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This issue covers the following topics:

I. Guidelines on the Employee Welfare Fund Before Its Full Implementation in 2026

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II. Thailand's 2026 Energy Outlook: Critical Reserve Data & the Race to the Andaman

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I. Guidelines on the Employee Welfare Fund Before Its Full Implementation in 2026

Background

The Employee Welfare Fund (“**EFW**”) is a statutory fund established under the Department of Labor Protection and Welfare by the Labor Protection Act of 1999 (“**LPA**”). The aim of the EWF is to provide financial support to employees upon leaving employment, death or other circumstances as specified in the regulations of the Employee Welfare Committee.¹ Despite the enactment of the LPA, the requirements to collect contributions² and supplementary contributions³ and deposit them to the EWF had not been enforced since its establishment in 1999. In November 2024, a Royal Decree was promulgated to initiate the collection of contributions and the submission thereof to the EWF effective from 1 October 2025.⁴ However, due to economic uncertainties, such as US trade tariff increases and the adjustment of the domestic national minimum wage, a subsequent Royal Decree postponed the commencement date of the EWF to 1 October 2026 to alleviate the financial burden on employers and employees.⁵

In this article, we summarize the key takeaways of the EWF requirements, highlighting important legal and practical considerations to provide a better understanding thereof before its full implementation in 2026.

¹ Section 126 of the LPA.

² The term “contributions” means money paid by an employee to the EWF (Section 5 of the LPA).

³ The term “supplementary contributions” means money paid by an employer to the EWF as a supplement in favor of an employee (Section 5 of the LPA).

⁴ The Royal Decree that determined the effective date for the collection of savings and contributions to the EWF of 2024.

⁵ The Royal Decree that determined the effective date for the collection of savings and contributions to the Employee Welfare Fund of 2025.

Key considerations

(i) Scope of application

The EWF generally requires an employer with ten (10) or more employees to register all of them as members.⁶ The scope of “employees” who fall under the EWF is defined under the LPA⁷ to include all categories of employees regardless of the employment type, such as full-time, probationary, part-time, daily, hourly and fixed-term employees and certain subcontractor workers considered to be employees by law. On the other hand, employers with fewer than ten (10) employees are not subject to the EWF requirements.

(ii) Exemptions to the EWF

Although employers with ten (10) or more employees are generally subject to the EWF, the following categories are exempt:

- 1) Employers that provide a provident fund under the law on provident funds; or
- 2) Employers that provide benefits to employees in the event of termination or death according to the Ministerial Regulations Prescribing Rules and Procedures for the Provision of Welfare to Employees in the Event of Termination of Employment or Death of 2024.⁸

It is important to note that, according to the Department of Labor Protection and Welfare, employers with more than ten (10) employees who have established 1) or 2) above must still register employees who are not registered under those schemes and make contributions to the EWF for such employees.⁹

Additionally, the exemption also extends to certain businesses that are exempt under specific laws and regulations, such as fishing operations, domestic work not conducted as part of a business, work not undertaken for economic profit, private schools (limited to directors and teachers) and private higher education institutions.¹⁰

Please note that any employee working at exempt businesses may voluntarily apply to be a member of the EWF with the employer’s consent.¹¹

(iii) Employer and employee duties

- Employees of businesses with more than ten (10) employees shall be members of the EWF.
- Once the employee threshold is met, the employer shall register its employees by submitting a list of their names in accordance with the format, criteria and procedures prescribed by the EWF Committee.¹²
- Upon obtaining EWF membership, the employee shall pay the contributions via wage deductions by the employer. The employer will then remit these contributions, along with their

⁶ Section 130 of the LPA.

⁷ Section 5 of the LPA.

⁸ Section 130, paragraph 2 of the LPA.

⁹ Ruling of the Legal Division of the Department of Labor Protection and Welfare No. Ror Ngor 0505/1772 dated 20 June 2025.

¹⁰ The Higher Education Act of 2019, the Ministerial Regulations on Labor Protection in Sea Fishing Work of 2022, the Ministerial Regulations of 1998 issued under the LPA (as amended) and the Employee Welfare Fund Committee Regulations on the Admission of Employees Not Governed by the Labor Protection Act of 1998 to Membership in the Employee Welfare Fund of 2024.

