

# The convene a statutory meeting law company business partnership essay

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Research, Legal EnvironmentContentIntroductionPart 1 Business StructureType of organizationLegal aspect related to interior design professionRegister stepsFinancial facilities-Banking-Financial FacilitiesRequirements for the establishments of the business-Environment Regulation-Government Approvals-Licenses/PermitsOperation of the business-Corporate social responsibility (CSR)-Business Ethics/Codes-Consumer Protection lawsConclusionsPart 2 Law and RegulationLabor regulation, Relation, and supply-Employer/Employee Relations-Employment Regulations-Hiring and firing requirementIntellectual property/Trade markBuilding actsConclusionsIntroductionThe purpose for this research is to understand the basic business and legal principles for Interior design firms in Thailand and International law that they are already set. We must understand and except these terms of regulation, therefore to guide us and stand for the challenge to avoid the restriction and any certain cost that will affects for our business. ContentsPart 1 - business structureTypes of organization1. Sole proprietorship- This is a firm which owned by a single individual, that is not incorporated. 2. Partnership- Thai and Western concepts of partnership are broadly similar. Thailand provides for three general types of partnerships as follows: 2. 1) Unregistered ordinary partnerships, in which all partners are jointly and wholly liable for all obligations of the partnership. 2. 2) Registered ordinary partnerships. If registered, the partnership becomes a legal entity, separate and distinct from the individual partners. 2. 3) Limited partnerships. Individual partner liability is restricted to the amount of capital contributed to the partnership. Limited partnerships must be registered. 3. Limited Companies- There are

three kinds of limited companies, as follows:

2. 1) Private Limited Company  
Private limited companies require a minimum of seven promoters and must file a memorandum of association, convene a statutory meeting, register the company, and obtain a company income tax identity card. They must also follow accounting procedures specified in the Civil and Commercial code, the Revenue Code and the Accounts Act.
2. 2) Limited Partnership  
An entity with two categories of partners, i. e. 1) Partner(s) with limited liability, being one or more partners whose liability is (are) limited to only the amount he (they) agree(s) to invest in the partnership; 2) Partner(s) with unlimited liability, being one or more partners who shall be liable for all the obligations of the partnership without limitation.
2. 3) Public Limited Companies  
Public Limited Companies must have a minimum of 15 promoters. Permission for inviting the public to subscribe for shares must be applied for as prescribed by the Securities Exchange Act B. E. 2535.

Requirements for the establishment of the business  
Registration steps  
To set up a limited company in Thailand, follow the procedures below:

1. File a Memorandum of Association  
A memorandum should be prepared and submitted to the Company Registrar in the Ministry of Commerce. The memorandum should include the name and address of the company, its business objectives, and total capitalization. Capitalization information should include the number of shares outstanding and the value per share. In addition, provide personal details of the promoters (minimum of seven), along with the number of shares each holds. There are no minimum capital requirements, although capital value should reflect the nature of the business. The Memorandum registration fee is 50 baht per 100, 000 baht of registered capital. The

minimum fee is 500 baht; the maximum is 25, 000 baht. 2. Convene a Statutory Meeting Once the share structure has been defined, a statutory meeting is called. A minimum of 25 percent of the par value of each subscribed share must be paid. 3. Registration Within three (3) months of the date of the Statutory Meeting, the directors must submit applications to establish the company. Company registration fees are 500 baht per 100, 000 baht of registered capital. The minimum fee is 5, 000 baht; the maximum is 250, 000 baht. 4. Tax Registration Businesses liable for income tax must obtain a company income tax identity card and number from the Revenue Department within 60 days of incorporation or the start of operations. Business operators earning more than 600, 000 baht per annum must register for VAT within 30 days of the date they reach 600, 000 baht in sales.

