TRADE ASSOCIATIONS ACT,
B.E. 2509 (1966)

BHUMIBOL ADULYADEJ, REX;
Given on the 4th Day of April B.E. 2509;
Being the 21st Year of the Present Reign.

His Majesty King Bhumibol Adulyadej is graciously pleased to proclaim that:
Whereas it is expedient to have the law on trade associations;
Be it, therefore, enacted by the King, by and with the advice and consent of
the Constituent Assembly serving as the National Assembly, as follows.

Section 1. This Act is called the “Trade Associations Act, B.E. 2509 (1966)”.

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

Section 3. All provisions of other laws, rules and regulations insofar as they
deal with matters governed by this Act or are contrary to or inconsistent with this Act shall
be replaced by this Act.

CHAPTER I
GENERAL PROVISIONS

Section 4. In this Act,
“trade association” means an institute formed by several enterprise operators for the purpose of promoting the operation of enterprises, without seeking profits or sharing revenues;
“enterprise operator” means a person operating a business in trade, industry or finance and shall include a person operating any other economic business as prescribed by the Minister in the Ministerial Regulation;
“Registrar” means the Central Registrar of Trade Associations or the Registrar of Provincial Trade Associations, as the case may be;
“competent official” means a person appointed by the Minister to perform activities under this Act;

* Translation by Dr. Pinai Nanakorn, Faculty of Law, Thammasat University, for the Department of Business Development, Ministry of Commerce
“Minister” means the Minister having charge and control of the execution of this Act.

Section 5. The Minister of Commerce shall have charge and control of the execution of this Act and shall have the power to appoint competent officials and issue Ministerial Regulations prescribing fees not in excess of the rate annexed hereto and prescribing other acts for the execution of this Act.

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

CHAPTER II
GENERAL PROVISIONS

Section 6. Subject to the law on co-operatives, enterprise operators shall not, for promoting the operation of enterprises, reunite in any form other than in the form of a trade association under this Act only.

Section 7. There shall be established the Central Trade Associations Registration Office in the Department of Business Development, Ministry of Commerce, for the purposes of controlling issuance of permits and registration of trade associations throughout the Kingdom and serving as the Trade Associations Registration Office in Bangkok.

In any Province other than Bangkok, there shall be established the Provincial Trade Associations Registration Office directly reporting to the Central Trade Associations Registration Office.

The Director-General of the Department of Business Development or the person entrusted by the Director-General of the Department of Business Development shall be the Central Registrar of Trade Associations and the Registrar of Provincial Trade Associations in Bangkok areas, and the Governor of each Province other than Bangkok or the person entrusted by the Governor shall be the Registrar of Provincial Trade Associations.

Section 8. No person shall form a trade association unless upon permission by the Registrar.

No branch of any trade association shall be established.

Section 9. In applying for permission, not less than three promoters shall submit an application to the Registrar in accordance with the rules and procedures prescribed in the Ministerial Regulation.

Section 10. When the Registrar has received an application for permission and considers that the application is not contrary to any law and does not endanger national economy or security, public order or good morals and that the promoters are persons of

* As amended by section 3 of the Trade Associations Act (No. 2), B.E. 2550 (2007).
** As amended by section 4 of the Trade Associations Act (No. 2), B.E. 2550 (2007).
good behaviour, the Registrar shall give an order granting permission, issue a trade association permit to the applicants and also register the trade association in question.

If the Registrar gives an order refusing to grant permission, the order shall be notified in writing to the applicants without delay. The applicants have the right to appeal against such order by submitting an appeal in writing to the Minister within fifteen days as from the date of receipt of the notification thereof. The decision of the Minister shall be final.

Any permission granted for the formation of a trade association and any dissolution of a trade association shall be published by the Central Registrar of Trade Associations in the Government Gazette.

**Section 11.** A trade association to which a permit has been granted and which has been registered shall be a juristic person.

**Section 12.** If a trade association permit is lost or damaged, the trade association shall submit an application for a permit substitute.

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

1. its name;
2. its objects;
3. its office address;
4. procedures for the admission of members and removal of membership of the trade association, and rights and duties of members; and
5. the operation of affairs of the trade association, the appointment, vacation of office and meetings of directors and general meetings.

