



### Contents

- Regulation of the Defence Technology Policy Committee
   Regarding Criteria and Procedures for Establishing
   a Juristic Organization and Joint-Investment, Holding Shares or
   Being a Partner of the Defence Technology Institute B.E. 2563 (2020)
- 2. Rules of the Board of Directors of the Defence Technology Institute Regarding the Criteria for Measures to Supervise or Control the Activities of Juristic Organizations B.E. 2563 (2020)
- 3. Regulation of the Defence Technology Policy Committee
  Regarding the Criteria, Methods and Conditions for the Manufacture
  and Sale of Military Equipment, Including the Characteristics and
  Types of Military Equipment B.E. 2563 (2020)
- 4. Regulation of the Defence Technology Policy Committee
  Regarding the Criteria, Methods and Conditions for the Manufacture
  and Sale of Military Equipment, Including the Characteristics and
  Types of Military Equipment (No.2) B.E. 2564 (2021)

1.

Regulation of the Defence Technology
Policy Committee

Regarding Criteria and Procedures for Establishing a Juristic Organization and Joint-Investment, Holding Shares or Being a Partner of the Defence Technology Institute B.E. 2563 (2020)

# Regulation of the Defence Technology Policy Committee Regarding Criteria and Procedures for Establishing a Juristic Organization and Joint-Investment, Holding Shares or Being a Partner of the Defence Technology Institute B.E. 2563 (2020)

Whereas it is expedient to prescribe rules and procedures for the establishment or joining with other entities in establishing organizations that are Juristic Persons and Joint-Investment, Holding Shares, or Being a Partner in the Defence Technology Institute for the purpose of carrying out the activities of the defence industry in accordance with the objectives of the Defence Technology Institute.

By virtue of Section 9 (7) and Section 23 (7) of the Defence Technology Act B.E. 2562 (2019), the Defence Technology Policy Committee, with the approval of the Cabinet, has issued the following regulation:

Section 1 This regulation is called the "Regulation of the Defence Technology Policy Committee Regarding Criteria and Procedures for Establishing a Juristic Organization and Joint-Investment, Holding Shares or Being a Partner of the Defence Technology Institute B.E. 2563 (2020)".

Section 2 This regulation shall come into force as from the day following the date of its publication in the Government Gazette.

Section 3 In this regulation

"Investment Plan" means:

- (1) an investment plan for the defence industry under which the Institute will establish or join with other persons or Juristic Persons for the establishment of a juristic organization; or
- (2) an investment plan for the defence industry under which the Institute will participate in Joint-Investment, Holding Shares, or Being a Partner with other persons or Juristic Persons.

"Joint-Investment" means entering into an investment with other persons or Juristic Persons by any means, including bringing funds and property of the Institute to invest with other persons or Juristic Persons, Holdings Shares, Being a Partner, entering into a venture in the form of a joint venture or consortium, for the benefit of the Institute in acting in accordance with the objectives of the Institute, but excluding the joining with other persons or Juristic Persons for the establishment of a juristic organization.

"Holding Shares" means holding shares in a company or a Juristic Person with equity as shares in accordance with Thai law or the laws of the relevant country.

"Being a Partner" means becoming a shareholder in an ordinary partnership, limited partnership, or other forms of partnership under Thai law or the laws of the relevant country.

"Juristic Person" means:

(1) a company, a partnership established under Thai law, a Government Agency, or an agency of the Ministry of Defence that is a Juristic Person; or

- (2) a company, a partnership, or other Juristic Persons established under foreign law.
- "Investment Amount" means the value of the funds and property of the Institute to be taken for a Joint-Investment with other persons or Juristic Persons in any Investment Plan.
- "Agreement" means an agreement to jointly establish a juristic organization, or a joint-investment agreement, a shareholding agreement, or an agreement to become a partner with other persons or Juristic Persons.
  - "Government Agency" means a government agency under the law on budgetary procedures.
  - "Institute" means the Defence Technology Institute.
  - "Board" means the Board of Directors of the Defence Technology Institute.
  - "Chairman" means the Chairman of the Defence Technology Institute.
  - "Director-General" means the Director-General of the Defence Technology Institute.

#### Chapter 1

#### Establishing a Juristic Organization

Section 4 The Institute may establish a juristic organization which can be established alone or in association with the agencies of the Ministry of Defence that are Juristic Persons, Government Agencies, or other persons or Juristic Persons by approval of the Board to carry out the activities of the defence industry in accordance with the objectives of the Institute.

When the Institute has an Investment Plan related to the activities of the defence industry and it is appropriate to establish a juristic organization, the Institute shall prepare a study report on the Investment Plan and present it to the Board for consideration and approval.

The Board may appoint a sub-committee to consider, screen or give any opinions relevant to the Board for approving the above Investment Plan as necessary.

- Section 5 In preparing a study report on the Investment Plan and consideration for approval for the establishment of a juristic organization under Section 4, the Institute and the Board shall take into account the following matters:
- (1) the consistency of the objectives of a juristic organization in carrying out activities to the objectives, duties, and authority of the Institute under the law on defence technology;
- (2) the compliance with the law, national strategies, government policies, the policies of the Ministry of Defence, and the Institute's plan for defence technology and industry action plan;
- (3) the Investment Plan or business plan relating to research, development, design, manufacture, assembly, modification, refurbish, alteration, transformation of products, or providing services for products, military equipment or defence technology to be operated;

