

**(Translation)**  
**TRADE ASSOCIATION, B.E. 2509**  
**BHUMIPOL ADULYDEJ, REX.**

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Authorized Official Translation

Given on the 4th day of April, B.E. 2509 (1966);

Being the 21st Year of the Present Reign.

His Majesty King Bhumibol Adulyadej has been graciously pleased to proclaim that:

Whereas it is expedient to have a law on trade associations,

Be it, therefore, enacted by the King, by and with the advice and consent of the Constituent Assembly in the capacity of the National Assembly, as follows:

**Section 1.** this Act is called the "Trade Association Act, B.E. 2509"

**Section 2.** This Act shall come into force as from the day following the date of its publication in the Government Gazette.\*\*

**Section 3.** All other laws, rules and regulations, in so far as they are already provided in, or are contrary to or inconsistent with the provisions of, this Act, shall be replaced by this Act.

\* English translation approved by the Office of Juridical Council

\*\* Published in the Government Gazette, Vol.83, Part 38, dated 26th April, B.E. 2509 (1966)

**Chapter 1**  
**General Provisions**

**Section 4.** In this Act:

"trade association" means an institution established by several persons, who are engaged in enterprises, for the promotion of the enterprises other than for sharing profit or income;

"person engaged in an enterprise" means a person who is engaged in a trading, industrial or financial business and includes a person who is engaged in any other business in economic field, as may be prescribed in a Ministerial Regulation;

"Registrar" means the Central Trade Association Registrar or the Changwat Trade Association Registrar, as the case may be;

"Official" means a person appointed by the Minister to carry out this Act;

"Minister" means the Minister of State having charge and control of the execution of this Act.

**Section 5.** The Minister of Economic Affairs shall have charge and control of the execution of this Act, and shall have the power to appoint officials and to issue Ministerial Regulations prescribing fees not exceeding the rates attached to this Act and prescribing other activities for the purpose of carrying out this Act.

Such Ministerial Regulations shall come into force upon their publication in the Government Gazette.

## **Chapter 2**

### **Establishment of a Trade Association**

**Section 6.** Subject to the law on co-operative societies, no persons engaged in enterprises shall agree to unite in order to promote the enterprises in any other ways except as a trade association under this Act.

**Section 7.** There shall be established a Central Trade Association Registration Office in the Department of Internal Trade, Ministry of Economic Affairs, to control the issue of a license and the registration of trade associations throughout the Kingdom, and also to function as the Trade Association Registration Office for Changwat Phra Nakhon and Changwat Thon Thonburi

There shall be established, in Changwat other than Changwat Para Nakhon and Changwat Thon Buri, the Changwat Trade Association Registration Office to be directly under the supervision of the Central Trade Association Registration Office.

The Director-General of the Department of Internal Trade shall be the Central Trade Association Registrar and the Trade Association Registrar for Changwat Phra Nakhon and Changwat Thon Buri, and the Governors of Changwat other than Changwat Phra Nakhon and Changwat Buri shall be the Changwat Trade Association Registrars.

**Section 8.** No person shall establish a trade association unless a license has been obtained from the Registrar.

\* A branch of a trade association may not be established.

**Section 9.** In applying for a license, not less than three promoters shall file an application with the Registrar in accordance with the requirements and procedures prescribed in the Ministerial Regulation.

**Section 10.** When the Registrar has received an application for a license and, having considered the application, he is of the opinion that no regulation is contrary to the law, is a threat to the economic or security of the country or public order or good morals, and that the promoters are of good status and conduct, he shall grant and issue a trade association license to the applicants, and shall thereafter register the trade association.

If the Registrar gives an order of refusal, he shall notify the applicants of the order, in writing, without delay. The applicants have a right to appeal against the order by filing an appeal in writing, with the Minister within fifteen days from the day of the receipt of the notification thereof. The decision of the Minister shall be final.

The Central Trade Association Registrar shall publish the grant of a license to establish a trade association and the dissolution thereof in the Government Gazette.

**Section 11.** A trade association, which has been granted a license and registered, shall become a juristic person.

**Section 12.** If a trade association license is lost or destroyed, the trade association shall apply for a license substitute.

**Section 13.** A trade association must have regulations, and such regulations must, at least, contain the following particulars :

- (1) name ;
- (2) objects ;
- (3) office address ;
- (4) procedures for admitting and excluding a member to and from the trade association, as well as the rights and duties of a member ;
- (5) the operation of the trade association, the appointment, retirement and meeting of the directors, as well as the general meeting.

The regulations of a trade association must be registered with the Registrar at the same time as the filing of the application to establish the trade association. If the Registrar considers it appropriate, he may order the regulations to be amended before issuing a license.

