

Thailand Is Enacting Law on Liability for Defective Goods

The Cabinet of Thailand approved the draft Defective Goods Liability Act (“DGLA”) on 6th June 2026 and the House of Representatives approved it in principle in its first reading on 24th June 2026. It is now being scrutinized by a scrutiny committee of the House of Representatives before its second and third readings and review and approval by the Senate and finally submitted to HM the King for royal endorsement and publication in the Royal Gazette. It will come into force on the date immediately following the end of the period of 180 days from its publication date.

We summarized the key provisions of the DGLA draft as follows.

The DGLA applies to sales, exchanges and hire-purchases of goods with or without financing from a third party between a business operator (seller) and a customer (buyer). The application of the DGLA does not have implications on the rights of the buyer against the seller in relation to defective goods under other laws or any existing promise, announcement, advertisement, representation, warranty or any other act of the seller.

The goods under the DGLA are (1) general goods, (2) specific goods (automobiles and motorcycles, electrical and electronic appliances and engine-powered devices), and (3) goods to be later prescribed by a royal decree. The goods which are excluded from the DGLA are used goods, live animals, and goods to be exempted by a ministerial regulation to be issued under the DGLA.

The seller is strictly liable for the defective goods from its delivery date although the defect is not known at the time of delivery.

Any prior agreement between the seller and the buyer that is contrary to the DGLA and is detrimental or burdensome to the buyer is void.

The goods are defective if a defect reduces its value or if the defect renders the goods unfit for its utilization purpose as agreed in the contract or its ordinary use or if the goods fails to meet its function or quality as advertised by the seller or agent of the seller, except for some exceptions.

Unless the seller can prove otherwise, the goods are presumed to have been defective on its delivery if the defect is discovered within the respective period from its delivery date:

- Six months for the general goods;
- One year for automobiles; and
- Six months for motorcycles.

The seller is strictly liable for defects of automobiles or motorcycles discovered within the following periods or mileage limits, whichever comes first:

- One year or use of 10,000 km for automobiles and
- Six months or use of 5,000 km for motorcycles.

If the goods are defective, the buyer is entitled to:

- receive repair of the goods,
- receive replacement of the goods,
- receive price reduction; or
- terminate the sale contract.

None of these entitlements will affect the buyer's right to claim for damages and reasonable expenses.

Repair: The seller must complete the repair of the defective general goods within 60 days after it is returned for the repair or within 90 days after the defective automobile is returned for the repair. If the seller fails or refuses to repair the goods within the said 60 or 90 days, the buyer can request reduction of the price or terminate the contract. If the repair causes the goods to be deteriorated, the buyer can claim for damages or a discount of the price.

Replacement: The seller must replace the defective general goods with new goods of the same type and kind if the defect is material and is discovered within 7 days after delivery, or within 14 days after delivery of defective electrical and electronic appliances and engine-powered devices.

The seller must replace a defective automobile or motorcycle if the defect is material or safety-related and the defect cannot be repaired or if use of such goods after the repair could still pose danger to the body, health or hygiene of the buyer.

Price Reduction: The buyer can ask the seller to reduce the purchase price. The seller may instead elect to repair or replace the goods if the requested price reduction imposes an unreasonable burden on the seller.

Termination of Contract: If the buyer chooses to terminate the contract, the buyer must give written notice to the seller within 6 months from the date on which the right to terminate the contract arises. Upon termination, the seller can deduct depreciation from the price to be refunded but the seller must also pay the buyer the interest on the purchase price to be accrued from the purchase price payment date.

Statutory Limitation

The statutory limitation periods are:

- for the general goods: one year from the date on which the defect is discovered or the date on

which the seller agrees to provide a remedy, or

- for the specific goods: two years from the date on which the defect is discovered or the date on which the seller agrees to provide a remedy.



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