The regulations of a trade association must be registered with the Registrar at the time of submitting the application for permission to form a trade association. Prior to issuance of a permit, the Registrar may, if the Registrar deems appropriate, order any alteration of or addition to such regulations.

*Section 14. (Repealed)*

**Section 15.** The name of a trade association must be in Thai characters with or without the accompanying foreign-language characters at the end or beneath the name in Thai characters. Only such names as indicated in the regulations may be used. The expression “of Thailand” or any expression of a similar connotation shall not be used as part of the name of a trade association.

A trade association shall cause its clearly legible name board to be displayed in front of its office.

**Section 16.** No person shall use a name incorporating Thai characters “trade association” or foreign-language characters which mean or read “trade association” in a

* Repealed by section 5 of the Trade Associations Act (No. 2), B.E. 2550 (2007).
seal, a name board, a letter, a notice or any other document related to the business without forming a trade association unless such use is made in the application for permission to form a trade association.

Section 17. The Registrar shall have the power to issue a written order instructing any person to appear for enquiries or furnish documents to assist official consideration in relation to an application for permission to form a trade association.

CHAPTER III
OPERATION OF AFFAIRS OF TRADE ASSOCIATIONS

Section 18. A trade association shall have a Board of Directors to be in charge of the operation of its affairs and represent the trade association in transactions made with third persons. For these purposes, the Board of Directors may entrust one or more directors to act on its behalf.

Section 19. In addition to the vacation of office in accordance with the regulations of a trade association, a director of the trade association shall vacate office upon becoming bankrupt or being sentenced by a final judgment to a penalty under this Act, and such director shall thenceforth not be entitled to become a director of any trade association unless the period of three years has elapsed as from a discharge from the bankruptcy or a release from the penalty.

Section 20. Any member of a trade association has the right to request an inspection of affairs and property of the trade association, provided that such request shall be submitted in writing to the trade association.

Section 21. A trade association may carry out affairs only in respect of the following matters:

(1) to promote the operation of enterprises of the types falling within its objects;

(2) to support and assist members, find solutions to obstacles and impediments and negotiate as well as agree with third persons for the common interest in the operation of enterprises of the types falling within its objects, observe and follow movements of both domestic and external markets in relation to the goods traded by members’ enterprises, for the benefit of trade, finance, economy or security of the nation;

(3) to conduct research in relation to the operation of enterprises of the types falling within its objects and exchange as well as disseminate technical knowledge and trade information in relation to such enterprises;

(4) to request statistics, documents or any statements from members in relation to the operation of enterprises of the types falling within its objects, with the consent of members;

(5) to promote quality standards of goods produced or distributed by enterprise operators that are members and research as well improve methods of production and trade to achieve better results;
(6) to co-operate with the Government on the promotion of trade, industry, finance or any other economic business falling with its objects;

(7) to promote production with a view to achieving such sufficient quantities of goods as to meet the demand of both domestic and external markets;

(8) to conclude agreements with members or lay down rules directing members to perform or refrain from performing acts for the purpose of the orderly operation of the enterprises of the types falling within its objects; and

(9) to conciliate disputes as between its members or between its member and a third person.

**Section 22.** Any trade association shall not perform any of the following acts:

* (1) operating an enterprise by such trade association itself or operating an enterprise of its member or participating, holding shares, entering into partnership or entering into co-investment in the operation of an enterprise with any person, with the exception of holding a bond or holding shares in a company listed in a securities exchange as donated or given to the trade association;

(2) carrying out any act in any manner manipulating prices of goods or services towards an unreasonably low or high point or causing turbulences in connection with prices of goods or services;

** (3) giving money or a loan of money to a member or any other person, with the exception of a gift made for a charity purpose or in compliance with a moral duty or out of reasonable social disposition or in the interest of welfare to employees of the trade association;

(4) carrying out any act in any manner increasing, reducing or restricting the production quantity or the quantity of goods distributed or other services, when the carrying out of such act is prejudicial to domestic or external markets for trade or finance or national economy;

(5) carrying out any act in any manner eliminating competition in a normal course of the operation of enterprises, with the exception of the act performed in pursuance of governmental policies or regulations;

(6) carrying out any act in any manner endangering national economy or security or public order or good morals;

