

## Ministerial Regulation

### Guarantee Deposit for the Business of Direct Sales or Direct Marketing

B.E. 2561

By virtue of Section 4 Paragraph 1 of the Direct Sale and Direct Marketing Act B.E. 2545 and Section 38/5 Paragraph 1 of the Direct Sale and Direct Marketing Act B.E. 2545, as amended by the Direct Sale and Direct Marketing Act (Issue 3) B.E. 2560, the Prime Minister issued the regulation as follows:

#### No. 1 in this Ministerial Regulation

“Revenue” means the revenue before deducting the expenses from the business of direct sale or direct marketing, depending on the case.

No. 2 In the case where an application to register the business of direct sale and direct marketing, conforms with Section 38 Paragraph 1 and Section 39, and the applicant has the qualities and do not possess prohibited characteristics under Section 38/1, Section 38/3 or Section 38/4, the registrar shall issue a notice informing the applicant to place the guarantee according to No. 3 or No. 4, depending on the case, within thirty days from the date of notifying the applicant.

After the prescribed time under Paragraph 1 has expired, if the applicant does not place the guarantee, the registrar shall issue a rejection order and shall dispose of the application.

No. 3 The amount of guarantee for direct sale business shall be in accordance with the criteria, as follows.

- 1) First-time applicant must place a guarantee of 25,000 baht.
- 2) Applicant having registered direct sale business
  - a) In the case where the revenue does not exceed 25 million baht per year, the applicant must place a guarantee of 25,000 baht.
  - b) In the case where the revenue exceeds 25 million baht but not more than 50 million baht per year, the applicant must place a guarantee of 50,000 baht.

C) In the case where the revenue exceeds 50 million baht but not more than 100 million baht per year, the applicant must place a guarantee of 100,000 baht.

D) In the case where the revenue exceeds 100 million baht per year, the applicant must place a guarantee of 200,000 baht.

No. 4 The amount of the guarantee for the direct marketing business shall be in accordance with the criteria as follows:

1) First-time applicant

A) In case of ordinary person, five thousand baht of guarantee must be placed.

B) In case of partnerships or company, 25,000 baht of guarantee must be placed.

2) Applicant having registered direct marketing business

A) In the case where the revenue does not exceed 25 million baht per year, in case of ordinary person, 5,000 baht of guarantee must be placed, in case of partnership or company, 25,000 baht of guarantee must be placed.

B) In the case where the revenue exceeds 25 million baht but not more than 50 million baht per year, 50,000 baht of guarantee must be placed.

C) In the case where the revenue exceeds 50 million baht but not more than 100 million baht per year, 100,000 baht of guarantee must be placed.

D) In the case where the revenue exceeds 100 million baht per year, 200,000 baht of guarantee must be placed.

No. 5 Within sixty days from the end date of each tax year, the business operators in direct sale or direct marketing shall notify the revenues from direct sale or direct marketing business, depending on the case, to the Registrar.

In the case where the guarantee deposit does not conform with No. 3 or No. 4, depending on the case, the Registrar shall inform the business operators in direct sale or direct marketing in writing to properly place the guarantee deposit within sixty days from the date of receiving the notification.

Regarding notification under Paragraph 1, the Registrar may prescribe the process to be done via an electronic system.

No. 6 In the case where the Board prescribes other types of guarantee other than cash, and the business operator in direct sale or direct marketing wishes to change the type of guarantee, the business operator shall make a request to change the type of guarantee with documents and evidences, including the new type of guarantee, to the Registrar.

In the case where the request for changing the type of guarantee, documents or evidence, or the new type of guarantee is not correct or complete, the Registrar shall ask the applicant to modify the documents or evidences, or place a new guarantee to be correct and complete within sixty days. In the case where the applicant does not take action within that time period, it shall be deemed that the applicant does not wish to proceed, and the Registrar shall dispose of the request.

No. 7 The guarantee deposit according to this Ministerial Regulation shall be placed at the Registrar at the Office of the Consumer Protection Board, in accordance with a cover form of guarantee deposit prescribed by the Board.

No. 8 A person having registered direct sale or direct marketing business prior to the date this Ministerial Regulation comes into force shall place the guarantee in accordance with No. 3 or No. 4, depending on the case, within ninety days from the date this Ministerial Regulation comes into force.

Given on 2 November B.E. 2561

General Prayuth Chan-o-cha

Prime Minister

Remarks: – The reason for the announcement of the implementation of the regulation of the Ministry on this issue is due to the fact that Section 38/5, under the Direct Sale and Direct Marketing Act B.E. 2545, as amended by the Direct Sale and Direct Marketing Act, B.E. 2560, legislated that the business operator requesting the registration of the business for direct sales or direct marketing must place the guarantee with the registrar, as a guarantee in accordance with the criteria, methods, and conditions prescribed by the regulation of the Ministry. It is thereby necessary to issue this regulation.