¹¹ Clause 3 of the Employee Welfare Fund Committee Regulations on the Admission of Employees Not Governed by the Labor Protection Act of 1998 to Membership in the Employee Welfare Fund of 2024

¹² Section 130, paragraph 5 of the LPA.

own portion, to the competent Labor Protection and Welfare Office¹³ by 15th day of the following month according to the Employee Welfare Fund Committee Regulations on the Remittance of Savings, Contributions and Additional Contributions to the Employee Welfare Fund of 2024 (“**2024 EWF Committee Regulations**”).¹⁴

- In this regard, the combined contributions from the employer and the employee shall not exceed 5% of the employee’s wages as prescribed by the Ministerial Regulations Stipulating the Collection of Contributions and Supplementary Contributions to the Employee Welfare Fund of 2025 (“**2025 EWF Ministerial Regulation**”):¹⁵

Contribution Period	Employer Contribution Rate (% of employee’s wages)	Employee Saving Rate (% of employee’s wages)
From 1 October 2026 to 30 September 2031	0.25%	0.25%
From 1 October 2031 onwards	0.50%	0.50%

Note: There is no maximum wage ceiling for deductions, and while the contribution method will be confirmed at a later stage, electronic filing and payment systems are anticipated.

(iv) Right of employees to receive payments from the EWF

The employee is entitled to receive the contributions, supplementary contributions and yield from the EWF in the following cases:

- 1) The employee or eligible person shall be entitled to the full payment upon resignation or upon termination of employment by the employer regardless of whether such termination is for fault attributable to the employee.¹⁶
- 2) In the event of the employee’s death, the beneficiary designated by the employee or specified under the LPA will be entitled to such money. However, if the employee did not designate a beneficiary or the designated person died, the funds will be distributed equally among the surviving children, spouse and parents of the deceased employee.¹⁷
- 3) Other cases as determined by the EWF Committee, including cases where the employer terminated the employment without severance pay or pays only wages, overtime pay, holiday pay, overtime pay on holidays, etc.¹⁸

(v) Penalties

Employers who fail to make contributions within the prescribed period shall be subject to a surcharge of five percent (5%) per month calculated from the unremitted or outstanding contributions and/or supplementary contributions.¹⁹ Failure to submit a list of employees or provide notice of changes or providing false information can result in a fine of up to THB 10,000 or

¹³ Clause 4 of the 2024 EWF Committee Regulations.

¹⁴ Clause 5 of the 2024 EWF Committee Regulations.

¹⁵ Clause 3 of the 2025 EWF Ministerial Regulations.

¹⁶ Section 133, paragraph 1 of the LPA.

¹⁷ Section 133, paragraph 2 of the LPA.

¹⁸ Clause 7 of the Employee Welfare Fund Committee Regulations on the Payment of Financial Assistance, Rates of Payment and Period of Payment of 2017, as amended.

¹⁹ Clause 7 of the 2024 EWF Committee Regulations.

imprisonment of up to six (6) months or both.²⁰ For juristic persons, if the misconduct is due to an order or act of a director, manager or any responsible person or if such individual fails to act as required, thereby giving rise to the juristic person's violation, that individual will be held liable.²¹

Next step

The EWF aims to enhance employee protection standards, encourage savings and provide financial security upon employment cessation or death. It also helps strengthen employer public reputations and incentivizes long-term employee retention. However, certain legal and practical aspects remain unclear, such as the tax-deductibility of employee contributions. Currently, the matter remains pending, and the issuance of subordinate legislation under the EWF is anticipated. However, such matter is likely to be implemented similarly to other welfare funds in place. As a public hearing was held in early 2025 on LPA amendments concerning the EWF and as the details thereof are pending, it is anticipated that the amendments will be finalized and promulgated soon.

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II. Thailand's 2026 Energy Outlook: Critical Reserve Data & the Race to the Andaman

Introduction

For decades, the Gulf of Thailand has been the bedrock of national energy security. However, recent data has forced a decisive strategic pivot. Facing a tightening reserve outlook, the Department of Mineral Fuels (DMF) has signaled that the future lies not just in maintaining the current reserves, but in opening a new frontier.

While immediate onshore contracts are being finalized, the defining narrative for 2026 is the impending **26th Petroleum Concession Round**. This initiative represents Thailand's major policy shift in years, unlocking

²⁰ Section 156 of the LPA.

²¹ Section 158 of the LPA.

the deep waters of the Andaman Sea to secure the nation's long-term energy baseline.

