

Hire of Immovable Property for Commerce and Industry

B.E. 2542 (1999)

BHUMIBOL ADULYADEJ REX.

Given on the 7th of May, B.E. 2542

Being the 54th year of the Present Reign

His Majesty King Bhumibol Adulyadej has been graciously pleased to proclaim that Whereas it is expedient to have the law on a hire of immovable property for commerce and industry.

Be it therefore, enacted by the King, by and with the advice and consent of the National Assembly as follows:

Section 1 This Act shall be called “the Hire of Immovable Property¹ for Commerce and Industry Act B.E. 2542 (1999)”.

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

Section 3 In this Act

“Hire” means a hire of immovable property for commercial and industrial purposes which its duration is for more than thirty years but not exceed fifty years.

“Director General” means the Director General of the Department of Lands.

Section 4 A hire under this Act shall be made in writing and registered by the competent official otherwise it is void. When the period of hire is expired, the said period may be renewed, but it must not exceed fifty years from the date of agreement made by the letter²

¹ Editor Thailand Law forum comment: Real Estate

² Editor Thailand Law forum comment: Person providing immovable property for hire (Lessor)

and the hirer³ and it shall be made in writing and registered by the competent official otherwise it is void.

Section 5 A letter shall be the sole owner of the immovable property.

The hire of land which its areas are in excess of 100 *rai*, the approval of Director General shall be obtained in accordance with the rules, procedures and conditions prescribed in the Ministerial Regulation. In registering the hire under this Act, the determination of the type of commerce or industry operated and of the use or the change of use of the immovable property hired, shall be in compliance with the rules, procedures and conditions prescribed in the Ministerial Regulation. The Director General shall have the power to cancel the registration of hire which made in contravention or failure complying with paragraph (2) and (3).

Section 6 The right of hire under this Act can be used as collateral for the performance of an obligation by mortgage and the provisions of mortgage on immovable property shall apply *mutatis mutandis*.

Section 7 Right and duties pertaining to immovable property hired shall be devolved on the heirs and the hirer can sublet or transfer all or in a portion of the right of the immovable property hired to a third person, unless otherwise provided in the contract of hire.

Section 8 The rectification of the registration records of hire, the subletting, the use of the right of hire as collateral for the performance of an obligation, the transfer of the devolution of the right of hire shall be made in writing and registered by the competent official, nor can it be set up against a third person.

Section 9 The provisions of the Civil and Commercial Code concerning Hire of Property shall apply *mutatis mutandis* in so far as they are inconsistent with this Act.

Section 10 The provisions of Chapter 4 on the Issuance of Document of Land Title, and Chapter 6 on the Registration of Right and Juristic Acts of the Land Code, shall apply *mutatis mutandis* for the inquisition, registration and cancellation of registration of hire under this Act.

³ Editor Thailand Law forum comment: Lessee or person renting immovable property

Any person making an application shall make payment for the fees prescribed in the Land Code.

Section 11 The Minister of Interior shall have charge and control of the execution of this Act and shall have the power to issue Ministerial Regulations for the purpose of carrying out this Act.

Such Ministerial Regulations shall come into effect upon their publication on the Government Gazette.

Countersigned by

Chuan Leekphai

Prime Minister

Remark : Reason for promulgation of this Act are as follows :

Whereas the provision of Hire of Property under the Civil and Commercial Code has not been in compliance with the economic situation and the commercial or industrial investment requiring long term investment and security in the right of hire. It is expedient that the law is to be enacted support the long term hire of immovable property for commerce and industry by providing more security to the right of hire. As such, the right of hire can be devolved upon the heir, subletted and used as collateral for the performance of obligation by mortgage which would encourage the long term hire of immovable property for commercial and industrial purposes. This is considered as one of the measures for economic revival of the country as a whole. It is therefore expedient to prescribed the same to make them more suitable.

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