



Expat Counsel

By James Finch and Nilobon Tangprasit

# OWNING A HOTEL OR GUEST HOUSE IN THAILAND

## Part VIII: Your questions

**W**e've reached the end of our series on opening a hotel in Thailand. We have, however, received a number of questions from readers about this issue. Here are synopses of some of the questions that were frequently asked, and how we answered.

**What licensing is required to open restaurants located in hotels?**

Every restaurant must have:

- A commercial registration certificate for the sale of goods;
- a certificate or permit to keep and sell food;
- a permit to operate a business dangerous to health for activities such as baking and mixing beverages, if required by local legislation;
- permits to sell liquor and cigarettes from the nearest excise office.

We wrote a three-part series on opening a restaurant in this column late last year. This covers a lot of the basics we don't have space for here. You can take a look at it by visiting our website (address below). Also, you should know that restaurants in hotels can't be open past midnight without a permit.

**If I'm an investor in a hotel, do I need a work permit to participate in the management of it?**

If you are a foreigner and you are working in Thailand you will need a work permit. This includes part-time supervision of employees at a hotel, even if you are an owner of it and/or live there.

A few important issues about getting a work permit:

- To get a work permit you have to get a non-immigrant B visa from a Thai embassy outside of Thailand, even if you are already in Thailand on another visa;
- the company that owns the hotel must have paid-in capital of two million baht for each work permit it gets. Also, there should be four Thai employees for each work permit the company receives;
- to get a work permit you must bring some expertise to the table, ideally something in short supply in Thailand.

**I run a development in which each house is owned by a separate person or couple, many**

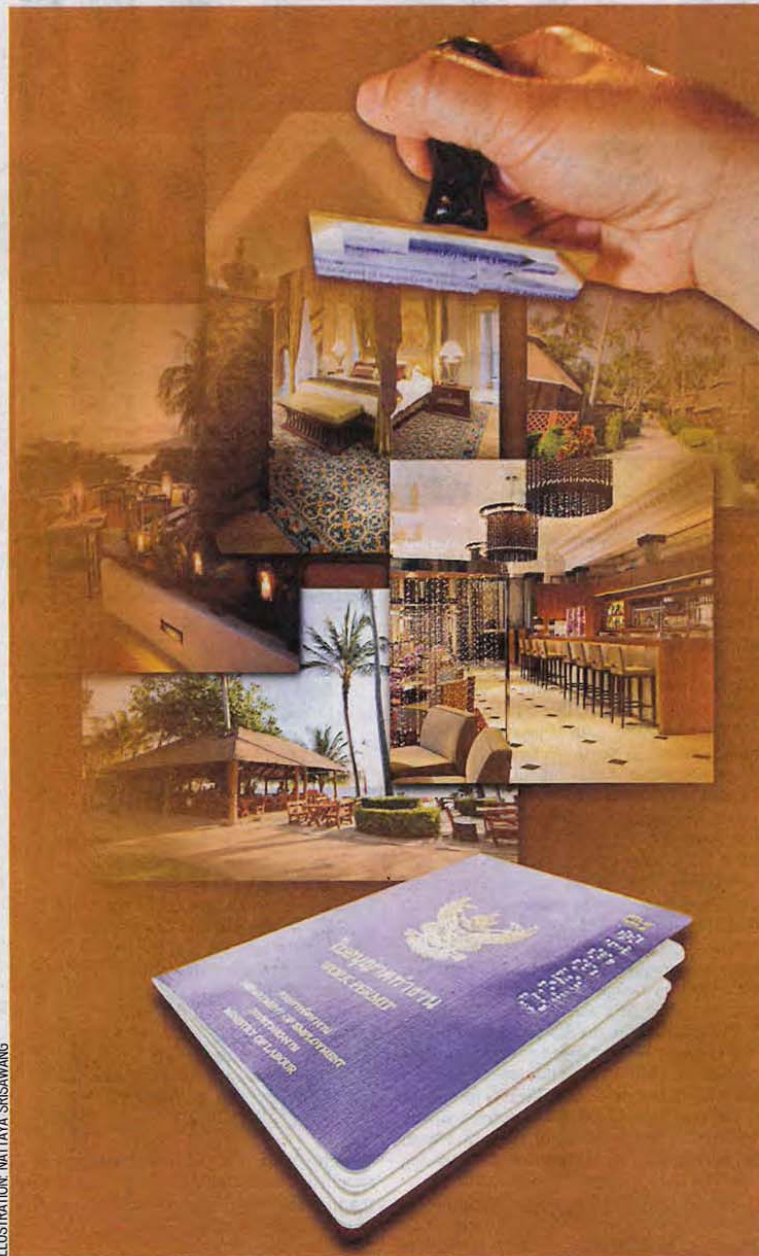


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**of whom are outside of Thailand most of the time. Can I have a rental pool for these houses and run it as a hotel?**

The idea of a rental pool is that some or all of the owners in a development or apartment building allow their units to be used as hotel suites while they are away. For this the owners are paid part of what the hotel guests pay, and a manager, who runs the hotel part of the operation, is paid the rest.

The rule in Thailand is that if the rental pool rents units out for 30 or more days at a time, this is fine. If you are running the rental pool as a hotel, in which guests can come and stay for as little as a single night, the rental pool will have to have a hotel licence. In this case, all of the rules about getting a hotel licence, including the environmental regulations we discussed last week, will be applicable.

If you apply for the environmental approvals after building the resort, government officers may condition approvals on changes in what has already been built. Thus you should strongly consider applying for environmental approvals before building.

**Can I set up a condotel in Thailand?**

A condotel is where the developer finances the construction by making each unit a condo and selling these to individual investors. The units are then run as a hotel with the profits divided between the developer, the hotel operator and the investors who own the condos.

The way the environmental licenses now work, however, is that applications for them must be different for condominiums and for hotels. Also, separate environmental licenses cannot be approved for both a condo and a hotel for the same building. Thus it's no longer possible without violating the law to develop a condominium that also has a hotel licence. ■

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