(7) preventing or obstructing any person, being eligible for becoming a member in accordance with the regulations of the trade association, from becoming a member, or coercing such person in any manner to become a member involuntarily or coercing a member to relinquish membership of the trade association with a dishonest intent or contrary to the regulations of the trade association;

(8) disclosing statistics, documents or statements related to specific benefits or interest of any member, except upon such member’s written consent; and

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* As amended by section 6 of the Trade Associations Act (No. 2), B.E. 2550 (2007).
** As amended by section 7 of the Trade Associations Act (No. 2), B.E. 2550 (2007).
Section 23. Any trade association shall not distribute profits or revenues amongst its members or be involved in political affairs.

Chapter IV
Control of Trade Associations

Section 24. The Registrar shall have the power to issue a written order instructing any director or member to appear and give explanations of facts in connection with the affairs of a trade association or furnish documents in connection with the operation or minutes of meetings of a trade association.

Section 25. In the execution of this Act, the Registrar or competent officials shall have the power to enter a trade association’s office during its office hours for the purpose of an inspection.

In the performance under paragraph one, the competent officials shall produce their identification cards to persons concerned.

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

In the performance of the duties of the Registrar or the competent officials under paragraph one, the persons concerned shall provide reasonable convenience or assistance or give explanations to the Registrar or the competent officials as requested.

Section 26. A trade association shall prepare a register of its members to be kept at its office and shall furnish a copy of such register of members to the Registrar within ninety days as from the date of receipt of a permit and registration as a trade association. A register of members shall at least contain the following particulars:

(1) names and nationalities of members;
(2) names used in the operation of enterprises and types of enterprises;
(3) addresses of offices of members; and
(4) dates of admission as members.

In the case of admission of new members or any change in relation to the register of members, the trade association shall notify such admission of new members or such change to the Registrar within ninety days as from the date of admission of the new member or the date of such change.

Section 27. A trade association shall prepare a balance-sheet at least once every period of twelve months, which constitutes an accounting year of the trade association.

The balance-sheet must contain particulars showing assets and liabilities of the trade association together with the revenues and expenses account. The balance-sheet must completely be prepared and audited by an auditor and thereafter submitted to a
general meeting of the trade association for approval within one hundred twenty days as from the end of the accounting year.

Section 28. A trade association shall prepare an annual report indicating the operation of its affairs for submission to a general meeting at the same time of submitting the balance-sheet and shall furnish a copy of the report and of the balance-sheet to the Registrar within thirty days as from the date of the general meeting.

Section 29. Any alteration of or addition to the regulations of a trade association may only be made upon resolution of a general meeting and must be registered with the Registrar within thirty days as from the date of the resolution of the general meeting. But, if the Registrar considers that such alteration of or addition to the regulations is contrary to the objects of the trade association or contrary to the law, the Registrar shall not effect the registration of such alteration of or addition to the regulations.

If the Registrar refuses to effect the registration of the alteration of or addition to the regulations, section 10 paragraph two shall apply mutatis mutandis.

Section 30. Any appointment of directors or any change of directors of a trade association must be registered with the Registrar within thirty days as from the date of the appointment or the change of directors.

*If the Registrar considers that the person appointed as a director has faulty behaviour or there is a reasonable cause to suspect that such person threatens to endanger national economy or security or public order or good morals, the Registrar has the power to refuse to effect the registration of such person as director of the trade association.

Section 31. Any person who intends to inspect or copy any document or obtain a certified copy of any document related to a trade association shall submit an application in accordance with the form prescribed by the Central Registrar of Trade Associations.

Section 32. When it is apparent that the Board of Directors, a director or a member of a trade association has committed any act threatening to endanger national economy or security or public order or good morals, the Registrar shall have the power to issue a written order instructing the Board of Directors or such director or member to discontinue or rectify such act within the time specified by the Registrar.

Section 33. When a trade association has committed any act in contravention of section 22, the Minister has the power to instruct all directors en masse or any individual director to vacate office. In such case, such directors or director shall lose the right to become directors or a director of a trade association unless the period of three years has elapsed as from the date of the removal from office by the Minister’s order.

