00	-	-
2	Natural person 5 persons	Japanese	0.36	6.00	-	-
3	Natural person 2 persons	Thai		-	0.06	1.00
Total			5.94	99.00	0.06	1.00

Business Structure

1. Retailing

Item	Supply of Goods/Services				Demand for Goods/Services	
	Number of Suppliers	Registered Capital (Million Baht)	Quantity (Unit)	Value (Million Baht)	Quantity (Unit)	Value (Million Baht)
1. Business Structure						
1) Manufacturer and Seller/Service Provider	-	-	-	-		
- Thai	-	-	-	-		
- Foreign	-	-	-	-		
2) Demand for goods/services					2	7.8
2. Applicant			1	3.9		

Note There is no other retailer of this product in Thailand.

2. Repair and Maintenance Service

Item	Supply of Goods/Services				Demand for Goods/Services	
	Number of Suppliers	Registered Capital (Million Baht)	Quantity (Unit)	Value (Million Baht)	Quantity (Unit)	Value (Million Baht)
1. Business Structure						
1) Manufacturer and Seller/Service Provider	-	-	-	-		
- Thai	-	-	-	-		
- Foreign	-	-	-	-		
2) Demand for goods/services					1	0.3
2. Applicant			1	0.3		

Note There is no other service provider for this product in Thailand.

Size of Business

Attachment 3

Estimated Business Expenditure over 3 years

(Unit : Baht)

Item	Total Revenue and Expenditure/Year				Applied Businesses (Retailing)				Applied Businesses (Repair and Maintenance Services)			
	Year 1	Year 2	Year 3	Total	Year 1	Year 2	Year 3	Total	Year 1	Year 2	Year 3	Total
Estimated revenue	10,000,000	16,000,000	24,000,000	46,000,000	6,000,000	9,000,000	13,000,000	28,000,000	4,000,000	7,000,000	11,000,000	22,000,000
Estimated Expenditure												
1 Initial investment												
1.1 Working capital	4,200,000	5,850,000	7,300,000	17,350,000	1,900,000	3,000,000	3,700,000	8,600,000	2,300,000	2,850,000	3,600,000	8,750,000
1.2 Investment in assets												
(1) Basic assets used in general operations	200,000	5,850,000	300,000	800,000	50,000	200,000	235,000	485,000	150,000	100,000	65,000	315,000
(2) Assets required for a specific business	1,200,000	300,000	1,650,000	4,550,000	400,000	900,000	200,000	1,500,000	800,000	800,000	1,450,000	3,050,000
Sub-total (1)	5,600,000	7,850,000	9,250,000	22,700,000	2,350,000	4,100,000	4,135,000	10,585,000	3,250,000	3,750,000	5,115,000	12,115,000
2. Expenses												
2.1 Costs of the sale of goods and the rendering of services	7,962,000	10,800,000	15,600,000	34,362,000	350,000,000	4,850,000	8,100,000	16,450,000	4,462,500	5,950,000	7,500,000	17,912,500
2.2 Operating expenses												
(1) Staff costs	4,320,000	4,536,000	4,900,000	13,756,000	2,376,000	2,494,800	2,695,000	7,565,800	1,944,000	2,041,200	2,205,000	6,190,200
(2) Expenses relating to property, plant and equipment	100,000	110,000	125,000	335,000	40,000	51,200	68,600	159,800	60,000	58,800	56,400	175,200
(3) Office supplies and stationery	20,000	30,000	35,000	85,000	17,000	23,000	25,000	65,000	3,000	7,000	10,000	20,000
(4) Public utilities	20,000	45,000	50,000	115,000	10,000	30,400	38,000	78,400	10,000	14,600	12,000	36,600
(5) Communications	35,000	40,000	50,000	125,000	25,000	25,000	25,000	75,000	10,000	15,000	25,000	50,000
(6) Travel, vehicles and fuel costs	40,000	45,000	50,000	135,000	25,000	20,000	25,000	70,000	15,000	25,000	25,000	65,000
(7) Maintenance costs	120,000	125,000	135,000	380,000	65,000	70,000	85,000	220,000	55,000	55,000	50,000	160,000
(8) Professional fees, legal fees and other fees	60,000	30,000	40,000	130,000	35,000	13,000	10,000	58,000	25,000	17,000	30,000	72,000
(9) Various taxes	50,000	15,000	20,000	85,000	10,000	10,000	14,000	34,000	40,000	50,000	6,000	96,000
(10) Other expenses (please specify)												
(10.1) Technology transfer	400,000	400,000	400,000	1,200,000	200,000	200,000	200,000	600,000	200,000	200,000	200,000	600,000
(10.2) Others	39,000	30,000	25,000	94,000	14,000	13,000	12,000	39,000	25,000	17,000	13,000	55,000
Sub-total (2)	13,166,500	16,206,000	21,430,000	46,300,000	6,317,000	7,800,400	11,297,600	25,415,000	6,849,500	8,405,600	10,132,400	25,288,500
Total costs (1) + (2)	18,766,500	24,056,000	30,680,000	73,502,500	8,667,000	11,900,400	15,432,600	36,000,000	10,099,500	12,155,600	15,247,400	37,403,500
25 % of average of the estimated annual expenditures								3,000,000				3,116,958
Minimum capital								3,000,000				3,116,958

Declaration for Technology Transfer

(Technology Transfer Plan)

1. Retailing

The placement of foreign experts as speakers for educating personnel

Programme	Foreign experts	Details of participating personnel			Budget (Baht)
		Position	Thai nationals	Foreigner	
Information pertaing qualification of machinery of Biomass Power Plant (Duration of training 24 hours)	Experts in BIOMASS POWER PLANT / from Japan	- Engineer	3	-	200,000
		- Technical staff	2	-	
		- Company's client	2	-	
		- Representative from educational institutions	2	-	

2. Repair and maintenance service

The placement of foreign experts as speakers for educating personal

Programme	Foreign experts	Details of participating personnel			Budget (Baht)
		Position	Thai nationals	Foreigner	
(1) Inspection and changing of machinery part of Gasification System	Experts in BIOMASS POWER PLANT / from Japan	- Engineer	3	-	200,000
		- Technical staff	2	-	
		- Company's client	2	-	
		- Representative from educational institutions	2	-	
(2) Repair and maintenance of machinery for Biomass Power Plant	Experts in BIOMASS POWER PLANT / from Japan	- Representative from educational institutions	2	-	
(3) Gas modification (Duration of training 24 hours)					

I, Director, Manager or representative in charge of the operation of the juristic person hereby certify that the information contained herein is true in every respect.

(Signature)



(Mr. A)

Date 1 January 2550

Attachment 5

Employment

1. Total employees Number 10 persons (Some positions will be responsible for both businesses)

Thai Number 8 persons

Foreigner Number 2 persons

No.	Position	Number of Employees/ Applied Business		Educational Qualification	Nationality	Salary (Baht)	Salary (Baht)
		Retailing	Service				
1	Director	1	1	Bachelor degree	Japanese	55,000	45,000
2	Manager	1	1	Bachelor degree	Japanese	27,500	22,500
3	Project Coordinator	2	2	Master degree	Thai	39,600	32,400
4	Sales Staff	3	-	Bachelor degree	Thai	41,250	33,750
5	Engineer	-	3	Bachelor degree	Thai	33,000	27,000
	Total	6	7			196,350	160,650

2. Director/Representative

Number of director 1 person. Name of director : Mr. A Nationality : Japanese

Number or name of director binding the company : a signature of director affixed with company's seal.