

Must You Include “Company, Limited”, In Your Thai Business Sign?

If you started a business here in Thailand, you probably did so by setting up a Thai company limited. All Thai limited companies are required to have and to report to the authorities a registered address, pursuant to Section 1148 of the Civil and Commercial Code (the “CCC”). And, pursuant to Section 14 of The Offences Relating to Registered Partnerships, Limited Partnerships, Limited Companies, Associations and Foundations Act (1956) and as amended (the “Juristic Persons Offences Act”) if a Thai limited company does not comply with Section 1148 of the CCC, such company will be subject to a fine of up to Thai baht twenty thousand. In addition, the director of such a company limited will be personally liable for another fine in an amount up to Thai baht fifty thousand, under Section 25 of the Juristic Persons Offences Act.

The requisite registered address need not be evident to all or anyone for that matter, it need only be an actual address and registered. However, if the business you limited company conducts requires its office location to facilitate its business activities and interactions with others, then chances are you put up a sign at your company’s registered address to market your business and let the public know where your place of business is located. When you did so, you may have been told, and thought that you must comply with, two very common misnomers. These misnomers, in our opinion, are based on misunderstandings of the relevant law. The first misnomer is that you must put “company, limited” or some abbreviation thereof on your sign. In this Part I of our two-part article we have a closer look this first common misunderstanding. And in order to understand this legal misnomer we must, as always, turn to the actual relevant law.

So is the following assertion true?: “You must have ‘company, limited’ on your business sign.” Quite simply, it is not. But why do so many seem to think it is true? Most certainly it is due to Section 5 of the Juristic Persons Offences Act which states, in pertinent part, the following: “If a limited company, except one operating a bank,

expresses its name in its commercial seal, sign, brochure, letter, notification, or any other document relating to its business...in a language other than Thai without words or phrases that mean 'limited, company'... [such company] shall be liable to a fine not exceeding Thai baht twenty thousand and a fine of Thai baht five hundred per day until [such company] has complied with the requirements under this Act."

Note well, however, that although the Juristic Persons Offences Act requires a Thai limited company to include words communicating that it is, indeed, a limited company when it expresses its company name in a business sign, it does not require that the company use its company name in any business sign it puts up. In other words, a business run by a Thai limited company would be just fine and legally compliant by putting a business sign with, for example, its mere logo, without its company name.

It should also be noted that the opposite holds true as well. Under Section 6 of the Juristic Persons Offences Act, if your enterprise is not a registered limited company and you proffer its name in wording that implies that it is a limited company, then you will be subject to a fine of Thai baht twenty thousand and a daily fine of Thai baht five hundred for each day until you cease doing so.

Therefore, if you put a sign at your office, it is not true that: "You must have 'company, limited' on your business sign".

We will examine the second common legal misnomer regarding business signs in our next column.

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