Although new malls are in continuous construction and Thai consumers in general have a well-known passion for shopping, e-commerce is still becoming widely popular. Thailand’s main online retail operators are experiencing annual growth rates between 20 and 40 percent, and, according to the Kasikorn Bank Research Centre, were the primary driver in over THB 700 Billion worth of online commercial transactions in Thailand in 2011. The Electronic Transactions Act has regulated e-commerce since December 2001 in addition to various provisions of the Civil and Commercial Code.

**Flexibility ...**

The Electronic Transactions Act came into effect on 4 April 2002, and applies to all commercial and civil transactions that utilize electronic means, except for certain contracts listed by Royal Decree. Thai law adopts a flexibility principle: an electronic offer and acceptance form a valid contract between parties, provided that applicable rules and regulations are respected. Otherwise, an electronic signature is also recognized as valid, on the condition that a reliable and appropriate method of identification is used (however, the text does not detail specifics in regards to signature verification).

For online store creation, the law operates under the primary principle of freedom: every person is entitled to operate an e-commerce business for legal products and services except those defined by Royal Decree as requiring registration and/or a license. In the case where uncertainty exists surrounding the conditions of registration and/or licensing, it is recommended that a preliminary request be submitted to the Electronic Transaction Commission.

**AND control**

However, the principles of freedom and flexibility, which are readily evident in Electronic Transactions Act, are relative: any e-business operator must be conscious that its activities may be subject to control. This Act gives supervisory powers to the Electronic Transaction Commission, and provides criminal penalties of up to one-year imprisonment for non-compliance. It should also be noted that the Consumer Protection Act of 1979 applies to electronic transactions, especially with respect to the consumer’s right to receive sufficient information and the right to a fair contract. Related provisions of the Unfair Contract Term Act of 1997, which further define specific principles of consumer protection, are also applicable to electronic transactions. In particular, e-business operators should note that, in case of doubt, a standard contract (including all general terms and conditions of sale) will be interpreted in favor of the consumer who is presumed to be in the weaker position.

Frédéric Viou, Adviser
Audray Souche, Deputy Managing Director Thailand
Frederic.Viou@dfdl.com
Audray.Souche@dfdl.com