State Enterprise Development and Governance Act, B.E. 2562 (2019)

English machine translation (DeepL, Aug 2026) prepared for the PIM policy repository from the Thai text. Not an official translation — the Thai original is authoritative.

Latest revised version (consolidated text) — Office of the Council of State, searchlaw.ocs.go.th. Source: https://searchlaw.ocs.go.th/council-of-state/#/public/doc/OFpZcUx5eFlEZkt3Y25mc2lhakFTQT09 — retrieved Aug. 13, 2026 via the OCS public API. Rendered for the PIM policy repository; the Thai gazette text is authoritative. Act on the Development of Oversight and Management of State-Owned Enterprises B.E. 62 His Majesty King Maha Vajiralongkorn of the Chakri Dynasty Promulgated on May 19, B.E. 62 the fourth year of the current reign His Majesty King Maha Vajiralongkorn, by Royal Decree, hereby proclaims Whereas it is deemed appropriate to enact a law concerning the development, supervision, and management of state-owned enterprises His Majesty has graciously decreed that this Act be promulgated with the advice and consent of the National Legislative Assembly, acting as the National Assembly, as follows: Section 1 This Act shall be known as the "Act on the Development, Oversight, and Management of State-Owned Enterprises B.E. 62" Section 2 This Act shall come into force on the day following the date of its promulgation in the Royal Gazette. Section 3 In this Act "State-owned enterprise" means (1) A government agency as defined in the Act on the Establishment of Government Agencies, a government enterprise as defined in the law establishing such affairs, or a business entity owned by the Government (2) a limited company or a public limited company in which the Ministry of Finance holds more than fifty percent of the total capital "Office" means the Office of the State Enterprise Policy Committee "Director" means the Director of the Office of the State Enterprise Policy Committee

"Minister" means the Minister acting in accordance with this Act Section 4 The Minister of Finance shall act in accordance with this Act Chapter 1 Policy and Oversight of State-Owned Enterprises Section 5 The purpose of this Act is to develop the governance and management of state-owned enterprises in accordance with the following guidelines: (1) To establish a State-Owned Enterprise Policy Committee to set the goals, policies, and direction for the development of state-owned enterprises as a whole and as a system, in accordance with the State-Owned Enterprise Development Plan (2) To promote the efficient and transparent operation of state-owned enterprises in accordance with the principles of good corporate governance, and to ensure continuous evaluation of their performance (3) To establish mechanisms to support the effective selection and performance of directors of state-owned enterprises (4) To ensure effective and proactive oversight of state-owned enterprises, taking into account the direction of the national economy, the State-Owned Enterprise Development Plan, relevant laws, and applicable practices governing such enterprises Section 2 State-Owned Enterprise Policy Committee Section 6 There shall be a State Enterprise Policy Committee, hereinafter referred to as "SEPC," consisting of (1) The Prime Minister, who shall serve as Chairperson (2) One Deputy Prime Minister designated by the Prime Minister, who shall serve as Vice Chairperson (3) Ex officio members, namely the Minister of Finance and other ministers appointed by the Cabinet appoints two members, the Permanent Secretary of the Ministry of Finance, the Secretary-General of the Council of State, the Secretary-General of the National Economic and Social Development Council, and the Director-General of the Budget Office (4) Five expert members appointed by the Cabinet The Director shall serve as a member and Secretary, and civil servants within the Office appointed by the Director shall serve as serve as assistant secretaries, in a number not exceeding two Section 7. Expert members under Section 6(4) must possess the qualifications and be free from the disqualifications set forth herein

