

## More Juristic Persons Can Now Hold Shares in Airline Companies

On 29<sup>th</sup> September 2020, the Civil Aviation Board of Thailand (“**CAB**”) issued its Notification on Other Juristic Persons Pursuant to Clause 13 Paragraph 1 of the Regulation of the Civil Aviation Board No. 97 B.E. 2563 (A.D.2020) (“**CAB Notification**”) effective retroactively from 26<sup>th</sup> March 2020.

The objective of this CAB Notification is to promote investment in the aviation industry and increase the potential of the Thai aviation operators to make them more competitive because the aviation business requires high investment capital and the industry has been affected by the Covid-19 pandemic.

The CAB Notification allows the following juristic persons hold shares in airlines companies:

1. a mutual fund established under the securities and exchange law managed by a securities company which is not a “foreigner” under the Foreign Business Act B.E. 2542 (“**FBA**);
2. a provident fund established under the law on the provident fund provided that its manager is not a foreigner under the FBA;
3. a private or public company in which the mutual fund or the provident fund mentioned above holds not less than 51% of the total shares;
4. a private or public company of which not less than 51% of the total share is owned in aggregate by (i) a Thai national individual; or (ii) a state office or a state enterprise or a private or public company owned not less than 51% of the total shares by state offices or state enterprises; or (iii) a private or public company owned not less than 51% of the total shares by Thai national individuals; or (iv) the mutual fund or the provident fund mentioned in 1 and 2 above.



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