


 Expat Counsell

OPENING A RESTAURANT OR BAR IN THAILAND I: Approvals required



All foreigners come to Thailand with a dream. For some, the vision of owning and running a restaurant or bar in this exotic corner of the world is irresistible. For those with a Thai partner, the reality is that often the ownership of the business is held in the name of the Thai. If you have friends who have bars or restaurants, you know that this is what the vast majority of foreigners end up doing.

Of course, putting everything in the name of a Thai has two distinct drawbacks — if the restaurant succeeds and the relationship doesn't, it is the Thai who owns everything. Also, without a work permit the foreign partner isn't supposed to work there and runs the risk of arrest and even deportation if the local labour authorities get wind of this.

But what if you really want to own what you create or don't want the risks mentioned above? What are the practicalities?

Every restaurant or bar that sells food must have the following permits:

- A commercial registration certificate for the sale of goods and the provision of musical or karaoke services. The fee is up to 100 baht. This must be obtained from the Department of Business Development if your business is in Bangkok or the provincial registration office if it is outside of Bangkok.
- Either a certificate (for space up to and including 200 square metres) or a permit (for space exceeding 200 square metres) to sell and keep food. This must be obtained from the environmental and public health division of the district office for Bangkok businesses or the local municipality office for businesses outside of Bangkok. The fee is up to 2,000 baht for a certificate and 3,000 baht for a permit.
- A permit to operate a business dangerous to health — if karaoke is provided and/or liquor is sold — from the environmental and public health division of the district office for Bangkok businesses or the local municipality office for businesses outside of Bangkok. The fee is approximately 3,000 baht and depends on the type of food sold and the size of the establishment.
- A permit to open a service establishment that sells food and/or liquor or provides music, karaoke or other entertainment from the police office in Bangkok or local sheriff's office outside of Bangkok. The fee is 50,000 baht.
- If applicable, a permit to open an entertainment establishment that shows videos, movies and the like from the local police office in Bangkok or the local sheriff's office outside of Bangkok. The fee is up to 100 baht.
- A permit to sell liquor from the Excise Department in Bangkok or the local excise office outside of Bangkok. The fee varies from 50 baht to 10,000 baht, depending on the amount of prospective sales.
- A permit to sell cigarettes from the Excise Department in Bangkok or the local excise office outside of Bangkok. The fee is up to 100 baht.

Generally, it takes about 90 days from the time you apply to get all the above permits. Technically the law provides that a permit to open a service establishment must be decided upon within 60 days, but it routinely takes longer because of requests from the officer in charge for further documentation or alterations to the location. For the other permits, the time varies from a few days to a few weeks. Who should get these approvals? Your best bet is to hire someone to help you, since all written applications and supporting documents must be in Thai. Likewise, as a practical matter, communications with officials at these agencies must be in Thai. There are lawyers and consultants who specialise in doing this.

Can a foreigner own a restaurant on his or her own? We'll discuss this next time. ■

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