

## A Step Towards an End to Frustration and “Tea-Money” in Thailand?

Historically, obtaining a desired license, registration, or other requisite government permission has often been frustrating and costly in Thailand. Inefficiencies, and the all too common “tea money”/unofficial “fees” charged by government offices to perform their administrative duties, stem from the broad discretion government offices are generally given to determine what an applicant must do or provide, to obtain a license, registration, or permission. Recently, however, the Thai government enacted a law that may significantly reduce, or even eliminate, such waste and untoward practices.

The Licensing Facilitation **Act** (2015) was formally published on 22 January 2015 and it will take effect on 21 July 2015. With a few notable exceptions, including court procedures and licensing related to strategic military operations, the Act applies to all licenses, registrations, and permissions that Thai law requires or allows individuals to obtain. It also applies to the government offices charged with issuing the same. Furthermore, the Act requires all such government offices to produce, and make available to the public, a **Manual** that details the procedure, timing, and specific requirements (including listing *all* necessary documents that must be provided) to obtain the licenses, registrations, and permissions that they administer.

Significantly, once a Manual is in place, Thai government offices covered by the Act will no longer have discretion to deviate from the requirements therein. If, *but only if*, an application does not meet the requirements in the Manual, an office may refuse an application. However, in such case that office must do so in writing to the applicant within the time required by the Manual. Any such written notice must also explain why the office is refusing the application *and* detail how the applicant should revise their application to make it acceptable.

If an office is unable to make an initial determination on an application within the

seven days of the time required by the Manual, that office must explain why in writing to the applicant and send a copy of such to an administrative oversight committee. Such written notice must be repeated every seven days until the office provides its written decision on the application. In the event any such office fails to comply with this requirements *“it shall be deemed that it commits or omits the commission of an act which causes damage to other persons; provided that such commission or omission was not caused by force majeure.”*

This “mere administrative law” may not appear significant to some. And only time will tell how it will be implemented in practice. However, it is a welcome addition to Thailand’s legal landscape. We believe that, if properly implemented, the Act has the potential to greatly improve administrative conduct and services in Thailand.

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