

Doing Business in Thailand – Limited Partnership

The third form of partnership under Thai law is the limited partnership. The limited partnership is – as the registered ordinary partnership – a juristic person.

The limited partnership has two different kind of partners. These different partners are subject to different liabilities:

1. One or more partners are liable only to the amount they contributed to the partnership; and
2. One or more partners are jointly and unlimited liable for all obligations of the partnership.

The difference between the partners is not only in relation to their respective liability. The different partners are also subject to different restrictions:

- the firm name cannot contain any of the names of the partners with limited liability;
- partners with limited liability cannot contribute services to the partnership. Their contribution is restricted to money and other properties;
- partners with limited liability are entitled to transfer their shares without consent of the other partners; and
- creditors of a limited partnership have no action against the partners with limited liability prior to dissolution of the partnership.

The partners with unlimited liability manage the limited partnership. In case a partner with limited liability interferes in the management of the Limited Partnership, he we

will become jointly and unlimited liable for all obligations of the partnership.

A limited partnership, as a juristic person, is subject to corporate income tax. The partners of such limited partnership are subject to personal income tax on the share of profits received from such limited partnership.

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