- (4) goals, scope, and period for the establishment of the juristic organization according to the Investment Plan;
  - (5) probabilities, risks, and value for the economy, military, security, law, and technology;
- (6) the source of funds or property of the Institute and the investment limits and frameworks that will be used in the establishment or co-establishment of a juristic organization; and
- (7) rights and duties of other persons or Juristic Persons that would join the establishment of a juristic organization, supervision guidelines, and confidentiality of person, Juristic Person and military service.
- Section 6 The Institute may jointly establish a juristic organization with other persons or Juristic Persons who has qualifications and does not have prohibited characteristics:
  - (1) not being a person whose name is listed on the official list of job abandoners;
- (2) not being a person under the court's receivership order, bankrupt, or has been a bankrupt person due to corruption;
- (3) not being sentenced to prison by a final judgment, unless it is a penalty for an offense committed negligently or petty offense; and
- (4) not being or having been under receipt of a final judgment for an offense concerning national security of the Kingdom, terrorism offense, or offenses concerning public peace, in accordance with the Criminal Code.
- Section 7 In the case of joint establishment of a juristic organization with other persons or Juristic Persons who are foreign persons under the laws governing foreign business operations, consideration must also be taken for the percentage of shareholding, or partnership of the Institute with the foreign persons in the juristic organization.
- Section 8 When the Institute takes any action according to its duties and authority, an action report should be provided to the Defence Technology Policy Committee at the first opportunity.

#### Chapter 2

#### Joint-Investment, Holding Shares or Being a Partner with Another Person or Juristic Person

- Section 9 The Institute may enter into a Joint-Investment, Hold Shares, or Be a Partner with other persons or Juristic Persons to carry out the activities of the defence industry in the following ways:
  - (1) Holding Shares;
  - (2) Being a Partner;
- (3) entering into a venture with other persons or Juristic Persons in the form of a joint venture or consortium; or

(4) any other Joint-Investment form as approved by the Board.

When the Institute has an Investment Plan related to carrying out the activities of the defence industry and deems it appropriate to proceed in any one of the forms under paragraph one, the Institute shall prepare a study report on the Investment Plan and present it to the authorized person under Section 10 for consideration and approval.

Section 10 The following persons shall have the authority to consider and approve the Joint-Investment, Holding Shares, or Being a Partner in accordance with Section 9:

- (1) the Director-General in the case of an Investment Plan with an Investment Amount not exceeding 50 million baht; and
- (2) the Board in the case of an Investment Plan with an Investment Amount of more than 50 million baht.

When the persons under paragraph one has performed any duties and authority, Section 8 shall apply *mutatis mutandis*.

Section 11 The provisions of Section 5 shall apply *mutatis mutandis* in preparing a study report on Investment Plans under Section 9, paragraph two, and in considering granting approval for the Joint-Investment, Holding Shares, or Being a Partner with other persons or Juristic Persons under Section 10.

Section 12 The Institute may participate in Joint-Investment, Holding Shares, or Being a Partner with other persons or Juristic Persons, who has qualifications and does not have prohibited characteristics in accordance with Section 6. In the case of Joint-Investment, Holding Shares, or Being a Partner for domestic activities, the other persons or Juristic Persons must have qualifications and must not have prohibited characteristics in accordance with the laws governing control of arms. In the case that activities are ones that fall under the conditions of the laws governing private arms factories, the other persons or Juristic Persons must have shareholding proportion, proportion of director, and no prohibited characteristics as required by the laws governing private arms factories.

Section 13 In the case of Joint-Investment, Holding Shares, or Being a Partner with other persons or Juristic Persons who are foreign persons, consideration must also be taken for the percentage of shareholding, or partnership of the Institute with the foreign person in Holding Shares or Being a Partner in the juristic organization.

Section 14 The Joint-Investment, Holding Shares, or Being a Partner with other persons or Juristic Persons must proceed in accordance with the Investment Plan that has been given approval by the Director-General or the Board in accordance with this Chapter, or, the Investment Plan that has been amended and given approval by the Director-General or the Board only, whereby it does not go against the purpose, duties, and authority of the Institute.

If the said Investment Plan is amended resulting in the Investment Amount of the plan exceeding the limited amount as specified in Section 10 (1), the Institute shall report the said Investment Plan to the Board for further approval of the Investment Plan.

#### Chapter 3

## Selection of Person or Juristic Person to Jointly Establish a Juristic Organization, or for the purposes of Joint-Investment, Holding Shares, or Being a Partner

Section 15 Selection of persons or Juristic Persons to jointly establish a juristic organization, or Joint-Investment, Holding Shares, or Being a Partner, may be done by the following means:

- (1) a General Solicitation Notification Method, which is when the Institute invites persons or Juristic Persons, who will at least have the following characteristics, in entering a proposal:
- (a) being persons or Juristic Persons who has qualifications and does not have prohibited characteristics under Section 12; and
- (b) being persons or Juristic Persons that carry out activities according to the objectives of the Institute.
- (2) a Selection Method, which is when the Institute solicits not less than three specific persons or Juristic Persons who meet the conditions specified by the Institute to submit a proposal. The Institute may only solicit persons who has qualifications in accordance with criteria, and the persons that the Institute wishes to solicit must have the following qualifications at minimum:
- (a) being persons or Juristic Persons who have qualifications and do not have prohibited characteristics under Section 6 or 12, as the case may be; and
- (b) being persons or Juristic Persons who carry out activities or produce military equipment with specific characteristics that are special or complex or that the Investment Plan requires the production, supply, construction, or services from persons or Juristic Persons who have unique skills or have specialized skills or have high skills and the persons or Juristic Persons are limited in number.
- (3) a Specific Method, which is when the Institute solicits specific persons or Juristic Persons with qualifications that meet the conditions specified by the Institute to submit an offer. The persons or Juristic Persons that the Institute solicits must have at least the following characteristics:
- (a) being persons or Juristic Persons who have qualifications and do not have prohibited characteristics under Section 6 or Section 12, as the case may be;
- (b) being persons or Juristic Persons carry out activities or produce military equipment with specific characteristics that are special or complex, or that the Investment Plan requires the production,

supply, construction, or services from persons or Juristic Persons who have unique skills or have specialized skills or have high skills and the persons or Juristic Persons are limited in number; and

(c) those persons or Juristic Persons have previously participated in research on the defence industry with the Institute.

