

Foreigners Excluded from Agricultural Land Leases in Thailand

The Agricultural Land Lease Act B.E. 2524 (A.D. 1981) as amended recently by the Agricultural Land Lease (No. 2) B.E. 2559 (A.D. 2016) (the “Law”) prohibits foreigners from leasing agricultural land in Thailand effective from 30th April 2016.

Under Section 5/2 of the Law, the definition of foreigners includes foreign individuals and juristic entities whose at least 25% of the capital is owned by a foreign person. This however does not include foreigners who have been granted investment promotion under the investment promotion law.

The Law does not contain any grandfathering clause. Existing agricultural land leases by foreigners are granted a period of three years to comply with the Law.

The violation of the Law is punishable by jail terms and fines in accordance with Section 65/1 and 65/2 of the Law. The lessor is liable for a maximum jail term of three months and a maximum fine of THB500,000 while the foreign lessee is liable for a jail term ranging from three months to three years and a fine between THB200,000 to THB1,000,000.



Kowit Somwaiya
Managing Partner
kowit.somwaiya@lawplusltd.com



Vincent Birot
Counsel
vincent.birot@lawplusltd.com

LawPlus Ltd.
Unit 1401, 14th Fl., Abdulrahim Place,
990 Rama IV Road, Bangkok 10500, Thailand
Tel. +66 (0)2 636 0662 Fax. +66 (0)2 636 0663
www.lawplusltd.com

LawPlus Myanmar Ltd.
Room 517 Yangon International Hotel,
No. 330 Corner of Ahlone and Pyay Roads,
Dagon Township, Yangon, Myanmar
Tel. +95 (0)92 6111 7006 Fax. +95 (0)92 6098 9752
www.lawplusltd.com