Section 34. When there is a reasonable cause to suspect that any trade association will carry out an act which is unlawful or threatens to endanger national economy or security or public order or good morals, the Registrar shall have the power to

* As amended by section 8 of the Trade Associations Act (No. 2), B.E. 2550 (2007).
issue a written order instructing such trade association to give the Registrar not less than three days' prior notice of the date and time of every meeting. In such case, the Registrar or the competent official shall have the power to attend the meeting.

In the case where any trade association fails to give notice of the date and time of the meeting as instructed by the order of the Registrar, the Registrar shall have the power to order such trade association to cancel the meeting once for a period not exceeding ninety days as from the date of the Registrar’s order.

In the case where the Registrar orders a cancellation of the meeting, section 10 paragraph two shall apply mutatis mutandis.

*Section 35. If a general meeting of a trade association passes a resolution which is in contravention of the law or the regulations of the trade association, the Court shall, upon an application made by any member or the competent official, revoke such resolution of the general meeting, provided that in the case where the application for the revocation is made by a member, such revocation shall be made within thirty days as from the date of such resolution.

**Section 36. The Minister shall have the power to order a trade association to be dissolved in any of the following cases:

(1) when it is apparent that the act performed by the trade association is unlawful or endangers national economy or security or public order or good morals;

(2) when the trade association has performed an act in contravention of section 22 and such act is gravely detrimental;

(3) when the trade association is unable to continue its operation of affairs or has ceased its operation of affairs for at least two years upwards; or

(4) when it is apparent that the trade association has allowed any other person who is not its director to operate its affairs in the capacity as its director, or given consent thereto.

Any director of the trade association ordered by the Minister to be dissolved under (1), (2) or (4), who was involved in the act giving rise to the trade association being ordered by the Minister to be dissolved, loses the right to become a director of a trade association unless the period of three years has elapsed as from the date of the Minister’s order for the dissolution of such trade association.

**CHAPTER V
DISSOLUTION OF TRADE ASSOCIATIONS**

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

(1) upon the occurrence of the event specified in the regulations, if it is so specified;

* As amended by section 9 of the Trade Associations Act (No. 2), B.E. 2550 (2007).
** As amended by section 10 of the Trade Associations Act (No. 2), B.E. 2550 (2007).
(2) if formed for a definite period of time, upon the expiration of such period; 
(3) upon a general meeting passing a resolution for dissolving it; 
(4) upon its bankruptcy; or 
(5) upon the order of the Minister for dissolving it under section 36.

The trade association dissolved under (1), (2), (3) or (4) shall notify it to the Registrar within fifteen days as from the date on which the event giving rise to the dissolution occurred.

Section 38. Subject to section 10 paragraph three, when any trade association is dissolved on account of any of the events specified in section 37, the Registrar shall revoke the permit and strike the name of such trade association off the register. In such case, it shall be deemed that such trade association continues to operate only insofar as it is necessary for its liquidation.

Section 39. The provisions of the Civil and Commercial Code on Liquidation of Registered Partnerships, Limited Partnerships and Limited Companies shall apply mutatis mutandis to the liquidation of a trade association which is dissolved under section 37.

Section 40. Upon completion of the liquidation, any remaining assets shall not be distributed amongst members of the trade association. Such assets must be transferred to any other juristic person having objects related to public charity as indicated in the regulations of the trade association or, in the absence of such indication, be transferred to such particular juristic person, with objects related to public charity, as directed by a resolution of a general meeting. In any case other than those aforesaid, the remaining assets shall be vested in the State.

CHAPTER VI
PENALTIES

Section 41. Any person who contravenes section 6 or section 8 shall be liable to imprisonment for a term not exceeding one year or to a fine not exceeding ten thousand Baht or to both.

Section 42. Any person who becomes a member of a trade association not granted permission under section 8 shall be liable to a fine not exceeding two thousand Baht.

*Section 43. (Repealed)

Section 44. Any person who contravenes section 15 shall be liable to a fine not exceeding one thousand Baht and to an additional fine at a daily rate of fifty Baht until proper rectification is carried out.

* Repealed by section 11 of the Trade Associations Act (No. 2), B.E. 2550 (2007).
Section 45. Any person who contravenes section 16 shall be liable to a fine not exceeding two thousand Baht and to an additional fine at a daily rate of fifty Baht until discontinuance of the use in question.