Section 16 In the selection of persons or Juristic Persons to jointly establish a juristic organization, in accordance with Chapter 1, the Institute must first proceed with the Selection Method, unless there are no persons or Juristic Persons with the complete characteristics as per Section 15 (2) (a) and (b) or there are no persons or Juristic Persons who submitted a proposal or there are no persons or Juristic Persons who got selected, then the Specific Method shall be used.

Section 17 Selection of persons or Juristic Persons for Joint-Investment, Holding Shares, or Being a Partner under Chapter 2, may be done by the following methods:

- (1) For Joint-Investment in any form other than Holding Shares or Being a Partner, the General Solicitation Notification Method shall be used first, except in the case there are no persons or Juristic Persons who meet all the qualifications under Section 15 (2) (a) and (b) or Section 15 (3) (a) (b) and (c) or there are no persons or Juristic Persons who submitted a proposal or there are no persons or Juristic Persons who got selected, then the Selection Method or the Specific Method shall be used, as the case may be.
- (2) For Holding Shares or Being a Partner, the Selection Method shall be used unless there are no persons or Juristic Persons who meet all the qualifications under Section 15 (2) (a) and (b) or there are no persons or Juristic Persons who submitted a proposal or there are no persons or Juristic Persons who got selected, then the Specific Method shall be used.

Section 18 The Board under Section 4 or the authorized person under Section 10 shall have duties and authority as follows:

- (1) to consider the method for selecting persons or Juristic Persons under this Chapter by taking into account the highest benefits in conducting activities in accordance with the objectives set out in this regulation;
- (2) to consider and approve the draft request for proposal notice, draft documents for selection of persons or Juristic Persons, and draft Agreements;
- (3) to determine the fee for the sale of documents for the selection process, assessment fees, contract signing fees, envelope collateral, and contract collateral;
  - (4) to assign the Institute to negotiate and consider the selection of persons or Juristic Persons;
- (5) to request the Institute or relevant persons or Juristic Persons to give explanations, express opinions, or submit information or related documents; and

(6) to consider other activities related to the selection of persons or Juristic Persons under the Investment Plan, as deemed fit.

Section 19 When the results of the selection of persons or Juristic Persons are completed and draft Agreements negotiated with persons or Juristic Persons have been selected, the Institute shall submit the draft Agreements to the Office of the Attorney General for their examination within 30 days.

Section 20 When the results of selection of persons or Juristic Persons have been completed, and the Office of the Attorney General has examined the draft Agreements, the Institute shall present the results of the selection of persons or Juristic Persons and the draft of such Agreements to the Board under Section 4 or the authorized person under Section 10 for their consideration and approval.

In the event the Board under Section 4 or the authorized person under Section 10 does not approve of the results of selecting the persons or Juristic Persons or the draft Agreements, the reasons to not provide approval shall be informed to the Institute together with a specified time period to review the selection results or the draft Agreements.

If the Institute has revised the process of selecting persons or Juristic Persons that the Board under Section 4 or the authorized person under Section 10 did not approve or amended the draft Agreements, the Institute shall present the results of the selection of persons or Juristic Persons or the draft Agreements to the Board under Section 4 or the authorized person under Section 10 for their approval again. In the case that the amendment to the draft Agreements is a material amendment, the Institute shall submit the aforementioned draft Agreements that have been amended to the Office of the Attorney General for their consideration before presenting it to the Board under Section 4 or the authorized person under Section 10 for their approval.

Once the Board under Section 4 or the authorized person under Section 10 has given their approval to the results of the selection or the draft Agreements, the Institute shall sign the Agreements with the selected persons or Juristic Persons.

#### Chapter 4

#### Standard Requirements for Agreements

Section 21 Standard requirements to be contained in the Agreements must at least consist of the following details:

- (1) details, names, addresses, representatives of the Juristic Persons that are contracting parties;
- (2) period for implementation of the Investment Plan;
- (3) objectives of the Investment Plan;
- (4) rights and duties of each contracting party;

#### Government Gazette

- (5) the proportion of participation in the establishment of a juristic organization or participating in Joint-Investment, Holding Shares, or Being a Partner, including the rules, methods and conditions for the transfer of shares or changes in partnership, restrictions on share transfer or change of partner, or policy on the withdrawal of investment:
- (6) assets, including intellectual property, ownership and specifying the rights and duties of the each contracting party involved in the utilization and maintenance of such assets;
  - (7) knowledge transfer on defence technology and defence industry;
- (8) grounds for contract termination, termination process, results of contract termination, natural expiry of the contract, including details on proceeding with the Investment Plan if there is a suspension of operation and payment of damages due to the contract termination;
- (9) conditions related to the absolute right of the Institute indicating the privileges of the state in the event that there are grounds to claim such privileges under the law, or in accordance with binding international agreements under which Thailand is obligated, including in accordance with the laws on defence technology or when there is an event concerning national security or an event that has an impact on public interest;
  - (10) confidentiality;
  - (11) dispute resolution;
- (12) the law to be enforced, which must specify that the Agreements and its related must be subjected to Thai law; and
  - (13) other matters as specified in the Institute's practice guidelines.