This newsletter analyzes the Andaman opportunity, decodes the critical reserve data driving this urgency, and updates you on the immediate onshore awards and regional joint developments.

The 26th Concession Round: The Andaman Frontier

With mature fields in the Gulf of Thailand naturally declining, the DMF is turning its attention west. The launch of the 26th Concession Round is designed to attract investment into the Andaman Sea.

This region is viewed as a high-potential "blue ocean" for investors. The optimism is grounded in geological data, the area shares similar structures with neighboring Malaysian waters, where significant petroleum deposits have been discovered.

The government's objective is to discover large-scale gas resources to serve as a new domestic baseload. Recognizing the higher capital requirements of deep-water exploration, the DMF is preparing a framework that balances significant investment commitments (estimated at THB 300 – 1,200 million per block) with the potential for major discoveries. By offering acreage adjacent to proven petroleum systems, Thailand hopes to attract major international players capable of deep-water operations.

The Catalyst: Why 1P vs. 2P Reserves Matter

The urgency behind this new round is driven by a significant data release from the latest Ministry of Energy data. To understand the government's aggressive stance, one must look at the difference between 1P and 2P reserves.

As of the end of 2024, Thailand's natural gas status is as follows:

- **1P (Proven Reserves) – 4.6 Years Remaining:**

"1P" refers to reserves with a 90% confidence level of being commercially recoverable. The fact that only 4.6 years of guaranteed supply remain is the primary driver for the accelerated concession rounds. These reserves represent the nation's immediate energy security.

- **2P (Proven + Probable) – 8.3 Years Remaining:**

"2P" includes both proven reserves and "probable" reserves, which have a 50% confidence level. While an 8.3-year timeline offers some buffer, it relies on resources that are not yet fully secured.

For national energy planning, the distinction between proven and probable reserves is material. The primary objective of the 26th Round is to de-risk the country's supply outlook, converting geological potential into commercial certainty to extend Thailand's guaranteed production runway well beyond the 2030s.

The Strategic Anchor: Thailand-Malaysia Joint Development Area (MTJDA)

While the Andaman Sea represents the future, the Thailand-Malaysia Joint Development Area (MTJDA) remains the critical safety net for the present.

To ensure supply continuity, the DMF is fast-tracking the Cabinet approval for Block A-18-01. This project is massive in scale, projected to mobilize approximately USD 8 billion in total investment.

The project is expected to generate direct revenue of USD 3.9 billion for the Thailand-Malaysia Joint Authority. This zone provides the essential baseload gas volume required to stabilize the grid while exploration in the Andaman progresses.

The Immediate Relief: The 25th Concession Round (Onshore)

Parallel to these offshore mega-projects, the government is moving quickly to harvest accessible onshore resources. The DMF is preparing to submit the results of the 25th Concession Round to the new Cabinet for approval.

The round has attracted five bidders submitting eight requests for onshore exploration rights. These projects are expected to generate THB 2.5 billion in immediate investment. Development of these fields could unlock an estimated 5.76 million barrels of crude oil and 20.7 trillion cubic feet of natural gas.

The Regulatory Unlock: Breaking the 10-Year Renewal Barrier

Beyond new acreage, the legal framework is evolving to maximize recovery from existing assets. A key development is the draft amendment to the current Petroleum Act, which seeks to remove the single 10-year renewal limit. This change is intended to prevent production gaps like those experienced during the Erawan field transition and provide concessionaires with the certainty needed to invest in aging fields such as Sinphuhorm and Sirikit.

The market shift from maintenance to exploration requires a recalibrated legal strategy. Whether you are an operator eyeing deep-water blocks or a service provider scaling for the MTJDA, our Energy & Infrastructure Practice supports every phase of this transition. We have the experience assisting several operators with their bid packages, ensuring alignment with the DMF's latest scoring criteria while modeling the fiscal nuances of the "Thailand III/IV" PSC terms.

Simultaneously, for clients navigating market entry via farm-ins or M&As, we are conducting due diligence on title validity and relevant obligations. Beyond new entries, we are actively advising concessionaires on how regulatory shifts impact the economic lifespan and their existing portfolios.

If you would like to discuss how these legislative and commercial developments affect your business, or explore opportunities in the upcoming concession rounds, please contact Kobchai Nitungkorn at kobchai.n@nagashima.com.

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