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Thailand legalizes casinos, aiming for revenue boost

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# Raising the game

Thailand's government has approved a draft law to legalise casinos in a bid to boost tourism and generate revenue, while addressing concerns about problem gambling, corruption, and social impacts through strict regulations and safeguards. **By Sarah Wong**

- **The Entertainment Complex Bill is set to come into force in mid-2025 upon parliamentary approval**
- **The bill has sparked controversy and debate, with concerns raised about the potential risk of illicit financial activities and negative social impacts**

**G**ambling has been heavily restricted in Thailand since 1935, with only state-run horse racing and lotteries permitted. However, illegal and unregulated gambling activities are widespread in Thailand, prompting the government to take a significant step toward legalising casinos in the country.

In January, Thailand's cabinet approved a draft law to legalise casinos, aiming to boost tourism and generate revenue. This proposed law, known as the Entertainment Complex Bill, would allow for the establishment of casinos in designated special economic zones, with strict regulations and high tax rates.

The initiative is expected to attract more tourists, particularly from China and other neighbouring countries in South-east Asia, helping Thailand compete with other casino destinations in the region, such as Macau and Singapore.

Estimates suggest that the Entertainment Complex Bill could increase foreign visitor numbers by five to 10 percent and tourism revenue by 120-220



billion baht (\$3.45-6.32 billion). The bill is also expected to create 9,000-15,000 new jobs.

Despite its intention and potential to boost Thailand's tourism industry and economy, the introduction of the bill has sparked intense debate and controversy in the society at large.

According to Tip-apa Limvichai, partner at Thai law firm Chandler MHM, "the primary concerns revolve around the social risks associated with legalised gambling, including an increase in problem gambling, organised crime, and corruption."

The bill also faces opposition from religious and conservative groups, who argue that it conflicts with Thai cultural and ethical values. Critics also highlight the risk of financial exploitation of vulnerable individuals and question whether there are enough safeguards to prevent gambling addiction.

Despite the opposition, the government is pushing ahead with the bill, which could be passed into law by mid-2025. If approved, the government plans to grant five casino licenses, including two in Bangkok and one each in Pattaya, Chiang Mai, and Phuket.

## Strict regulations

The current version of the bill requires that the proposed entertainment complexes feature a minimum of four entertainment-related businesses in addition to casinos. Furthermore, these complexes are mandated to be situated in specifically designated areas under a royal decree.

To address concerns about the potential negative impacts of casinos, the bill imposes strict operational and ownership regulations on the casinos and their operators, including a prohibition on offering online gambling outside their premises.

Casino operators must be Thai-registered companies with at least 10 billion baht in capital. Licenses will be valid for 30 years, with the possibility of renewal for up to 10 years. Operators are also required to maintain a specific ratio of Thai to foreign employee. "While the draft act does not restrict foreign-majority ownership, amendments may be introduced during the legislative process," notes Tip-apa.

Also, casino operators are prohibited from advertising or promoting gambling except in accordance with the managing committee's guidelines. "Credit facilities may be provided to players under strict regulations. Additionally, any license transfer of more than 50 percent of shares in a license-holding company is restricted," she adds.

The bill also includes measures to prevent problem gambling and protect vulnerable individuals, such as self-

# Entertainment complex in Thailand



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## Current Status of Regulations

On 13 January 2025, the Thai Cabinet approved in principle the Draft Entertainment Complex Business Act (the “**Draft Act**”), to legalize casinos within entertainment complexes. This move, driven by the Ministry of Finance, aims to boost tourism, create jobs, attract investment, and combat illegal gambling.

The Draft Act mandates that entertainment complexes include at least four entertainment businesses, such as shopping malls, hotels, sports stadiums, or amusement parks, alongside casinos. These complexes must be in designated areas specified under a royal decree. Operators must be Thai-registered companies with at least THB 10 billion in paid-up capital. While the Draft Act does not restrict foreign-majority ownership, amendments may be introduced during the legislative process.