Section 22 In the event that there is a desire to amend the Agreements, the Institute shall present its reasons and necessities, the issues to be resolved, impact from the amendment, and other details to the Board under Section 4 or the authorized person under Section 10 for consideration. In the event that the issues to be resolved are of a material nature, the Institute shall present to the Board for approval and the Institute shall present the amended draft Agreements to the Office of the Attorney General first before signing the Agreements.

#### Chapter 5

#### Supervision

Section 23 The manufacture and sale of military equipment of the juristic organizations established under Chapter 1 shall be in accordance with the Regulation of the Defence Technology Policy Committee Regarding the Criteria, Methods and Conditions for the Manufacture and Sale of Military Equipment, Including the Characteristics and Types of Military Equipment.

Section 24 The juristic organizations established under Chapter 1 shall carry out their activities in accordance with the supervision measures or control measures of the Institute as specified in the Regulation of the Board of Directors of the Defence Technology Institute Regarding the Criteria for Measures to Supervise or Control the Activities of Juristic Organizations.

Section 25 There shall be an annual evaluation of the performance of juristic organizations established under Chapter 1 and persons or Juristic Persons in which the Institute has Joint-Investment, is Holding Shares, or is Being a Partner. The results of the operation shall be reported to the Board.

Section 26 The Institute shall, with the approval of the Board, consider changing or canceling the establishment or co-establishment of the juristic organization or withdrawing from a Joint-Investment, Holding Share, or Being a Partner with a person or a Juristic Person whose operation does not comply with the objectives of the Institute or may not achieve the objectives of the Investment Plan.

Section 27 The Institute shall supervise and monitor the performance of the Joint Investment, Share Holding, or Being a Partner with persons or Juristic Persons to be as stipulated in the Agreements and report the results of the operation, including problems and obstacles as well as solutions, to the Board on a continuous basis.

The Board shall report the progress of the operation to the Defence Technology Policy Committee on a continuous basis.

Section 28 The disposal of shares in any Juristic Persons of the Institute that has a value of more than five million baht in accordance with balance sheet value in the most recent fiscal year must first be approved by the Board. When the Board approves of the disposal of shares in the above Juristic Persons, the Board, by the proposal of the Institute, shall set up a working group, consisting of a director authorized to serve as the chairman of the working group, three experts appointed from persons with expertise and significant experience in defence technology, budget and finance, to serve as the working group, and a representative of the Institute to serve as the working group and secretariat, whereby the working group shall have the following duties:

- (1) give opinions on the method of distribution considering the benefits of the Institute;
- (2) give opinion on the price to be sold with regards to stability, financial position, and profitability and timing of the sales; and
  - (3) give opinions on relevant matters as appropriate in the case.

The working group shall submit the results of their consideration to the Board. Upon consideration by Board, the Institute shall proceed to sell the Institute's shares in the Juristic Person in accordance with this Section.

#### Government Gazette

Section 29 In the event it appears to the Institute or the Board that the persons or Juristic Persons who jointly established the juristic organization or participate in Joint-Investment, Holding Shares, or Being a Partner with the Institute breached the Agreements that affects and damages the activities as specified in this regulation, the Institute, with the approval of the Board, has the authority to order any action to amend, suspend or refrain from taking any action in order to comply with the Agreements and this regulation, including claiming for compensation for damages or fines from the persons or Juristic Persons participating in the Investment Plan as appropriate.

Section 30 In the event that there is a problem with the enforcement or compliance of this regulation, the Board has the authority to interpret and make decisions, and the decision of the Board shall be final.

Announced on 29 June 2020

General Prayut Chan-o-cha (Ret.)

Chairman of the Defence Technology Policy Committee

Rules of the Board of Directors of the Defence Technology Institute

Regarding the Criteria for Measures to Supervise or Control the Activities of Juristic Organizations B.E. 2563 (2020)



DTI-G-B102-SPP-002

Written by: The Defence Technology Institute

Approval by: The Board of Directors of the Defence Technology Institute

Page 1 of 6

## Rules of the Board of Directors of the Defence Technology Institute Regarding the Criteria for Measures to Supervise or Control the Activities of Juristic Organizations B.E. 2563 (2020)

Whereas it is expedient to prescribe the criteria for measures to supervise or control the activities of Juristic Organizations established by the Institute or joined with other entities in its establishment pursuant to Section 23 (7) of the Defence Technology Act B.E. 2562 (2019).

By virtue of Section 25 of the Defence Technology Act B.E. 2562 (2019), and the resolution of the Board of Directors of the Defence Technology Institute in its Meeting No. 4/2563 on 29 April 2020, the Board of Directors of the Defence Technology Institute, has thus issued the following rules:

- **Section 1** These rules are called "Rules of the Board of Directors of the Defence Technology Institute Regarding Criteria for Measures to Supervise or Control the Activities of Juristic Organizations B.E. 2563 (2020)".
  - Section 2 These rules shall come into force as from the day following the date of its publication.
  - **Section 3** In these rules

"Project" means investment projects by Juristic Organizations established by the Institute or joined with other persons or juristic persons in its establishment as approved by the Board pursuant to the rules and procedures specified in the Regulation of the Defence Technology Policy Committee Regarding Criteria and Procedures for Establishing a Juristic Organization and Joint-Investment, Holding Shares or Being a Partner of the Defence Technology Institute, for carrying out the activities of the defence industry.

- "Committee" means the Defence Technology Policy Committee.
- "Board" means the Board of Directors of the Defence Technology Institute.
- "Sub-Committee" means the sub-committee that has been constituted pursuant to this regulation.
- "Competent Official" means a person appointed by the Board or the Sub-Committee to carry out certain acts under this regulation.
  - "Director-General" means the Director-General of the Defence Technology Institute.
  - "Production" means production pursuant to the laws governing private arms factories.
- "Factories" means factories pursuant to the laws governing factories of Juristic Organizations that carries out the production of Weapons under the Projects that have been approved from time to time.
  - "Institute" means the Defence Technology Institute.



