

Ministerial Regulation

Collateral Requirement for Direct Sales and Direct Marketing Business

B.E. 2561 (2018)

By virtue of the clause 1 in section 4, and clause 1 in section 38/5 outlined in Direct Sales and Direct Marketing Act, B.E. 2545 (2002) and the supplement with additional revision of the Act (Release 3), B.E. 2560 (2017), the Prime Minister of Thailand has announced the following statements:

1. In this Ministerial Regulation:
“Earning” refers to earning before deducting any cost of direct sales or direct marketing business operation, depending on circumstances.
2. When there is a request for direct sales or direct marketing business registration based on the clause 1 in section 38 and 39 and the requester is truly qualified without any inhibited qualifications as outlined in section 38/1, 38/3 or 38/4, the registrar shall notify the requester in an official written form to submit the collateral in accordance with the statement 3 or 4, depending on circumstances, within 30 days after receiving the official notice.

In case that the designated period as stated in clause 1 ends and the requester fails to submit the collateral, the registrar will reject such request.

3. The collateral limit applied for direct sales business registration shall be as follows:
 - (1) The new requester shall submit the collateral of THB25,000.
 - (2) For those who successfully received direct sales business registration;
 - (a) Those who earn no more than THB25,000,000 per year shall submit the collateral of THB25,000.
 - (b) Those who earn more than THB25,000,000 but no more than THB50,000,000 per year shall submit the collateral of THB50,000.
 - (c) Those who earn more than THB50,000,000 but no more than THB100,000,000 per year shall submit the collateral of THB100,000.
 - (d) Those who earn more than THB100,000,000 per year shall submit the collateral of THB200,000.
4. The collateral limit applied for direct marketing business operator shall comply with the following regulations:
 - (1) New requester;
 - (a) A natural person shall submit the collateral of THB5,000.
 - (b) A juristic person shall submit the collateral of THB25,000.

- (2) For those who successfully received direct marketing business registration;
- (a) A natural person who earns no more than THB25,000,000 per year shall submit the collateral of THB5,000 while a partnership or company under this condition shall submit the collateral of THB25,000.
 - (b) Those who earn more than THB25,000,000 but no more than THB50,000,000 per year shall submit the collateral of THB50,000.
 - (c) Those who earn more than THB50,000,000 but no more than THB100,000,000 per year shall submit the collateral of THB100,000.
 - (d) Those who earn more than THB100,000,000 per year shall submit the collateral of THB200,000.
5. Within the period of 60 days after the end of every fiscal year, the direct sales or marketing business operator must declare their earnings from their business operation to the registrar, depending on circumstances.

In case that any direct sales or direct marketing business operator fails to comply with statement 3 or 4 above by submitting false collateral, depending on circumstances, the registrar shall notify such direct sales or direct marketing business operator in an official written form to make the correction on the collateral within 60 days after receiving the official notice.

Pursuant to the Ministerial Regulation specified in clause 1, the registrar shall allow the submission through an electronic platform.

6. In case that the Board require other forms of collateral, apart from cash, and the direct sales or direct marketing business operator intends to make a change, they shall request to change their collateral type and submit the associated document and new collateral to the registrar.

In case that the collateral change request is made with incomplete document or false collateral, the registrar shall notify the requester to re-submit the document or collateral within 60 days. If the requester fails to do so within such period, they will be considered not willing to proceed the request, resulting in request dismissal by the registrar.

7. The collateral submission based on this Ministerial Regulation shall be done before the registrar at Office of The Consumer Protection Board and in compliance with the submission form designated by the Board.
8. The direct sales or direct marketing business operator who complete the registration request prior to the announcement date of this regulation shall comply the statement 3 or 4, depending on circumstances, within 90 days after the effective date of this regulation.

Issued on 2nd November, 2018
General Prayuth Chan-Ocha
The Prime Minister of Thailand