**Section 14.** A trade association, more than one-half of the total number of the members of which are not of Thai nationality, may be established and may exist only in Changwat Phra Nakhon or Changwat Thon Buri.

A trade association shall have a clearly legible name-plate placed in front of its office.

**Section 15.** The name of a trade association must be in Thai characters, but may be accompanied by foreign characters after or below the Thai characters, and the name used must only be that contained in the regulations. The phrase "of Thailand", or that of a similar meaning,

Shall not be used as a part of the name of a trade association.

**Section 16.** No person, not being a trade association, shall use a name containing "Trade Association" in Thai characters or foreign characters which can be translated or read as "Trade Association" in a seal, name plate, letter, notice, or other business document except in an application to establish a trade association.

**Section 17.** The Registrar shall have the power to issue a written order requiring any person to appear for enquiry or to send a document for the purpose of the consideration concerning an application to establish a trade association.

### **Chapter 3**

#### **Operation of a Trade Association**

**Section 18.** A trade association shall have a Board to operate the trade association and to be its representative in dealing with outsiders. For this purpose, the Board may authorize one or more directors to act on its behalf.

**Section 19.** Apart from the retirement under the regulations of a trade association, a director of the trade association shall vacate his office upon being a bankrupt or punished by a final judgement under this Act, and is henceforth disqualified from being a director in any trade association unless a period of three years has elapsed from the discharge from bankruptcy or the day of the discharge from punishment.

**Section 20.** A member of trade association has a right to demand the examination of activities and the property of the trade association by filing a written application with the trade association.

**Section 21.** A trade association may operate only in the following activities :

- (1) promoting the engagement of the enterprises of the categories contained in its objects ;
- (2) supporting and assisting its members overcoming various obstacles, including the negotiation with outsiders for the common benefit of the engagement of the enterprises of the categories contained in its objects, observing and following up the movements of both domestic and foreign markets concerning the goods dealt with by its members, for the benefit of trade, economy or security of the country ;
- (3) making researches concerning the engagement of the enterprises of the categories contained in its objects, exchanging and dissemination technical knowledge as well as trading information concerning such enterprises ;
- (4) requesting for statistics or documents or any information concerning the engagement of the enterprises of the categories contained in its objects from its members provided it be with their consent ;
- (5) promoting the quality of the goods produced or distributed by persons engaged in enterprises who are its members, so as to bring it up to the standard, and researching in and improving the methods of production and trade for better results ;

- (6) co-operating with the government in the promotion of trade, industry; finance or any other business in economic field within its objectives ;
- (7) promoting production so that there may be sufficient supply of goods for the demand of both domestic and foreign markets ;
- (8) making agreement or laying down rules requiring its members to act or to refrain from acting so as to enable the engagement of the enterprises of the categories contained in its objects to run in an orderly manner ;
- (9) compromising disputes between its members or between its members and outsiders in the engagement of enterprises.

**Section 22.** A trade association shall not act in any of the following :

- (1) engaging itself in an enterprise, or managing an enterprise of its member, or participation in, holding the shares of, being a partner or contributing capital to, the engagement of an enterprise with any person ;
- (2) acting in any way to suppress or increase the price of goods or services excessively or causing unstability concerning the price of goods or services ;
- (3) giving or lending money to a member or any other persons except for public charity or under a moral obligation, or social appropriateness ;
- (4) acting in any way to increase, reduce or restrict production, amount of goods distributed or other services, and such action is detrimental to the domestic or foreign market of trade, finance, or economy of the country ;
- (5) acting in any way to destroy competition which may normally be entertained in the engagement of an enterprise except where it is an implementation of a governmental policy or regulation;
- (6) acting in any way that may be a threat to the economy or security of the country or to public order or good morals ;
- (7) obstructing or preventing any person who is qualified to be a member under the regulations of the trade association from becoming a member, or forcing a person in any way against his will to become a member, or forcing a member by a dishonest motive to resign from the trade association, or contrary to the regulations of the trade association ;
- (8) disclosing statistics, documents or information concerning the private interest of any member except with a written consent from such member ;

(9) authorising or permitting any person who is not a director to perform the duty of a director.

**Section 23.** A trade association shall not distribute profit or income among its members, or carry on a political activity.

## **Chapter 4**

### **Control of a Trade Association**

**Section 24.** The Registrar shall have the power to issue a written order requiring a director of member to appear and to explain a fact concerning the activities of the trade association or to send a document concerning its operation or minutes of its meeting.

**Section 25.** For the purpose of carrying out this Act, the Registrar or the official shall have the power to enter the office of a trade association for the purpose of inspection during its office hours.

In acting under paragraph one, the official shall show his identity card to the person concerned.

The identity card shall be in the form prescribed by the Minister.