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Written by: The Defence Technology Institute

Approval by: The Board of Directors of the Defence Technology Institute

Page 2 of 6

"Agreement" means the agreement to jointly establish the Juristic Organizations between the Institute and the agencies under the Ministry of Defence, government agencies, or other persons or juristic persons.

"Juristic Organizations" means the Juristic Organizations established independently or jointly with other agencies under the Ministry of Defence, government agencies, or other persons or juristic persons pursuant to the criteria and procedures specified in the Regulation of the Defence Technology Policy Committee Regarding Criteria and Procedures for Establishing a Juristic Organization and Joint-Investment, Holding Shares or Being a Partner of the Defence Technology Institute, for carrying out the activities of the defence industry.

"Weapons" means weapons pursuant to the laws governing private arms factories.

**Section 4** The Director-General shall have charge and control of the execution of this regulation. In case of issues in relation to the enforcement or implementation of this regulation, the Board shall have the authority to interpret and make decisions, and the decision of the Board shall be final.

#### Chapter 1

#### **General Provisions**

**Section 5** The activities carried out by Juristic Organizations shall not be subjected to the laws governing private arms factories.

Any activities carried out by the Juristic Organizations in relation to the Production of Weapons pursuant to the laws governing private arms factories shall be in strict accordance with the rules related to the supervision or control pursuant to this Regulation and the Juristic Organizations shall comply with the orders, provide its cooperation and facilitate the workings of the Board, the Sub-Committee and the Competent Officials to the fullest extent.

- **Section 6** The Board may appoint a Sub-Committee for the consideration and carrying out of other matters in relation to the supervision or control of the activities of Juristic Organizations pursuant to Section 25 of the Defence Technology Act B.E. 2562 (2019), with the following stipulations.
  - (a) The Sub-Committee shall be composed of:
- (1) the Chairman of the Board or his/her representative as the Chairman of the Sub-Committee;
- (2) no more than three members of the Board or their representatives as the Sub-Committee members; and
- (3) the Director-General is the Sub-Committee member and secretary. No more than two staff from the Institute shall be assistant secretaries.



DTI-G-B102-SPP-002

Written by: The Defence Technology Institute

Approval by: The Board of Directors of the Defence Technology Institute

Page 3 of 6

(b) The Sub-Committee shall have the authority and duties in screening, providing recommendations or other orders for the activities carried out by the Juristic Organization pursuant to the criteria specified in this regulation.

The consideration and other acts of the Sub-Committee shall be in accordance with the laws governing defence technology, the laws governing private arms factories, and this regulation.

The procedures for appointment, the qualifications and prohibited characteristics, the composition of meetings, the procedures in performing duties, the term of office, and the retiring from office of the Sub-Committee shall be in compliance with the regulations specified by the Board.

Once the Sub-Committee has taken any action in accordance with the authority and duties under this Section, it shall immediately report such action to the Board meeting at the first opportunity for further approval.

#### Chapter 2

#### Measures to Supervise or Control

Section 7 Once a Juristic Organization has finished setting up the Factories, prior to commencement of its activities, the Juristic Organization must provide a written notice to the Board not less than 15 days in advance so that the Competent Officials may first examine the Factories. The Board may specify that the Juristic Organization must comply with the criteria, procedures and conditions that are specified in the ministerial regulation on such matter announced pursuant to the laws governing private arms factories as it may deem appropriate. If it is of the opinion that the Juristic Organization did not correctly comply with the aforementioned criteria, procedures and conditions specified by the Board, the Competent Officials may order the Juristic Organization to rectify within an appropriate time period. If the aforementioned time period is insufficient, the Juristic Organization shall request the Board for an extension so that it may order an extension for an appropriate amount of time.

**Section 8** Juristic Organizations may not move the Factories from the specified Project area approved by the Board, unless otherwise permitted by the Board.

**Section 9** If Factories or Juristic Organizations go through a name change, the Juristic Organizations must provide a written notice to the Board within 15 days from the date of the change.

**Section 10** Juristic Organizations shall not operate any other business activities apart from those specified in the Project approved by the Board, unless there has been a proposal to amend the Project pursuant to the criteria specified in Regulation of the Defence Technology Policy Committee Regarding Criteria and Procedures for Establishing a Juristic Organization and Joint-Investment, Holding Shares



DTI-G-B102-SPP-002

Page 4 of 6

or Being a Partner of the Defence Technology Institute, for carrying out the activities of the defence industry, and the amendment of the Project has been approved by the Board.

**Section 11** Juristic Organizations shall not change or use the Factories or any portion of the Factories contrary to the specifications of the Project which has been approved by the Board, unless permitted by the Board.

**Section 12** Juristic Organizations who wish to order or import into the Kingdom any materials or Weapons for the Production of Weapons or as a sample or for research related to the Production of Weapons, must receive permission from the Board whereby the Board may specify that the Juristic Organization comply with the rules, procedures and conditions specified in the ministerial regulation on such matter announced pursuant to the laws governing private arms factories, as it may deem appropriate.

**Section 13** Juristic Organizations shall not use the materials or Weapons ordered or imported into the Kingdom pursuant to Section 12 contrary to its approved use.

**Section 14** Juristic Organizations must notify the Competent Officials in writing the operational hours of the Factories, and such hours shall not change unless a written notice was provided to the Competent Officials in advance and had received the prior approval of the Competent Officials.

