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The Ministry of Interior is intensifying its scrutiny of foreign nominee land ownership structures



I. Introduction

On 25 August 2026, the Permanent Secretary of the Ministry of Interior issued Urgent Circular Letter No. MorTor 0515.2/ Wor 19097 (the "**Circular Letter**") to all Provincial Governors, setting out enhanced procedures for investigating suspected cases of land being held on behalf of foreigners in circumvention of Thai law ("**Nominee Arrangements**").

II. Key enforcement measures

The Circular Letter establishes a unified, multi-agency enforcement framework which requires competent officials to take the following actions:

- **Multi-Agency Investigation:** The composition of the Fact-Finding and Investigation Committee (the "**Committee**") will be expanded to include law enforcement representatives, such as local police officers. This expansion will facilitate cross-agency information sharing, tax data verification, corporate shareholding audits, and financial asset tracing.
- **Targeted Screening of High-Risk Entities:** Provincial Land Offices must proactively screen entities whose landholdings suggest the presence of Nominee Arrangements, and submit their preliminary findings to the Committee. The Committee will then determine whether the entity qualifies as a "foreigner" under the Land Code, or if the landholding involves a potential Nominee Arrangement.
- **Mandatory Land Disposal Orders:** If an entity is found to be holding land in violation of the Land Code, the Provincial Land Office must refer the matter to the Provincial Governor, who will then issue an order setting out the timeframe for the disposal of the land.
- **Criminal Proceedings:** If a Nominee Arrangement is confirmed, land officials must file a criminal complaint against those involved and see the case through to its conclusion.

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III. Regulatory shift: substance-over-form

The Circular Letter reflects a more proactive approach to enforcement, prioritizing substance over form. Although the statutory criteria for determining whether an entity qualifies as a "foreigner" under the Land Code remain unchanged, the authorities will consider more than just formal shareholding structures when investigating suspected Nominee Arrangements.

Under the Land Code foreigner status is primarily determined by registered capital and the number of foreign shareholders.

However, under the new directives, authorities will consider more than just formal compliance when investigating potential Nominee Arrangements. They may consider a broader range of information, such as tax records, commercial operations, funding sources, foreign residency status, and financial transaction histories, in order to ascertain the nature of the landholding arrangement.

IV. Key takeaways

Adherence to statutory equity ratios no longer offers absolute protection. Even ownership structures that formally comply with Thai shareholding requirements may still face regulatory scrutiny if the underlying commercial arrangements indicate that the land is effectively being held on behalf of a foreigner.

Corporate groups and real estate holders with foreign participation may wish to consider taking the following steps:

- **Ultimate Beneficial Ownership (UBO) Verification**: Conduct look-through reviews across all holding tiers to ensure that Thai shareholders are genuine legal and beneficial owners with verifiable sources of funds and independent financial capacity.
- **Governance and Economic Rights Review**: Examine board compositions, voting thresholds, dividend entitlements, and other agreements to confirm that foreign investors do not hold impermissible control rights or restrict the independence of Thai equity holders.
- **Corporate Restructuring**: Identify potential structural exposure early and implement compliant corporate realignment strategies where necessary.

V. Our services

Should you have any questions regarding land ownership restrictions under Thai law, please reach out to us by email at thailand@luther-services.com or by telephone at +66 2 210 0036.

We would be pleased to assist you with conducting corporate structure reviews, legal compliance assessments, and implementing restructuring solutions tailored to your business objectives.

VI. Your contacts in Thailand



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