In the action of the Registrar of the official under paragraph one, the person concerned shall provide reasonable facilities or assistance, or give information to the Registrar of the official as requested.

**Section 26.** A trade association shall prepare a membership register to be kept in the office of the trade association, and shall deliver a copy thereof to the Registrar within a period of ninety days from the day of obtaining a license and being registered as a trade association.

The membership register shall at least contain the following particulars :

- (1) name and nationality of the member ;
- (2) name used in the engagement of the enterprise and category of the enterprise ;
- (3) address of the office of the member ;
- (4) date of membership.

When there is an admission of a new member or a change in the membership register, the trade association shall notify the Registrar to that effect within a period of ninety days from the day of the admission or change.

**Section 27.** A trade association shall prepare its balance sheet at least once in every twelve months, which constitutes its accounting year.

The balance sheet must contain the amount of the assets and liabilities of the trade association together with an account of income and expenditure. The balance sheet must be completed and audited and then submitted to a general meeting of the trade association for approval within a period of one hundred and twenty days from the last day of the accounting year.

**Section 28.** A trade association shall prepare an annual report showing the results of the operation of the trade association to be submitted to a general meeting at the time of the submission of the balance sheet, and shall deliver a copy of the report and that of the balance sheet to the Registrar within a period of thirty days from the day of the general meeting.

**Section 29.** An amendment to the regulations of a trade association may be made only by a resolution of a general meeting, and must be registered with the Registrar within a period of thirty days from the day of the resolution of the general meeting. If the Registrar considers that such amendment is inconsistent with the object of the trade association or contrary to the law, he shall not register such amendment.

If the Registrar refuses to register an amendment to the regulations, **section 10** paragraph two, shall apply *mutatis mutandis*.

**Section 30.** The appointment or replacement of a director of a trade association must be registered with the Registrar within a period of thirty days from the day of the appointment or replacement.

If the Registrar considers that the person appointed as a director to be of an inappropriate status or of bad conduct, or has a reasonable cause to suspect that such person may be a threat to the economy or security of the country or to public order or good morals, he has the power to refuse to register such person a director of the trade association.



**Section 31.** Any person, who wishes to examine, to copy, or to have copied and certified a document concerning a trade association, shall make an application in the form prescribed by the Central Trade Association Registrar.

**Section 32.** When it appears that the Board, a director or a member of a trade association, does any act which may be a threat to the economy or the security of the country, or to public order of good morals, the Registrar shall have the power to issue a written order requiring the Board, the director or the member to stop such action or to rectify it within a period of time prescribed by the Registrar.

**Section 33.** When a trade association does an act which violates section 22, the Minister has the power to order the whole Board or an individual director to vacate his office. In such a case, the Board or the director is disqualified from being a director of the trade association

Unless a period of three years had elapsed from the day of the order of the Minister to vacate the office,

**Section 34.** When there is a cause to suspect that any trade association is to act unlawfully or to be a threat to the economy or security of the country, or to public order or good morals, The Registrar shall have the power to issue a written order requiring the trade association to notify him at least three days in advance of the date and time of every meeting of the trade association. In such a case, the Registrar or the official shall have the power to attend the meeting.

Where any trade association fails to notify the date and time of its meeting in accordance with the order of the Registrar, the Registrar shall have the power to order the trade association to suspend its meeting, each time, for not more than ninety days from the day the Registrar issues the order.

In case the Registrar issues an order suspending a meeting, section 10 paragraph two, shall apply *mutatis mutandis*.

**Section 35.** If the general meeting of a trade association passes a resolution in violation of a law or its regulations, upon the request of any member or an official, the Registrar shall have

the power to revoke such resolution. But in case a member requests for the revocation, he shall so request within a period of thirty days from the day of the passing of such resolution.

**Section 36.** The Minister shall have the power to dissolve a trade association upon the following events :

- (1) when it appears that an action of the trade association is contrary to the law or is a threat to the economy or security of the country, or to public order or good morals;
- (2) when the trade association does an act in violation of section 14 ;
- (3) when the trade association does an act in violation of section 22, and such act is a serious harm ;
- (4) when the trade association is unable to continue its operation or has ceased its operation for two years or upwards ;
- (5) when it appears that the trade association authorizes or permits another person who is not a director to perform the duty of director.

Any director of the trade association, of which dissolution the Minister order under (1), (2) (3) or (5), who participated in the act which causes the Minister to order its dissolution, is disqualified from being a director of the trade association unless a period of three years has elapsed from the day the Minister issues the order to dissolve the trade association.

## **Chapter 5**

### **Dissolution of a Trade Association**

**Section 37.** A trade association is dissolved upon any of the following causes :

- (1) if its regulations prescribe for the dissolution in an event, upon the occurrence of such event ;
- (2) if it is established for a specific period of time, upon the expiration of such period of time;
- (3) upon the resolution of the general meeting for its dissolution ;
- (4) upon being bankrupt ;
- (5) upon the order of the Minister under section 36 for its dissolution.