**Section 15** Juristic Organizations must store materials or Weapons used in the Production of Weapons or Weapons produced within the Factories or the storage areas per the conditions specified by the Board. Storage, disposal, or destruction of the material debris from the Production of Weapons or damaged materials or Weapons that cannot be used or not used shall be in accordance with the rules and the procedures announced by the Board.

**Section 16** Juristic Organizations must maintain accounts of the types, quantity and the daily transactions concerning the materials or the Weapons used in the Production of Weapons or Weapons produced, including the damaged materials or Weapons that cannot be used or not used, and must send reports and copies of the said accounts to the Competent Officials.

**Section 17** Juristic Organizations shall not move the materials or Weapons used in the Production of Weapons or Weapons produced out of the Factories or the storage area unless otherwise approved by the Board in writing.

**Section 18** To benefit the control of Production of Weapons by the Juristic Organizations, the Board may lay out the rules for the officials of the Institute to be stationed at the Factories of the Juristic Organizations in order to examine the compliance of the Juristic Organizations to this regulation.

**Section 19** The Board or the Sub-Committee may appoint Competent Officials to carry out any acts pursuant to this regulation, and in carrying out such acts the Competent Officials shall have the following authority:



DTI-G-B102-SPP-002

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Approval by: The Board of Directors of the Defence Technology Institute

Page 5 of 6

- (1) enter the premises of the Factories or areas for storage of materials or Weapons used in the Production of Weapons or Weapons produced of the Juristic Organizations;
- (2) examine various evidentiary documents in relation to the source and the distribution of materials or Weapons used in the Production of Weapons or Weapons produced;
  - (3) examine the accounts and other related documents; and
- (4) carry out any acts or issue an order as authorized by the Board and the Sub-Committee or as specified in this regulation.

**Section 20** In the event it appears the Juristic Organization did not comply with the terms and conditions specified in the Project or the Agreement or had violated or failed to comply with this Regulation, the Board shall have the authority to issue an order in writing for the Juristic Organization's correct compliance or rectification within a specified time period, where it may be ordered that the activities, in whole or in part, temporarily be suspended.

In the event it is ordered that the activities be temporarily suspended, in whole or in part, if the Juristic Organization complies or rectifies correctly within the specified time period, the Board may order the operational activities be continued.

**Section 21** In the event where the Juristic Organization fails to correctly comply or rectify as per the order of the Board under Section 20 within the specified time period, or is unable to comply with the conditions specified in the Project or pursuant to the Agreement or the provisions in this Regulation, once it appears that the violation or non-compliance of the Juristic Organization under Section 20 is significantly affecting the national security or the safety of the nation, the Board may consider the termination of the Agreement.

In the event the reason for the exercise of authority under paragraph did not arise out of the fault of the persons or the juristic persons who joined to establish the Juristic Organization, the Institute shall fairly compensate the persons or juristic persons, who are the contracting parties.

**Section 22** Juristic Organizations may not merge the activities of the Factories with other activities, unless otherwise approved by the Board and carried out in accordance with the laws governing private arms factories.

#### Chapter 3

#### Directors and the management of Juristic Organizations

**Section 23** Directors of Juristic Organizations or persons authorized to manage the Factories of the Juristic Organizations may be appointed if such persons do not have characteristics prohibited by the specifications of the ministerial regulation on such matter which was announced pursuant to the laws governing private arms factories and have received approval from the Board.



**Section 24** The operational performance of the established Juristic Organizations shall be evaluated annually, and the Juristic Organizations shall report the performance results to the Board and the Institute for their information.

Announced on 29 April 2020

General Porpol Maneerin

Chairman of the Board of Directors of the Defence Technology Institute

Regarding the Criteria, Methods and Conditions for the Manufacture and Sale of Military Equipment, Including the Characteristics and Types of Military Equipment B.E. 2563 (2020)



Regarding the Criteria, Methods and Conditions for the Manufacture and Sale of Military Equipment, Including the Characteristics and Types of Military Equipment B.E. 2563 (2020)

DTI-G-S202-SPP-001

Written by: The Board of the Directors of the Defence Technology Institute

Approval by: The Board of the Directors of the Defence Technology Institute

Page 1 of 10

#### Regulation of the Defence Technology Policy Committee

Regarding the Criteria, Methods and Conditions for the Manufacture and Sale of Military Equipment, Including the Characteristics and Types of Military Equipment B.E. 2563 (2020)

Whereas it is expedient to have a regulation of the Defence Technology Policy Committee regarding the criteria, methods and conditions for the manufacture and sale of military equipment, including the characteristics and types of military equipment to be in order, accurate and safe, with rules and guidelines that are consistent with the operation of the Institute to promote and support defence technology and the defence industry:

By virtue of Section 9 (5), Section 11, and Section 24, the Defence Technology Policy Committee has thus issued the following regulation:

**Section 1** This regulation is called the "Regulation of the Defence Technology Policy Committee Regarding the Criteria, Methods and Conditions for the Manufacture and Sale of Military Equipment, Including the Characteristics and Types of Military Equipment B.E. 2563 (2020)".

**Section** 2 This regulation shall come into force as from the day following the date of its publication.

Section 3 In this regulation

"Military Equipment" means all materials, equipment and arms of all kinds, including automotive tools, utility spare parts necessary for combat operations or to maintain and support military activities regardless of whether they have civilian or combat purposes, which covers Arms according to the laws governing control of arms, including Weapons and Components according to the laws governing private arms factories, and also includes objects that may be used in the war, or equipment and objects that are useful in the manufacture of Weapons, ammunition and items used in warfare, but depending on the account, characteristics and types of Military Equipment listed at the end of this regulation.

