

## Proposed Amendment to the Penal Code to Impose Criminal Liabilities on Legal Entities in Thailand

The Penal Code of Thailand is being amended to impose criminal liabilities on legal entities (juristic persons) separately from the criminal penalties for individual offenders. The Council of State is reviewing the draft Act on Amendment to the Penal Code and putting draft Act up for public hearing from 2<sup>nd</sup> May 2023 to 15<sup>th</sup> July 2023. After the public hearing, the draft Act will be submitted for the approval of the Cabinet and then for the review and approval of the Parliament (the House of Representatives and the Senate) before the royal endorsement and the publication in the Government Gazette.

The key provisions of the proposed amendment are summarized as follows:

1. Section 18/1: If there is no specific law imposing a criminal penalty for a juristic person offender, the penalties for the juristic person offender shall be as follows:
  - if the criminal penalty under the relevant law is an imprisonment or a death penalty, such penalty shall be replaced with a fine penalty of not exceeding THB10 million;
  - if the criminal penalty under the relevant law is an imprisonment plus a fine penalty, or a fine penalty only, such penalty shall be replaced with a fine penalty of not exceeding 5 times of the amount of the fine penalty imposed under the relevant law.
2. Section 18/2: The court may order the juristic person who commits a criminal offence to: (1) be dissolved, (2) close its business or its computer system used in committing the offence, (3) refrain from raising funds from the public, (4) refrain from participating in a bid or being a concessionaire with a state agency, or (5) refrain from carrying out any business or activity related to the offense committed, etc.
3. Section 59/1: A juristic person shall be liable for the criminal liability if its legal representative or authorized person has acted on its behalf and for its benefits within the scope of his/her authorization and within the scope of its objectives.
4. Section 196/1: A juristic person who fails to comply with a court order issued under Section 18/2 shall be subject to a fine from THB50,000 to THB300,000. Any director or person responsible for the business operation of the violating juristic person shall also be liable for an imprisonment of not exceeding one year or a fine of not exceeding THB300,000, or both. If the violation of the court order results in the juristic person deriving any benefits from such violation, such juristic person shall also be subject to a fine of not exceeding two times of the amount of the benefits received.

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