A. Qualifications (1) Be a Thai national (2) Possess recognized knowledge and experience that is beneficial to the supervision and management of state-owned enterprises B. Disqualifications (1) Be mentally incompetent or of unsound mind (2) A person who is legally incapacitated or deemed legally incapacitated (3) A bankrupt person or a person who has previously been declared bankrupt due to fraud (4) A person who has been sentenced to imprisonment by a final court judgment, whether or not the sentence has been suspended, except for a sentence for an offense committed through negligence or a minor offense (5) Having been subject to a final court judgment or order forfeiting property to the state due to abnormal enrichment or an abnormal increase in assets (6) A political official, a person holding a position in a political party, an official of a political party, a member of the House of Representatives, a member of the Senate, a member of a local assembly, or a local administrator (7) A civil servant, public employee, or government employee holding a position or receiving a regular salary in the central government, central government, regional government, local government, or other state agencies (8) A director, executive, or employee of a state-owned enterprise (9) A director, executive, or employee of a legal entity in which a state-owned enterprise holds twenty-five percent or more of the shares Section 8: The term of office for expert directors under Section 6(4) shall be four years. In the event that an expert director under Section 6(4) leaves office before the end of the term and a replacement has not yet been appointed to fill the vacancy, the Board of Directors shall be deemed to consist of all remaining directors, and the Board of Directors may continue to perform its duties If the position of an expert member under Section 6(4) becomes vacant before the end of the term, an expert member under Section 6(4) shall be appointed within ninety days, unless the remaining term of the expert member is less than one hundred eighty days, in which case no expert member shall be appointed pursuant to Section 6(4) to fill the vacancy, and the person appointed to fill the vacancy shall hold office for a term equal to the remaining term of the member who was previously appointed Upon the expiration of the term specified in the preceding paragraph, a new member of the Board of Directors with special expertise shall be appointed pursuant to Section 6(4).

Within ninety days, if no new expert directors have been appointed, the expert directors referred to in Section 6(4) who have vacated their positions upon the expiration of their terms shall remain in office to continue performing their duties until new expert directors are appointed An expert director under Section 6(4) who has vacated office upon the expiration of their term may be reappointed, but may not serve more than two consecutive terms Section 9. In addition to ceasing to hold office upon the expiration of their term, members appointed under Section 6(4) shall cease to hold office upon (1) death (2) resignation (3) The

Cabinet removes them upon the recommendation of the National Economic and Social Development Council due to misconduct in office, improper conduct, or serious dereliction of duty, provided that the reasons for removal are clearly stated (4) They no longer meet the qualifications or are subject to disqualification under Section 7 Section 10 grants the Board of Directors the following duties and powers: (1) To prepare a development plan for state-owned enterprises for submission to the Cabinet (2) To make recommendations and provide advice to the Cabinet regarding policies and guidelines for the supervision and management of state-owned enterprises, and to offer opinions on the development of or solutions to problems facing state-owned enterprises (3) To make recommendations to the Cabinet regarding supervisory policies to ensure that government agencies or relevant parties operate in accordance with the state-owned enterprise development plan (4) Determine the Ministry of Finance's shareholding ratio in state-owned enterprises that are limited liability companies or public limited companies, subject to the approval of the Cabinet (5) Establish criteria to provide incentives to state-owned enterprises, subject to the approval of the Cabinet (6) Submit recommendations to the Cabinet for the establishment of measures and the allocation of compensation funds to state-owned enterprises operating in accordance with government policy under the State-Owned Enterprise Development Plan pursuant to Section 28 (7) Establish criteria for evaluating the performance of state-owned enterprises pursuant to Section 29 (8) Establish guidelines for good corporate governance in state-owned enterprises pursuant to Section 33 (9) Appoint a screening committee for directors of state-owned enterprises pursuant to Section 34 (10) Oversee the relevant ministry to ensure that the state-owned enterprises under its jurisdiction operate in accordance with the State-Owned Enterprise Development Plan

[page 4]

(11) To recommend to the Cabinet the enactment or amendment of laws, regulations, or guidelines relating to state-owned enterprises (12) Issue proclamations to establish guidelines or criteria, as well as to adjudicate issues regarding compliance with this Act (13) Perform any other duties as prescribed by law as the functions and powers of the Board of Directors or as delegated by the Cabinet Section 11. A meeting of the Board of Directors shall constitute a quorum only if at least half of the total number of directors are present. At a meeting of the Board of Directors, if the Chairman is absent or unable to perform his duties, the Vice Chairman shall preside over the meeting. If both the Chairman and the Vice Chairman are absent or unable to their duties, the meeting shall be postponed In the performance of their duties, if any member has a direct or indirect interest in a matter under consideration by the Board, the Chairperson or that member shall inform the meeting thereof, and the meeting shall determine whether that member should remain in the meeting or participate in the decision-making on that matter Decisions of the meeting shall be made by majority vote. Each member shall have one vote. In the event of a tie, the Chair of the meeting shall cast an additional vote as the deciding vote. Section 12. The Board has the authority to appoint a subcommittee to consider or carry out any matter as delegated by the Board. A meeting of a subcommittee under paragraph (1) shall constitute a quorum only if at least one-half of the total number of subcommittee members are present. At a subcommittee meeting, if the chairperson of the subcommittee is absent or unable to perform his or her duties, the members present shall elect one member to serve as chairperson of the meeting. Decisions of the subcommittee shall be made by a majority vote. Each subcommittee member shall have one vote in the If there is a tie, the presiding member shall cast an additional vote as the deciding vote Section 13 In cases where the appointment of an expert member is required under Section 6(4), the Minister