"Operation of the Defence Industry" means buying, selling, hiring, contracting to build, procuring, transferring, accepting transfer, leasing, leasing out, exchanging, disposing, acting as an agent, undertaking any juristic act that binds the assets of the Institute, including various activities in accordance with the duties and authority under Section 23 within the scope of the objectives under Section 22 for the benefit of the activities of the Institute and the defence industry, as long as such acts are not contrary to the Defence Technology Act B.E. 2562 (2019).

"Arms" means arms pursuant to the laws governing control of arms.

"Weapons" means weapons pursuant to the laws governing private arms factories.



Regarding the Criteria, Methods and Conditions for the Manufacture and Sale of Military Equipment, Including the Characteristics and Types of Military Equipment B.E. 2563 (2020)

DTI-G-S202-SPP-001

Written by: The Board of the Directors of the Defence Technology Institute

Approval by: The Board of the Directors of the Defence Technology Institute

Page 2 of 10

"Components" means components as defined by the laws governing private arms factories and components as defined by the Notification of the Ministry of Defence Re: Prescribing Arms to which Request Permission according to laws governing the control of arms.

- "Manufacture" means to make, assemble, repair, change the feature, mix, transform, modify, package.
- "Order" means to get any person to send or Import an object from outside of the Kingdom.
- "Import" means to import into the Kingdom.
- "Having" means having ownership or having in possession.

"Military Exercise" means training or training of military operations in order to gain proficiency or understanding of details and procedures for performing non-combat military missions, such as, unit training at all levels, combined training, joint training, other military training.

"Juristic Organization" means a juristic organization which the Institute has established or jointly established with agencies of the Ministry of Defence, Government Agencies, or other persons or juristic persons to operate as specified in this regulation.

- "Government Agency" means a government agency under the law on budgetary procedures.
- "Institute" means the Defence Technology Institute.
- "Committee" means the Defence Technology Policy Committee.
- "Chairman" means the Chairman of the Defence Technology Institute.
- "Board" means the Board of Directors of the Defence Technology Institute.
- "Director-General" means the Director-General of the Defence Technology Institute.

**Section** 4 The Chairman shall be in charge of this regulation. In the event of a problem with the enforcement or compliance of this announcement, the Board shall have the authority to interpret and make decisions, and the decision of the Board is final.

#### Chapter 1

#### **General Provisions**

- **Section** 5 The manufacture and sale of Military Equipment in accordance with this regulation must be consistent with the objectives of the Institute, as provided in the Defence Technology Act B.E. 2562 (2019).
- **Section** 6 The manufacture and sale of Military Equipment in accordance with this regulation must be in accordance with the list of characteristics and types of Military Equipment attached at the end of this regulation.

In this regard, the determination of the accounts, characteristics and types of Military Equipment attached to this regulation must comply with international agreements under which Thailand is obligated.



Regarding the Criteria, Methods and Conditions for the Manufacture and Sale of Military Equipment, Including the Characteristics and Types of Military Equipment B.E. 2563 (2020)

DTI-G-S202-SPP-001

Written by: The Board of the Directors of the Defence Technology Institute

Approval by: The Board of the Directors of the Defence Technology Institute

Page 3 of 10

**Section** 7 A sub-committee shall be appointed to be called the "Sub-Committee on Defence Industry Affairs" with the following components and duties.

- (a) The Sub-Committee shall consist of:
- (1) the Vice Chairman of the Defence Technology Policy Committee to act as the chairman of the Sub-Committee.
- (2) ex-officio members under Section 5 (2) or their representatives, of which not more than five can act part of as the Sub-Committee members.
- (3) qualified members under Section 5 (3) or their representatives, of which not more than two can act part as the Sub-Committee members.
- (4) representatives from the Department of Treaties and Law Affairs, Ministry of Foreign Affairs.
- (5) representatives from the Office of the Attorney General to be the Sub-Committee member.
- (6) the Director-General is the Sub-Committee member and secretary. No more than two staff from the Institute shall be assistant secretaries.

In the absence of the Vice Chairman of the Defence Technology Policy Committee, the Chairman of the Board shall be the chairman of the Sub-Committee.

- (b) The Sub-Committee shall have the following duties and authority:
- (1) to consider whether any Military Equipment that the Institute has studied or co-studied in research is necessary to be manufactured for the official use of the country or is worth to encourage production in the defence industry, and then propose to the Committee for approval.
- (2) to propose to the Committee for approval for the Ministry of Defence, Government Agencies or the Institute to manufacture or sell Military equipment under Section 24.
- (3) to consider the government-to-government sales of Military Equipment or other means of sale under Section 24 and submit to the Committee for approval.
- (4) to consider and give opinions to the Committee on amendments or revisions of accounts, characteristics, and types of Military Equipment.
- (5) to invite qualified persons and/or related persons both inside and outside the Institute to attend the Sub-Committee meetings as necessary.

Any consideration and action of the sub-committee must be in accordance with the Defence Technology Act B.E. 2562 (2019) and policies and operational goals of the Institute in defence technology and defence industry as announced by the Committee.



Regarding the Criteria, Methods and Conditions for the Manufacture and Sale of Military Equipment, Including the Characteristics and Types of Military Equipment B.E. 2563 (2020)

DTI-G-S202-SPP-001

Written by: The Board of the Directors of the Defence Technology Institute

Approval by: The Board of the Directors of the Defence Technology Institute

Page 4 of 10

Section 6, Section 7, Section 8, and the first paragraph of Section 10 shall apply to the qualifications of holding a position, the vacation of office and the meeting of the Sub-Committee *mutatis mutandis*.