The trade association dissolved under (1), (2), (3) or (4) shall notify the Registrar of the dissolution within a period of fifteen days from the day of the occurrence of the cause for its dissolution.

**Section 38.** Subject to section 10 paragraph three, when a trade association is dissolved upon any cause specified in section 37, the Registrar shall revoke the license and delete the name of the trade association from the Register. In such a case, it shall be deemed that the trade association may continue to act only as far as it is necessary for the purpose of liquidation.

**Section 39.** The provisions of the Civil and Commercial Code on the liquidation of registered partnerships, limited partnerships and limited companies shall apply mutatis mutandis to the liquidation of a trade association dissolved under section 37.

**Section 40.** After the liquidation, the remaining property, if any, may not be distributed among the members of the trade association. Such property must be transferred to another juristic person the object of which concern a public charity specified in the regulations of the trade association. If no juristic person is specified, it shall be transferred to any juristic person the objects of which concern a public charity, as may be resolved by the general meeting. In cases other than as mentioned above, the remaining property shall vest in the State.

## **Chapter 6**

### **Penalties**

**Section 41.** Any person who violates section 8 shall be liable to imprisonment for not more than one year or to a fine of not more than ten thousand Baht or to both.

**Section 42.** Any person who is a member of a trade association not licensed under section 8 shall be liable to a fine of not more than two thousand Baht.

**Section 43.** Any trade association which violates sections 14 shall be liable to a fine of Not more than ten thousand Baht.

**Section 44.** Any person who violates section 15 shall be liable to a fine of not more than one thousand Baht and an additional fine of not more than fifty Baht a day until rectification is made.

**Section 45.** Any person who violates section 16 shall be liable to a fine of not more than two thousand Baht and an additional fine of not more than fifty Baht a day until cessation of such use.

**Section 46.** Any person who fails to comply with the order of the Registrar under section 17 or section 24, or fails to comply with section 25 paragraph four, shall be liable to a fine of not more than one thousand Baht.

**Section 47.** Any trade association which refuses to allow its member to examine the activities and property of such trade association under section 20 shall be liable to a fine of not more than one thousand Baht.

**Section 48.** Any trade association which violates section 22 or section 23 shall be liable to a fine of not more than fifty thousand Baht.

**Section 49.** Any director of a trade association who violates section 22, or does an act contrary to its objectives and such act is a threat to the economy or security of the country, or to public order or good morals, shall be liable to a fine of not more than thirty thousand Baht.

**Section 50.** Any trade association which violates section 26, section 27, section 28, section 29 or section 30 paragraph one, shall be liable to a fine of not more than one thousand Baht.

**Section 51.** Any person who fails to comply with the order of the Registrar under section 32 or section 34 paragraph one or paragraph two, shall be liable to a fine of not more than two thousand Baht.

**Section 52.** Any person who violates section 33, or remains director or a member of a trade association which has been dissolved under section 37 or section 55 paragraph three, shall be liable to imprisonment for not more than two years or to a fine of not more than twenty thousand Baht or to both.

**Section 53.** Any trade association which violates section 37 paragraph two, or fails to comply with section 39, shall be liable to a fine of not more than one thousand Baht.

**Section 54.** Any person who violates section 40 shall be liable to imprisonment for not more than one year or to a fine of not more than ten thousand Baht or to both.

## **Transitory Provisions**

**Section 55.** Every association registered under the Civil and Commercial Code prior to the day this Act comes into force, which has the same characteristic or objects as those of a trade association, must, if it wishes to become a trade association under this Act, apply for a trade association license within a period of ninety days from the day this Act comes into force. And when it has been licensed as a trade association under this Act, the Registrar of Associations under the Civil and Commercial Code shall delete the name of such association from the Register of Associations.

All the property and liabilities of an association having the same characteristics or object as those of a trade association licensed and registered under this Act, shall be transferred to the newly established trade association.

If an association having the same characteristics and object as those of a trade association registered as an association under the Civil and Commercial Code, does not apply for a trade association license under this Act within the period of time mentioned in paragraph one, it shall be deemed dissolved, and the Registrar of Associations under the Civil and Commercial Code shall delete the name of such association from the Registrar of Association.

If an association is dissatisfied with the order of the Registrar under the Civil and Commercial code to have its name deleted from the Register of Associations, it has a right to appeal against such order, by filing a written appeal with the Minister within a period of fifteen days from the day of the receipt of the order. The decision of the Minister shall be final.

Countersigned by :

Field Marshal Thanom Kittikachorn

Prime Minister