shall appoint a selection committee to consider and select individuals deemed suitable for appointment as the aforementioned expert members, comprising (1) individuals who have previously held the positions of Permanent Secretary of the Ministry of Finance, Permanent Secretary of the Ministry of Transport, Permanent Secretary of the Ministry of Energy, Secretary-General of the Council of State, Secretary-General of the National Economic and Social Development Council, Director-General

[page 5]

Five members from the Budget Office or the Governor of the Bank of Thailand (2) Two individuals who have previously served as President of the Thai Chamber of Commerce, President of the Federation of Thai Industries, or President of the Thai Bankers' Association The term "Secretary-General of the National Economic and Social Development Council" as used in paragraph (1) shall be deemed to include individuals who have previously served as Secretary-General of the National Economic and Social Development Board under the Act on National Economic and Social Development. Members of the Selection Committee referred to in paragraph (1) shall not be career civil servants, shall not hold political office, and shall have no interests or conflicts of interest that would interfere with the performance of their duties under this Act at the time of their appointment and the course of their duties The Selection Committee referred to in paragraph (1) shall select one member to serve as Chair of the Selection Committee The Director shall appoint one civil servant from the Office to serve as Secretary to the Selection Committee Members of the Selection Committee shall receive remuneration as prescribed by the Prime Minister, and such remuneration shall be considered an expense in the Office's operations Section 14. The Selection Committee shall issue regulations setting forth the criteria for the selection of qualified members pursuant to Section 6(4), subject to the approval of the Minister, to be completed within thirty days from the date of their appointment Such regulations shall, at a minimum, require candidates to provide information regarding their knowledge and experience relevant to the performance of their duties The regulations referred to in the preceding paragraph shall be made public and shall remain in effect even after the Selection Committee that issued the regulations has ceased to hold office Amendments, repeals, or revisions to the regulations under the preceding paragraph may be made only by a resolution of the Selection Committee passed by a vote of not less than two-thirds of the total number of members Section 15. A meeting of the Selection Committee shall constitute a quorum only if at least two-thirds of the total number of members are present. At a meeting of the Selection Committee, if the Chair of the Selection Committee is absent or unable to perform his or her duties, the meeting shall elect one member to serve as Chair for the duration of the meeting Decisions of the meeting shall be made by majority vote; each member shall have one vote. In the event of a tie, the presiding officer shall cast an additional vote as the deciding vote. Section 16: When the Selection Committee considers candidates suitable for appointment as members holding

[page 6]

Once the qualifications under Section 6(4) have been met, the list of candidates shall be submitted to the Minister along with the reasons for their selection, for submission to the Cabinet for appointment. In this regard, the reasons for the selection of each member of the Selection Committee shall also be submitted to assist in the consideration of the appointment. Section 17. Upon the appointment of the qualified members pursuant to Section 6(4), as proposed under Section 16, the entire Selection Committee shall be relieved of its duties as of the day following the date on which the Cabinet resolves to appoint the qualified members Section 18. The Office shall have the duty and authority to supervise state-owned enterprises and shall be responsible for the general affairs of the Office of the National Economic and Social Development Council, and shall have the following duties and powers: (1) To study, examine, and analyze the performance, financial status, and operations of state-owned enterprises, as well as to monitor and report on the implementation of the state-owned enterprise development plans of such enterprises (2) To study, analyze, and recommend the establishment of measures and the allocation of compensation funds to state-owned enterprises pursuant to Section 28 (3) To evaluate the performance of state-owned enterprises pursuant to Section 30 (4) To propose guidelines for establishing criteria to incentivize state-owned enterprises to appoint members of the Board of Directors, for submission to the Cabinet for approval (5) To define the core skills, knowledge, expertise, and competencies of state-owned enterprise directors pursuant to Section 36(2) (6) Provide advice, recommendations, and technical assistance regarding the management and development of state-owned enterprises (7) Promote the management and development of human resources within state-owned enterprises or relevant agencies to enhance their capacity and efficiency in carrying out operations under this Act (8) Make recommendations to the National Economic and Social Development Council regarding the enactment, amendment, addition, repeal, or revision of laws, regulations, or guidelines related to state-owned enterprises to ensure they are appropriate and consistent with national development (9) Perform any other duties as prescribed by law as the functions and powers of the Office, or as delegated by the Cabinet or the National Economic and Social Development Council Section 19: For the purpose of overseeing state-owned enterprises, there shall be an advisor or a panel of advisors consisting of persons with knowledge, expertise, or experience in the management of state-owned enterprises or business administration, whose duty is to provide advice and recommendations to the National Economic and Social Development Council or the Office in the performance of their duties under this Act In performing their duties, the advisor or advisory panel must clearly define the objectives, expected outcomes, and timeframe of such duties Criteria and procedures for appointment, qualifications and disqualifications, composition, and methods of performing duties