Codes of Ethics The International Interior Design Association (IIDA) has conducted an Interior Design practice called 'International Interior Design Association Code of Ethics' that set the standard to all designers around the world. The practice encourages the respects of clients, fellow Interior Designers, the Interior Design industry and the general public. The code can be divided into four categories as follows:

1. Responsibility to the Public- The designers should obey the existing laws, regulations and codes governing the profession of interior design as established by the country or other authority in which they conduct business.- The designers should at always consider the health, safety, and welfare of the public.
2. Responsibility to the Client- Designers should inform the client about the scope and nature of the project every time before accepting any assignment. The designers also should not change the scope of a project without the client's approval.-

Designers should not reveal any information about the client's intention, development of the project or any other information that they are supposed to keep confidential. However, if such information could create a significant risk to the public or society, or against the laws and regulations, this could be allowed as an exception<sup>3</sup>.

**Responsibility to Other Interior Designers and Colleagues-** Designers should engage their professional activities with honesty, integrity and fairness, and with respect for other designers or colleagues contractual and professional relationships.- Designers should not accept instruction from their clients that knowingly involves plagiarism and should no plagiarize another person's work.

**4. Responsibility to the Association and Interior Design Profession-** Designers agree to maintain standards of professional and personal conduct that will reflect in a responsible manner on the profession.- Designers should seek to continually upgrade their professional knowledge and competency with respect to the interior design profession.

**Labour Rules and Regulations**

**1. Minimum Wage-** The Thai minimum wage, from 1 April 2012, is 300 Baht for Bangkok and in other provinces including Phuket, Nakorn Pathom, Nonthaburi, Pathum Thani, Samut Prakarn and Samut Sakorn.

**2. Working Hours and Leave**

**Working Hours-** The maximum number of working hours of employees is fixed at 8 hours a day and 48 hours a week in total. All employees are entitled to a daily rest period of at least one hour. However, this can be reduced to seven hours a day or 42 hours a week, in case, the work is hazardous and affects employee's health.

**Public Holidays-** Public Holidays in Thailand are regulated by the government. There are usually 16 public holidays each year. If a holiday falls on a weekend, the next working day must be compensate.

Annual Leave- Under Section 30 of the Labour Protection Act (LPA), an employee who has worked continuously for one full year shall be entitled to annual leave of not less than 6 working days. In Thailand, all the rights and duties pertaining to employers and employees are generally governed by a series of laws and regulations. The Ministry of Labor and Social Welfare is charged with implementing Labor Laws and performing Labor inspections throughout the country to provide a reasonable work environment and protect workers against labor exploitation and preserve their rights. Among the different acts that govern labor issues in Thailand are the following:

(A) THE LABOR PROTECTION ACT B. E. 2541 (1998) This mainly concerns about the rights and duties of employers and employees. It primarily establishes minimum standard practices in general labor force utilization, women and child labor utilization, remuneration, severance and employee welfare fund. It also prescribes the interventions by government officials in providing protection to laborers so as to ensure fairness and sound occupational health for the maximum benefit of both employers and employees, which will ultimately be beneficial for the national development.

(B) WORKMEN'S COMPENSATION ACT B. E. 2537 (1994) This act requires employers with ten or more regular employees to contribute 0.2%-1% (depending on the assessed risk of the workplace) of the employee's annual earnings to the Workmen's Compensation Fund. The fund provides benefits to employees who are injured, sick, disabled, or die as a result or in the performance of their work. In general, the compensation amount must be paid monthly at the rate of 60% of the monthly wages but not lower than 2,000 and not exceeding 9,000 baht per month. Actual and necessary medical expenses

must be paid up to 35, 000 baht for normal cases and 50, 000 baht for serious injury. Employment rehabilitation expenses must be paid as necessary up to 20, 000 baht and in case of death, funeral expenses will be paid at a maximum amount equal to 100 times in minimum daily wage.

(C)SOCIAL SECURITY ACT B. E. 2533 (1990)This law covers enterprises with one or more employees. Contributions to the Social Security Fund from the government, the employer, and the employee are mandated. The Social Security Fund provides compensation to insured workers under six categories: injury or sickness, disability, maternity, death, child welfare, and pensions. In the first four categories, each party contributes 1. 5% of the wages to the insured totaling to 4. 5% of the basic salary not exceeding 15, 000 baht. For child welfare and old cases, 3% is contributed. The contributions must be remitted to the Social Security Office within the 15th day of the following month.

