

Legal Update: New Rules for Residential Lease Contracts

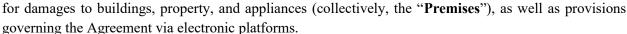
9th December 2025 OAL Thailand Office Sawitree Taechapatraporn Miho Marsh

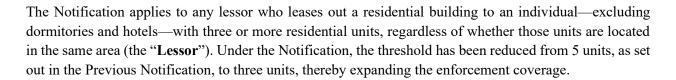
On 6th June 2025, the Notification of the Contract Committee regarding the Determination of the Residential Building Rental Business as a Controlled-Contract Business, B.E. 2568 (2025) (the "Notification"), was issued by virtue of Section 35 bis and 35 octo of Consumer Protection Act, B.E. 2522 (1979) ("Consumer Protection Act") and published in the Royal Gazette. It entered into force on 5th September 2025. The Notification replaces the previous notification of the same title, B.E. 2562 (the "Previous Notification"). It aims to establish clearer and stricter standards for residential lease agreements (the "Agreement") and enhances consumer protection.

This newsletter outlines the revised standard form for the Agreement and provides practical guidance for businesses to ensure that their Agreements comply with the Notification and are fully effective.

1. Overview and Scope of the Notification

The Notification distinguishes between short-term and long-term Agreements and provides the standard form Agreements for both. Key revisions include clearer and stricter rules on deposit forfeiture, liability





The Agreement must be executed in the Thai language and must comply with the requirements and prohibitions stipulated in this Notification. The Notification also covers short-term and long-term Agreements concluded electronically, whether directly with the Lessor or through a digital platform service provider. Where a digital platform service provider performs payment processing or other functions on behalf of the Lessor, the agency provisions under the Civil and Commercial Code ("CCC") will also apply, ensuring that online transactions receive the same level of consumer protection as face-to-face transactions.

2. Mandatory terms and conditions of the Notification

This Notification repeals the mandatory terms and conditions under the Previous Notification and instead introduces two following standard form Agreements in its appendix.

(i) Form Kor (n): Standard Agreement for short-term rentals (A rental period not exceeding 3 years), and





(ii) Form Khor (1): Standard Agreement for long-term rentals (A rental period exceeding 3 years but not more than 30 years, or for the lifetime of either the Lessor or the tenant.).

Both forms include substantive terms and conditions for the Agreement, similar to the mandatory terms in the Previous Notification, but are supplemented by this Notification as follows.

- Methods of payment (rental fees, utility charges, service fees, deposits, and advance rental fees);
- Registration of lease (applicable only to long-term leases);
- Tenant obligations to preserve and maintain the Premises;
- Lessor's obligations to repair essential defects affecting the tenant's ability to use and benefit from the building;
- Prohibition of deducting damages from the deposit in cases of normal wear and tear, force majeure, or causes not attributable to the tenant;
- Obligation to refund advance rental fees and deposits; and
- The Lessor is entitled to terminate the Agreement when the tenant fails to rectify its violation of contract within 30 days from the date of receipt of notice from the Lessor on such violation.

Under Article 5 of the Notification, the Lessor must apply the substantive terms and conditions contained in the standard form to the Agreement. In the event that the Agreement does not expressly contain these substantive terms and conditions, they will be deemed incorporated into the Agreement as implied terms in accordance with Section 35 ter of Consumer Protection Act.

3. Prohibitions under the Notification

This Notification revokes the list of prohibited contractual terms under the Previous Notification and outlines new prohibited terms for both short-term and long-term rentals. However, the main prohibited characteristics remain mostly similar to those in the Previous Notification, except for the following changes.

- This Notification removes the previous prohibition on adjusting utility charges before the end of the rental period and replaces it with a prohibition on adjusting of rental fees and service charges before the Agreement expires; and
- This Notification adds the condition for long-term rentals that the Lessor is prohibited from collecting
 advance rental fees and deposits, when combined, exceeding the equivalent of one year's annual
 rental fee.

The following characteristics are prohibited under the Notification for both short-term and long-term Agreements:

- Exempting or limiting Lessor's liability for breach of contract or tort in critical conditions without reasonable justification;
- Collecting advance rental fees and deposits that, when combined, exceed three months of the monthly rental fee for short-term rentals, or one year of the annual rental fee for long-term rentals;
- Adjusting the rate of rental fees or service charges before the Agreement expires;
- Allowing Lessor to forfeit the deposit or advance rental fee in cases where the tenant is not at fault;
- Permitting Lessor or its representative to inspect the premises without giving prior notice to the tenant, except in an emergency situation;
- Setting utility charges (electricity and water) higher than those billed by the relevant service providers;



- Granting the Lessor the right to prevent the tenant from accessing the premises, or to enter the premises to seize or remove the tenant's belongings, without lawful termination of the Agreement;
- Charging a renewal fee from the existing tenant;
- Allowing the Lessor to terminate the Agreement without the tenant breaching any critical conditions;
- Determining the tenant liable for damage to Premises arising from normal wear and tear, force majeure, or through no fault of the tenant; and
- Determining the tenant responsible for defects in the Premises resulting from ordinary use or normal deterioration.

In the event that any prohibited characteristics are found in the Agreement, such clauses will be deemed nonexistent and unenforceable in accordance with Section 35 quater of Consumer Protection Act.

4. Penalty

Lessors who fail to comply with the Notification may face penalties under the Consumer Protection Act, including criminal liability of imprisonment for up to one year, a fine of up to THB 200,000, or both, pursuant to Section 47 of the Consumer Protection Act.

5. Recommendations for Business Operators

The Notification aims to clarify ambiguous provisions in the Previous Notification and to protect tenants, who typically have less bargaining power than Lessors, from unfair Agreements.

The Notification does not apply retroactively to the existing Agreements executed before the effective date of the Notification; nevertheless, it will come into force upon renewal or modification of Agreement. Lessors are therefore advised to review their existing Agreements for compliance before the expiration of the initial term.

For the upcoming transactions, Lessors should ensure that their template Agreements - including those used on electronic platforms or for electronic contracting, are updated to comply with the Notification so as to avoid penalties and ensure the enforceability of all contractual terms.

For assistance with implementing the Notification or with the review of residential lease agreements, please feel free to contact One Asia Lawyers Thailand Office.

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Her expertise encompasses corporate structuring, contract drafting, regulatory compliance, tax advice and IPO process. Her practice facilitates business growth by ensuring precise legal frameworks that safeguard assets, enhance compliance, and mitigate risk.

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In collaboration with Thai lawyers, she provides advice on a wide range of legal matters, focusing primarily on corporate, labor, and compliance fields. In the corporate sector, she handles a broad spectrum of issues, from various license applications—including those related to foreign ownership restrictions, BOI, and the Foreign Business License (FBL)—to complex corporate legal matters such as mergers, dissolutions, and liquidations. She also has extensive experience in labor law, handling cases ranging from general employment issues to labor litigation. Furthermore, her responsibilities include conducting compliance audits, advising on inheritance and real estate transactions, and assisting with the establishment of external whistleblowing systems.

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