[page 7]

The terms of office and removal from office of advisors or advisory committees shall be in accordance with the regulations prescribed by the National Economic and Social Development Council (NESDC). Section 20: Members of the NESDC, subcommittees appointed under Section 12, and advisors under Section 19 shall receive remuneration as prescribed by the Cabinet Section 21. The Director shall have the authority to summon relevant persons to provide testimony or to submit explanations, documents and information for consideration in order to facilitate the implementation of this Act Chapter 3 State Enterprise Development Plan Section 22. A five-year development plan for state-owned enterprises shall be established to set objectives, policies and directions for the development of state-owned enterprises in accordance with the State's policies as set forth in the Constitution of the Kingdom of Thailand the National Strategy, the National Economic and Social Development Plan, and national development plans in various sectors, while taking into account, at a minimum, the principles of fiscal discipline, the missions of state-owned enterprises in a changing context, and the roles and responsibilities of state-owned enterprises in relation to national development Section 23. In preparing the state-owned enterprise development plan pursuant to Section 22, the National Economic and Social Development Council shall establish guidelines for the ministry overseeing the state-owned enterprise to propose a policy framework for the development and investment direction of the state-owned enterprise under its jurisdiction, in accordance with the criteria established by the National Economic and Social Development Council Section 24. The National Economic and Social Development Council shall submit the prepared state-owned enterprise development plan to the Cabinet for consideration and approval and subsequently publish it in the Royal Gazette. In the event of changing circumstances or extreme necessity, the National Economic and Social Development Council may consider revising the state-owned enterprise development plan. Once the Cabinet has approved the revised plan, it shall be published in the Royal Gazette Once the state-owned enterprise development plan has been published in the Royal Gazette, government agencies and state-owned enterprises shall act in accordance with that plan Section 25: State-owned enterprises shall prepare a five-year business plan and an annual action plan that are consistent with the State-Owned Enterprise Development Plan and submit them to the Office in accordance with the criteria established by the Office. The Office shall report the results of the implementation of the state-owned enterprises' annual action plans under paragraph one to the Council of State. Section 26. The Office shall prepare a report on the performance of state-owned enterprises in accordance with the State-Owned Enterprise Development Plan and submit it to the National Economic and Social Development Council, in accordance with the criteria established by the Council. Upon the expiration of three years from the date of promulgation of the State-Owned Enterprise Development Plan, the National Economic and Social Development Council shall prepare a report on the results of