## **Part 2 Law and Regulation**

### **LABOR LAWS**

#### **Employer/Employee Relations**

An employee is a person who agrees to work for an employer in return for a wage in any title. An employer must provide the minimum standard conditions of employment. Employers cannot specify employment conditions which do not comply with minimum standards set by the Labor Protection Act.

## **Work Rules and Regulations**

Employer that have more than ten employees needs to have written work rules and regulation send to the District Labor Office in there region. The rules and regulations must contain at least the following information:

Working days, regular working hours, and rest periods. Must have and holiday and rules on it. Overtime and holiday work rules. The wage payment includes overtime, holiday and holiday work pay. Must have rules on leave. Discipline and disciplinary actions. Submission of complaints. Termination of employment, severance pay, and special severance pay.

## **Working hours**

Working hour can be required to work a maximum of 8 hours and 48 hours a week. Overtime work that exceeds 8 hours of normal working day the employer must pay 1.5 times the hourly wage rate. An employee working at least five hours in a day must have at least 1 hour rest period.

## **Employee Welfare**

Businesses that have more than 50 employees must have a Welfare Committee that look after and make recommendations to employee welfare.

## **Holidays and leave**

An employee must be given at least one day off each week, mostly on Sunday. Minimum of 13 public holidays per year must be granted.

## **Sick Leave**

When employees are sick they have the right to rest, but still are paid for 30 working days per year.



## **Maternity Leave**

Pregnant employees can leave for 3 month, including holidays. They are paid for 45 day of their leave.

## **Minimum wage**

The minimum wage regulation applies in every business and the rates depend on location. The minimum wages per day is 300baht

## **Hiring and firing requirement**

### **Termination and Dismissal**

An employee normally must be given notice of termination at least one month in advance of termination. This notice period does not apply to employees being terminated for cause. " Cause" includes: Dishonest performance of duties or an intentional criminal offense against the employerIntentionally causing harm to the employerViolating work rules or orders of the employer for which a written warning has previously been issued to the employee (serious violations might not require a warning)Neglecting duty for three consecutive working days without justifiable reasonGross negligence causing serious harm to the employerBeing sentenced to imprisonment.

### **Termination without Cause**

When there is termination without cause, the employer must give a written letter and make compensation payment to the employee according to the length of unbroken service by the following: Period of Employment Amount of Severance PayMore than 120 days but less than 1 year 30 days wages or salaryAt least 1 year but less than 3 years 90 days wages or salaryAt least 3

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years but less than 6 years 180 days wages or salary  
At least 6 years but less than 10 years 240 days wages or salary  
At least 10 years 300 days wages or salary

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## **INTELLECTUAL PROPERTY**

Intellectual property refers to creations of the mind. The World Intellectual Property Organization (WIPO) states that intellectual property shall include rights relating to: literary, artistic and scientific worksperformances of performing artists, phonograms and broadcastsinventions in all fields of human endeavorsscientific discoveriesindustrial designstrademarks, service marks and commercial names and designationprotection against unfair competitionand all other rights resulting from intellectual activity in the industrial, scientific, literary or artistic fields. Intellectual property is divided into two main categories:

### **Industrial property**

Industrial property includes patents, trademarks, industrial designs, and geographical indications

### **Copyright-related rights**

Includes literary and artistic works such as novels, poems and plays, films, musical works, artistic works such as drawings, paintings, photographs and sculptures, and architectural designs

## Trademarks

Trademarks are used to indicate the source of goods and services, and can protect words, names, symbols, sounds, or colors that distinguish goods and services from those sold by others. Trademarks can be renewed forever as long as they are being actively used in commerce. In Thailand trademark also have protection for well-known trademarks. Well-known marks that want to record their mark in Thailand must submit an application with evidence proving the reputation of their mark. Cancellation of trademark must be brought within five years from the date of registration. Nonuse marks can be canceled three year after registration. The Act provides the penalties for counterfeiting of a trademark, service mark, certification mark, or collective mark whose rights are infringed may appeal for a court A trademark can be register if it meets the following conditions: It is distinctively it is not forbidden under the act It is not identical or similar to trademarks registered by others There are many list of distinctiveness requirement that a trademark must meet.