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 not exceeding one thousand Baht.

Section 47. Any trade association which refuses to allow a member to inspect its affairs and property under section 20 shall be liable to a fine not exceeding one thousand Baht.

Section 48. Any trade association which contravenes section 22 or section 23 shall be liable to a fine not exceeding fifty thousand Baht.

Section 49. Any director of a trade association who contravenes section 22 or performs any act which is contrary to the objects of the trade association and endangers national economy or security or public order or good morals shall be liable to a fine not exceeding thirty thousand Baht.

Section 50. Any trade association which contravenes section 26, section 27, section 28, section 29 or section 30 paragraph one shall be liable to a fine not exceeding one thousand Baht.

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

Section 52. Any person who contravenes section 33 or continues to become a director or a member of a trade association already dissolved under section 37 or under section 55 paragraph three shall be liable to imprisonment for a term not exceeding two years or to a fine not exceeding twenty thousand Baht or to both.

Section 53. Any trade association which contravenes section 37 paragraph two or fails to comply with section 39 shall be liable to a fine not exceeding one thousand Baht.

Section 54. Any person who contravenes section 40 shall be liable to imprisonment for a term not exceeding one year or to a fine not exceeding ten thousand Baht or to both.

Section 54/1. All offences under this Act which are only punishable by a fine may be settled, by way of payment of a fine, by the Director-General of the Department of Business Development or a person entrusted by the Director-General of the Department of Business Development; and, upon payment of the fine by the offender, the case shall be deemed settled under the Criminal Procedure Code.

* As added by section 12 of the Trade Associations Act (No. 2), B.E. 2550 (2007).
**TRANSITORY PROVISIONS**

**Section 55.** All associations registered as associations under the Civil and Commercial Code prior to the date of the entry into force of this Act, which have the same nature or objects as the nature or objects of trade associations must, if desirous to operate as trade associations under this Act, apply for permission to operate as trade associations within ninety days as from the date of the entry into force of this Act. Upon their permission to operate as trade associations under this Act, the Registrar of Associations under the Civil and Commercial Code shall strike the names of such associations off the Associations Register.

All assets and liabilities of the associations which have the same nature or objects as the nature or objects of trade associations granted permission and registered as trade associations under this Act shall be transferred to the trade associations newly formed.

If any association, having the same nature or objects as the nature or objects of a trade association, which has been registered as an association under the Civil and Commercial Code, fails to apply for permission to operate as a trade association under this Act within the time specified under paragraph one, such association shall be deemed dissolved and the Registrar of Associations under the Civil and Commercial Code shall strike the name of such association off the Associations Register.

If the association is not satisfied with the order of the Registrar under the Civil and Commercial Code demanding that the name of the association be struck off the Associations Register, such association may appeal against that order by submitting a written appeal to the Minister within fifteen days as from the date of receipt of the notification of the order. The decision of the Minister shall be final.

Countersigned by:
Field Marshal Thanom Kittikhajorn
Prime Minister
RATES OF FEES

(1) Applications 2 Baht each
(2) Trade Association Permits 500 Baht each
(3) Substitutes for Trade Association Permits 50 Baht each
(4) Registration of the Alteration of or Addition to the Regulations or Registration of the Appointment or Change of Directors 5 Baht for each registration
(5) Application for Inspecting or Copying Documents 5 Baht for each inspection
(6) Application for Certified Copies of Documents 20 Baht a copy
Note: - The reasons for the promulgation of this Act are as follows. At present, in the absence of specific law on trade associations, existing trade associations have been registered as associations under the Civil and Commercial Code although objects and operational procedures of trade associations are significantly different from those of ordinary associations. Also, trade associations have crucial influences on national trade and economy and may carry out affairs in manner causing turbulences in trade and financial markets both domestically and externally or may act in a manner prejudicial to the living maintenance of the public. It is expedient to separate trade associations from ordinary associations, set forth rules governing the formation, scopes of objects, the operation and the control of the operation of trade associations, impose on trade associations prohibition from performing any act prejudicial to national trade, economy or security, lay down penalties to be inflicted on trade associations in the event of their operation in contravention of the law and provide for an order for dissolution of trade associations. It is therefore necessary to enact the law on trade association as *sui generis* legislation.

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