Implement operations in accordance with the state-owned enterprise development plan submitted to the Cabinet for information and disclosed to the public Section 27: The formulation of policies for state-owned enterprises on a case-by-case basis that are inconsistent with the state-owned enterprise development plan shall not be implemented by the state-owned enterprise in question, unless the state-owned enterprise development plan has been amended or revised Section 28. Subject to the provisions of Section 27, when a state-owned enterprise has operated in accordance with the state-owned enterprise development plan and has financial obligations for which the government must provide compensation, such state-owned enterprise shall calculate the amount of compensation to be requested, the mechanism and method of compensation, and shall maintain separate accounts specifically for such operations, distinct from its regular accounts The preparation of accounts, the method of calculating compensation, and the disclosure of information to the public shall be in accordance with the guidelines established by the Office The determination of measures and the allocation of compensation funds to state-owned enterprises shall be submitted to the Cabinet for approval Section 4 Performance Evaluation of State-Owned Enterprises Section 29 The Office shall establish criteria for evaluating the performance of state-owned enterprises The criteria for evaluating the performance of state-owned enterprises under paragraph (1) shall, at a minimum, take into account compliance with mandates, the enterprise plan, and the annual action plan; the criteria and methods for evaluating the performance of the board of directors of state-owned enterprises; the financial status and stability of the organization; the efficiency and effectiveness of operations; compliance with the principles of good corporate governance, risk management, strategies for the organization's long-term sustainable development, user satisfaction, and public disclosure of information, as well as economic conditions, issues, and competitive conditions in the respective business sectors Section 30. The Office shall be responsible for evaluating the performance of state-owned enterprises in accordance with the criteria established by the

Board of Directors pursuant to Section 29. In this regard, the Office shall establish procedures and steps, and may appoint a committee or delegate such duties to another agency to carry them out The committee may appoint subcommittees to perform the duties delegated to it Directors and subcommittee members appointed under this section shall receive compensation as determined by the Ministry of Finance Section 31 Upon completion of the annual performance evaluation of state-owned enterprises, the Office shall report the results evaluation to the Board of Directors, together with recommendations or measures that the state-owned enterprise must implement or take to address issues, as well as the preparation of the enterprise plan and annual action plan pursuant to Section 25, as applicable Section 32 The Office shall compile a list of problems and obstacles encountered in evaluating the performance of

[page 9]

State-owned enterprises, and direct the Office to propose corrective measures to the National Economic and Social Development Council for consideration in revising the criteria, methods, and procedures for evaluating the performance of state-owned enterprises in the future Section 5 Good Corporate Governance in State-Owned Enterprises Section 33 The Board of Directors shall issue guidelines for good corporate governance in state-owned enterprises in accordance with (1) of the definition of the term “state-owned enterprise” in Section 3, so that state-owned enterprises operate responsibly and transparently and achieve the objectives for which they were established, and shall include, at a minimum, the following matters: (1) A business management and development plan and compliance with such plan, including the setting of business objectives and the evaluation of business performance, to enable the sustainable creation of value for the enterprise (2) Adequate and appropriate risk management and internal controls (3) Accurate, complete, and transparent disclosure of information (4) The selection and appointment of directors, taking into account, at a minimum, the directors’ skills, knowledge, expertise and core competencies, a transparent director selection process, and stakeholder participation (5) Establishing criteria for the payment of directors’ compensation (6) Establishing policies for the governance of limited liability companies or public limited companies in which the state-owned enterprise holds shares (7) Implementation in accordance with the state-owned enterprise development plan and the state-owned enterprise’s mission The guidelines for good corporate governance under paragraph (1) shall require state-owned enterprises, directors, executives, and persons responsible for the operations of state-owned enterprises to perform their duties with responsibility, due care, integrity, and ethical conduct, in compliance with the laws, regulations, and practices applicable to that state-owned enterprise The Office shall act on behalf of the Ministry of Finance in exercising shareholder rights to ensure that state-owned enterprises as defined in (2) of the definition of “state-owned enterprise” in Section 3, to follow the good corporate governance guidelines set forth in paragraphs one and two, and that state-owned enterprises with securities listed on the Stock Exchange of Thailand shall take into account the standards applicable to companies with securities listed on the Stock Exchange of Thailand Section 34: For the purpose of selecting individuals to serve as directors who are not ex officio directors in state-owned enterprises as defined in (1) of the definition of “state-owned enterprise” in Section 3, the Council of State shall appoint a committee to be called the “State Enterprise Director Screening Committee,” consisting of (1) individuals who have previously held the position of Permanent Secretary of the Ministry of Finance, Secretary-General of the Council of State Secretary-General of the National Economic and Social Development Council, Director-General of the Budget Bureau, Governor of the Bank of Thailand, Secretary-General of the Securities and Exchange Commission, or a person who has previously held

[page 10]

