

[Unofficial Translation]

**Act on the Lease of Immovable Property  
for Commercial and Industrial Purposes**

**B.E. 2542(1999)**

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***His Majesty King Bhumibol Adulyadej, Rex.***

*Assented to on the 7th day of May B.E. 2542*

*Being the 54th Year of the Present Reign*

His Majesty King Bhumibol Adulyadej is graciously pleased to proclaim that;

Whereas it is deemed expedient to have a law governing the lease of immovable property for commercial and industrial purposes.

By gracious command of His Majesty the King, this Act be therefore enacted, with the advice and consent of the National Assembly, as follows:

**Section 1** This Act shall be called the “the Act on the Lease of Immovable Property for Commercial and Industrial Purposes B.E. 2542(1999).”

**Section 2** This Act shall be enforced on the date following the date of its publication in the Government Gazette.

**Section 3** In this Act,

“*lease*” means a lease of immovable property for commerce or industry in which a period of lease is prescribed as more than 30 years but not more than 50 years;

“*Director-General*” means Director-General of the Land Department.

**Section 4** A lease under this Act shall be made in writing and registered with the competent authority, otherwise it shall become void.

Upon the expiration of the period of lease, the lessee and the lessor may enter into an agreement to extend the period of lease by not more than 50 years from the date of the agreement which shall have to be made in writing and registered with the competent authority, otherwise it shall become void.

**Section 5** Only the lessor must be the owner of an immovable property.

A lease of a land which has an area exceeding 100 rai shall require the approval of the Director-General in accordance with the rules, procedures and conditions prescribed in the Ministerial Regulations.

The registration of a lease under this Act, the determination of the category of commerce or industry for the purpose of lease, and the use or the change of the category of use of the immovable property under the lease shall be in accordance with the rules, procedures and conditions prescribed in the Ministerial Regulations.

The Director-General shall have the power to revoke the registration of a lease which violates or does not comply with the provisions in the second paragraph and the third paragraph.

**Section 6** The rights of lease under this Act may be used as a security against payment of an obligation by means of a mortgage and the provisions related to the mortgage of immovable property shall apply *mutatis mutandis*.

**Section 7** The rights and duties in relation to a lease shall devolve upon the heir and, unless otherwise specified in the contract, the lessor may sublease or transfer the rights of lease of an immovable property, whether in whole or in part, to an outsider.

**Section 8** The modification of the particulars of the registration of lease, sublease, the pledge of the rights of lease as a security against payment of an obligation, the transfer of the rights of lease, or the devolution by inheritance shall have to be made in writing and register with the competent authority, otherwise it may not be set up as a defence against an outsider.

**Section 9** The provisions in the Civil and Commercial Code governing a lease of property shall apply *mutatis mutandis* insofar as they are not inconsistent with this Act.

**Section 10** The provisions in the Land Code in Chapter 4, the Issue of Land Title Documents, and Chapter 6, the Registration of Rights and Juristic Acts, shall apply, *mutatis mutandis*, to the investigation of the registration and the revocation of the registration of lease under this Act.

The applicant shall pay for the fees as prescribed in the Land Act *mutatis mutandis*.

**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 application of this Act.

The Ministerial Regulations shall be enforceable after its publication in the Government Gazette.

Countersigned by:

Mr Chuan Leekpai

Prime Minister

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**Remarks:** The rationale for promulgating this Act is this: Whereas the provisions governing the lease of property under the Civil and Commercial Code are still inconsistent with the economic and investment conditions in respect of certain categories of commerce or industry which require investment of a long-term nature and need security of the rights under a contract of hire, it is therefore essential to enact an act to support a long-term hire of immovable property that has prescribed the rights under a contract of hire as real right in the interest of the transfer of the rights of hire, devolution of an estate, and subletting which shall enhance the hire of immovable property for use in the commercial or industrial business in the long term, which is one of the measures for the revival of the national economy as a whole. For these reasons, it is necessary to enact this Act.

***(Ref. : Government Gazette, Volume 116, Part 39Kor, 18<sup>th</sup> May 1999)***