## Patents

A patent is a government grant of a property right that permits an inventor to exclude others from making, using, selling, offering for sale, or importing his invention. In return, the inventor must fully disclose the invention in the patent application process. Patents are territorial in that patent protection must be applied for in each country where protection is required. Not all inventions are patentable. Laws generally require that an invention fulfill the following conditions, known as the requirements or conditions of patentability: Industrial Applicability (utility). The invention must be of

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practical use, or capable of some kind of industrial application. Novelty. It must show some new characteristic that is not known in the body of existing knowledge (referred to as prior art) in its technical field. Inventive step (non-obviousness). It must show an inventive step that could not be deduced by a person with average knowledge of the technical field. Patentable subject matter. The invention must fall within the scope of patentable subject matter as defined by national law. This varies from one country to another. Many countries exclude from patentability such subject matter as scientific theories, mathematical methods, plant or animal varieties, discoveries of natural substances, methods for medical treatment (as opposed to medical products), and any invention where prevention of its commercial exploitation is necessary to protect public order, good morals or public health.

## **Copyrights**

A copyright is a form of protection for the creators of " original works of authorship" including literary, dramatic, musical, artistic, and other intellectual works, both published and unpublished. A copyright protects the form of expression rather than the subject matter of the work. Protection is for the whole life of the copyright creator plus a further 50 years

## **Types of Works**

There are eight categories of copyright the may be protected: Literary works Artistic works. Dramatic works. Musical works. Audio-visual works. Cinematographic works. Sound and video broadcasting works. Any other works of a literary, scientific, or artistic nature

## **Penalties**

In general, the penalties for violation of copyright include fines of up to THB 200, 000. Commercial violation may result in a higher fine of up to THB 800, 000 or imprisonment of up to four years, or both. Half of the fines is paid to the copyright owner if the court judgment of violate the copyright.

## **BUILDING ACTS**

The Thai Ministerial Regulations on Building Control are set under the Building Control Act by several Ministries. There are currently over 200 ministerial regulations related to building control. The most important ones are those outlining requirements for:

- Structural Design and Construction
- Fire protection, Sanitary, Lighting and Ventilation
- Water and Waste Treatment
- Earthquake Resistance

## **Structural Design and Construction**

### **Floor area ratio**

Building must be built referring to the floor area ratio. Floor area ratio means the ratio between the total building area and land plot area. Picture above show how the ratio works. When the total area of the building is 600 square meters and the land area is 100 square meters the ratio is 6: 1. The Law for building ratio of floor area ratio in Thailand is from minimum of 0. 5: 1 to maximum of 10: 1. The law of city planning project is accommodating by the following: The use of land for low income residential developments. The use of land that provide open space for public use or Public Park. Total of floor area ratio could be increase up to 20% maximum but should not exceed 5 times the open space or park provided. The use of land for public building

within 500 metres range from a specified mass transit station that provide extra car parking. Total of floor area could be increase up to 20% maximum and not exceed 30 sq. m. per extra car. The use of land that provide water retention area not less than 1 cu. m. Per 50 sq. m. Total floor area could be increased up to 5% but should not exceed 10% if capacity more than 1 cu. m. The use of land that received certificate of energy sustainability from Thai Green Building Institute (TREES). Total floor area could be increased up to 5% for certified level, 10% for silver level, 15% for gold level and 20% for platinum level.

### **Law on construction height and space**

Building that has the height less than 8 meter and build next to the road no wider than 6 meter must shift the building away for minimum of 3 meter from the center of the road. Building that has the height more than 8 meter and build next to the road no wider than 10 meter must shift the building away for minimum of 6 meter from the center of the road. Building that has the height more than 8 meter and build next to the road of 10-20 meter must shift the building away from the road side to the minimum ratio of 1: 10 of the road width. Building that has the height more than 8 meter and build next to the road with 20 meter or more must shift the building away from the road side by minimum of 2 meter. A building with windows toward other owners land must have a space of 2 meter away from other owners land. For building that has 3 floors the 3rd floor must be 3 meter away from other owners land. For the building lower than 15 meter that doesn't have window facing toward other owners land the space away from other owners land is 50 cm. If the second floor has a window then it must be 2 meter away from

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other owners land. (If the building has 300 square meter or more, then the building must be 1 meter away not 50 cm)For town house