Five directors shall serve as board members. No more than two individuals may be appointed to each position (2) Three members shall be individuals from the private sector with recognized knowledge and expertise in administration, management, governance, or strategic planning. The individual holding the position of Secretary-General of the National Economic and Social Development Council under paragraph (1) shall be deemed to include any person who previously held the position of Secretary-General of the National Economic and Social Development Council under the Act on National Economic and Social Development. The directors shall serve as members and as the secretary. The Council shall appoint one member to serve as Chairperson of the Board Section 35. The members referred to in Section 34, paragraph (1), shall serve for a term of two years each. The provisions regarding qualifications and disqualifications under Section 7, the holding of office, the appointment appointment of replacement members to fill vacancies arising from early termination of office, and termination of office pursuant to Articles 8 and 9, the performance of duties by members pursuant to Article 11, paragraph three, and meetings of subcommittees pursuant to Article 12 shall apply mutatis mutandis to the Screening Committee for State Enterprise Directors Directors appointed under Section 34, paragraph 1, who have vacated their positions at the end of their term may be reappointed, but shall not serve more than two consecutive terms Section 36. The Screening Committee for State Enterprise Directors shall have the following duties and powers: (1) To establish criteria and procedures for the consideration and selection of individuals for appointment as directors of state-owned enterprises as defined in (1) of the definition of the term “state-owned enterprise” in Section 3, and to make such criteria and procedures publicly available (2) To conduct the selection of individuals from the list under Section 37 who possess integrity and the skills, knowledge, and expertise commensurate with the core competencies of the directors of each state-owned enterprise as defined in (1) of the definition of the term “state-owned enterprise” in Section 3, as determined by the Office with the approval of the Board of Directors, along with the reasons for the selection, to be submitted to the appointing authority. In doing so, the reasons for the selection of each candidate for the board of directors of a state-owned enterprise shall be provided to assist in the consideration of the appointment. Section 37: In cases where it is necessary to appoint directors who are not ex officio directors in a state-owned enterprise pursuant to (1) of the definition of the term “state-owned enterprise” in Section 3, the State-Owned Enterprise Board shall conduct a search for individuals of good moral character who possess the skills, knowledge, and expertise consistent with the core competencies of state-owned enterprise directors as specified in Section 36(2), in at least twice the number of state-owned enterprise director positions to be filled, and submit them to the State-Owned Enterprise Director Screening Committee for review. In the event that there are insufficient directors to serve on the State-Owned Enterprise Board, the competent ministry and

[page 11]

The Office conducts the selection of individuals of high moral character who possess the skills, knowledge, and expertise consistent with the core competencies of state enterprise directors as set forth in Section 36(2), and submit them to the Screening Committee for State Enterprise Directors for further selection. Each agency shall propose a number of candidates no less than the number of state enterprise director positions to be filled The selection of candidates for appointment as state enterprise directors pursuant to the second paragraph must be conducted promptly, and at a minimum, a public call for applications must be issued as one of the selection channels, in accordance with the criteria, procedures, conditions, and timelines established by the Office with the approval of the National Council for Public Enterprises. Section 38: The Screening Committee for State Enterprise Directors shall consider and propose a list of individuals deemed suitable for appointment as directors on the board of a state enterprise in accordance with (1) of the definition of the term “state enterprise” in Section 3, not exceeding the number of director positions to be filled, to the appointing authority for further action Upon receiving the list of individuals deemed suitable for appointment as directors of state-owned enterprises, the relevant agency shall submit the list to the appointing authority for consideration and appointment as directors of state-owned enterprises, to be completed within sixty days In the event that the Screening Committee for State Enterprise Directors is unable to submit a list of individuals deemed suitable for appointment as directors on the State Enterprise Board in full accordance with the number of directors to be appointed, or if the appointing authority fails to appoint individuals as directors on the State Enterprise Board in full accordance with the required number, the process shall be conducted in accordance with Section 37 hereafter Section 39: Members of the Screening Committee for State Enterprise Directors shall receive remuneration as determined by the National Economic and Social Development Council Section 40. State-owned enterprises shall prepare an annual performance report in accordance with the criteria prescribed by the National Economic and Social Development Council and submit it to the Office, together with the annual financial statements and the auditor’s report, within one hundred fifty days from the end of the fiscal year In the annual performance report referred to in the preceding paragraph, the state-owned enterprise shall disclose the key points of the report to the public Transitional Provisions Section 41. During the initial term, the State Enterprise Policy Committee established pursuant to the Office of the Prime Minister’s Regulations on the Formulation of Policies and Oversight of State Enterprises, B.E. 2557, shall perform the duties of the Board of Directors pursuant to this Royal until such time as the Board of Directors is established under this Act. In this regard, the selection and appointment of qualified directors pursuant to Section 6(4) shall be completed within one hundred eighty days from the date this Act comes into force Section 42: The Subcommittee for Screening State Enterprise Directors, established by order of the State Enterprise Policy Committee pursuant to the Office of the Prime Minister Regulations on the Formulation of Policies and Supervision of State Enterprises