The licensing process requires a THB 5 billion issuance fee, a THB 1 billion annual fee, and a THB 5 billion renewal fee. Licenses last 30 years, renewable for up to 10 years. The Entertainment Complex Policy Committee, chaired by the Prime Minister, will oversee licensing. Additionally, casinos must not offer online gambling outside the premises.

Key operational conditions include a THB 5,000 entry fee per visit for Thai nationals, compliance with Thai-foreign employee ratios, and lease agreements capped at 50 years, renewal for up to 49 years. Casino operators are prohibited from advertising or promoting gambling except under the managing committee’s guidelines. Credit facilities may be provided to players under strict regulations.

The Cabinet also approved the plan for the issuance of subordinate legislation related to the Draft Act. The plan outlines various regulations covering business licensing, financial policies, operational standards, workforce regulations, and marketing restrictions for integrated entertainment complexes, including casinos. Key aspects include zoning laws, licensing criteria, fees, employment conditions, and operational guidelines, with a focus on regulatory oversight

and compliance. The subordinate legislation further establishes restrictions on advertising, gambling credit policies, and entry conditions for casinos. All regulations are expected to be enacted within 180 days from the Draft Act’s effective date to ensure a structured and controlled implementation of the entertainment industry.

Following Cabinet approval, the Draft Act will undergo further legislative scrutiny with Senate consideration as the final step before enactment. Despite strong cultural opposition to gambling, support from the ruling party and key officials will make this policy shift a significant step in Thailand’s economic development strategy.

## Targeted Locations

The government’s entertainment complex development policy targets five locations: Khlong Toei Port (Bangkok), Bang Kachao (Samut Prakan), the EEC region, Chiang Mai, and Phuket. On 17 December 2024, the Cabinet approved a draft Royal Decree designating 2,662 rai in Ban Chang District, Rayong Province, as a zoning area for licensed entertainment venues within the Eastern Aviation City (EEC).

exclusion programs and public awareness campaigns. These programs will help to educate people about the risks associated with gambling and provide support to those who may be struggling with addiction.

However, implementing and enforcing the bill will present challenges for the government. It will need to balance between promoting economic growth and ensuring social protection, while also addressing concerns about money laundering and organised crime.

“The government can address these challenges by enhancing regulatory transparency and establishing robust social responsibility programs to mitigate the negative effects of gambling,” Tip-apa suggests.

Another potential pitfall of the bill is that it does not explicitly include anti-money laundering provisions, which raises concerns about the bill’s scope in regulating illicit financial transactions arising from gambling activities.

But Tip-apa points out that Thailand’s existing laws enforce stringent financial regulations, including know-your-customer (KYC) requirements, which require customers to undergo rigorous identity verification and risk assessment procedures before participating in any gambling-related activities.

Further, in line with efforts to bolster regulatory oversight, the legislation has made the secretary-general of the Anti-Money Laundering Office (AMLO) a member of both the Entertainment Complex Policy Committee and the Executive Committee.

“While the draft does not explicitly grant AMLO the authority to investigate or supervise casino-related transactions, its inclusion in these committees suggests a potential shift toward strengthening AML mechanisms within the Entertainment Complex Bill and in future regulatory interventions related to this area,” notes Tip-apa.

## Best practices

The Entertainment Complex Bill draws inspiration from established casino regulations in jurisdictions such as Singapore and Macau, where strict governance models have successfully mitigated the negative effects of gambling while maximising economic benefits.

For example, in Singapore, casinos must be located within designated sites. Similarly, Thailand requires that entertainment complexes be situated in designated areas. Both jurisdictions impose restrictions on changes in shareholding, requiring approval from the relevant regulatory authority. They also regulate the types of games that can be played within casinos.

“Thailand can adopt a similar model by implementing a centralised regulatory authority, conducting rigorous background checks, and enforcing strict social safeguards, such as entry taxes and exclusion programs for susceptible individuals,” notes Tip-apa. ●



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