[page 12]

B.E. 2557 shall continue to perform their duties until the Screening Committee for State Enterprise Directors established under this Act assumes assume its duties, and shall proceed with the appointment of state enterprise directors in accordance with the guidelines in effect on the day prior to the effective date of this Act. The Cabinet resolution regarding the guidelines for the appointment of state enterprise directors in effect on the day prior to the effective date of this this Act comes into force shall remain in effect until the core competencies of state enterprise directors as prescribed by this Act come into force Section 43. The performance evaluation of state-owned enterprises pursuant to the Office of the Prime Minister’s Regulations on the Performance Evaluation of State-Owned Enterprises, B.E. 2548, which was in progress on the day prior to the effective date of this Act, shall continue until completion Section 44 All laws, regulations, rules, proclamations, provisions, orders, or resolutions of the Council of Ministers concerning state-owned enterprises, as applicable, that were in force on the day prior to the effective date of this Act shall remain in force to the extent they do not conflict or contradict this Act until regulations or proclamations on such matters under this Act come into force The process of issuing regulations or proclamations pursuant to the preceding paragraph shall be completed within one year from the date this Act comes into force. If this cannot be accomplished, the Minister shall report the reasons for the inability to do so to the Council of Ministers for its information In the event that any laws, regulations, rules, proclamations, and provisions, including orders or resolutions of the Council of Ministers concerning state enterprises, as applicable, cannot be enforced in any matter pursuant to the preceding paragraph, the operations of state agencies in that matter shall be conducted in accordance with the provisions set forth by the Council of Ministers Section 45. Any laws, regulations, rules, orders, or resolutions of the Cabinet on any matter in effect on the day prior to the date this Act comes into force that refer to the State Enterprise Policy Committee under the Office of the Prime Minister's Regulations on Policy Formulation and Oversight of State-Owned Enterprises, B.E. 2557, shall be deemed to refer to the State-Owned Enterprises Policy Committee under this Act, provided that such references do not conflict with or contradict the provisions of this Act Section 46: The Ministry of Finance, the Office of the Prime Minister, the Office of the Public Enterprise Policy Committee, the Office of the Public Enterprise Commission, the Budget Office, and other relevant agencies shall jointly establish the organizational structure, staffing framework for civil servants and public employees, and determine the budget, as well as carry out any other necessary actions to support the performance of the duties and powers of the Office under this Act within one hundred eighty days from the date this Act comes into force The Recipient of His Majesty's Royal Command General Prayut Chan-o-cha Prime Minister Note: The rationale for promulgating this Act is that state-owned enterprises serve as the government's mechanism for driving the national economy and investment, as well as providing public services to the people; therefore, the government must have

Reform the governance and management of state-owned enterprises to enhance their operational efficiency in a manner appropriate to the changing economic and social context and consistent with internationally accepted standards, which encompass the clear definition of the roles, duties, and responsibilities of policymakers, SOE regulators, shareholders in SOEs, and the SOEs themselves. This will be achieved by establishing a State-Owned Enterprise Policy Committee to set goals, policies, and directions for the comprehensive and systemic development of SOEs, as well as by developing SOE development plans and guidelines for good corporate governance to serve as a channel for clearly and transparently conveying government policies to state-owned enterprises, as well as ensuring the disclosure of performance evaluation data and the screening of suitable candidates for board members of state-owned enterprises, with an emphasis on the experience and expertise necessary for the operations of state-owned enterprises, thereby creating an environment conducive to providing quality public services to the people and driving the economy efficiently to achieve sustainable national development. It is therefore necessary to enact this Act Footnotes Royal Gazette, Vol. 136, Part 67 K, Page 79, May 22, 2562