Once the Sub-Committee has taken any action in accordance with the authority and duties under this Section, it shall immediately report such action to the Committee for further consideration and approval.

#### Chapter 2

#### Consideration and Approval the Principles of Manufacture and Sale

- **Section 8** For Military Equipment in accordance with the list of characteristics and types of military equipment that the Institute has studied or participated in research with any person or juristic person for which the Institute has considered that it was necessary to produce for official use or worth to support the operation of the defence industry, the Institute shall propose to the Board to consider the necessity and value in order to approve the principle of initial manufacture and sale, with regards to the following criteria for consideration as appropriate:
- (1) consistency with the objectives of the establishment and the duties and authority of the Institute.
- (2) consistency with national strategies, state policies, the policies of the Ministry of Defence, the defence capacity development plan, and the Defence and Industrial Capacity Development Plan of the Institute.
  - (3) probability, value for the economy, military, security, law, and technology.
- (4) guidelines or methods for manufacture and sale, including the business model of the operation.
  - (5) any other criteria which the Board deems necessary or appropriate.

When the Board agreed to the initial necessity and worthiness, the Board shall submit its approval to the sub-committee under Section 7 (b).

Once the consideration of the necessity and value of manufacture and sale has been approved by the Committee, the Institute or Juristic Organizations shall be able to manufacture and sell the Military Equipment that has been approved in accordance with the rules, methods and conditions for the manufacture and sale of Military Equipment as prescribed by this regulation.



Regarding the Criteria, Methods and Conditions for the Manufacture and Sale of Military Equipment, Including the Characteristics and Types of Military Equipment B.E. 2563 (2020)

DTI-G-S202-SPP-001

Written by: The Board of the Directors of the Defence Technology Institute

Approval by: The Board of the Directors of the Defence Technology Institute

Page 5 of 10

#### Chapter 3

#### Criteria, Methods and Conditions for the Manufacture of Military Equipment

- **Section 9** The manufacture of Military Equipment that the Institute has conducted research or joint research according to this regulation shall be manufactured in the following way:
- (1) the Institute may submit to an agency of the Ministry of Defence or a competent Government Agency to carry out production for use in government affairs with or without research compensation. The said agency may hire the Institute to help produce, assemble, or join with the agency in the production of Military Equipment.

However, Military Equipment manufacturers must be licensed in accordance with the laws related to the manufacture of Military Equipment, and the manufacture must be in accordance with the agreement or contract with the Institute on a case-by-case basis.

- (2) the Institute conducts its own manufacture.
- (3) the Institute may assign a Juristic Organization for the manufacture.

In the implementation of Section 9 (3), the Institute and other persons associated with the Institute in the establishment of the Juristic Organization and the Juristic Organization according to Section 9 (3) shall comply with the regulation of the Defence Technology Policy Committee regarding criteria and procedures for establishing or joining with other persons to establish a Juristic Organization and joint-investment, holding shares or being a partner with other persons or juristic persons for carrying out activities of the defence industry with regard to the procedures and methods for the establishment of a Juristic Organization and comply with regulatory or control measures as prescribed by the Board.

**Section** 10 Before the manufacture of any Military Equipment, the Institute and agencies of the Ministry of Defence, Government Agency or Juristic Organization (as the case may be) shall prepare or jointly prepare a report for submission to the Board for consideration in order to see the manufacturing method, taking into account the criteria and conditions in the report for their consideration as follows:

- (1) Military Equipment to be manufactured.
- (2) licenses relating to the manufacture and possession of Military Equipment.
- (3) evidence of being a Juristic Organization that has passed consideration in terms of the establishment objectives, operational capabilities, and the qualifications and prohibited characteristics of the Managing Director in accordance with the regulations of the Defence Technology Policy Committee regarding criteria and procedures for establishing or joining with other persons to establish a Juristic Organization



Regarding the Criteria, Methods and Conditions for the Manufacture and Sale of Military Equipment, Including the Characteristics and Types of Military Equipment B.E. 2563 (2020)

DTI-G-S202-SPP-001

Written by: The Board of the Directors of the Defence Technology Institute

Approval by: The Board of the Directors of the Defence Technology Institute

Page 6 of 10

and joint-investment, holding shares or being a partner with persons or juristic persons for carrying out activities of the defence industry.

- (4) standard or certification of equipment test results.
- (5) quantity to be manufactured.
- (6) processing time.
- (7) related investments and source of funds for manufacture.
- (8) proof of purchase or proof of permission to buy from the Government Agency of the country who is the buyer.
  - (9) estimates of economic, military, security, legal, and technological value.
  - (10) any other criteria that the Committee deems necessary or appropriate.

In this regard, the rules in Section 10 (1) must be consistent with the list of characteristics and types of Military Equipment to be manufactured and sold that have been approved in principle in accordance with Section 8 of this regulation. If the operation of the Juristic Organization or any agency that is a contractual party with the Institute does not comply with the criteria specified in Section 10 (1), it shall be regarded as a breach of contract and may be a cause for termination of the said agreement.

#### Chapter 4

#### Criteria, Methods, and Conditions for Selling Military Equipment

**Section 11** Selling Military Equipment that the Institute has studied and researched or jointly studied and researched.

- (1) Sales methods can be performed by the following methods:
  - (a) sale to a Government Agency.
  - (b) government-to-government sales.
  - (c) other types of sales as specified by the Committee.
- (2) The sale of Military Equipment according to Section 9 shall be made for the following purposes and means:
- (a) sell to a Government Agency with the remainder of the sales under Section 11 (1) (a) to be sold to the agencies participating in the Military Exercise in which Thailand participates both within and outside the Kingdom. This includes Government Agencies of Thailand and that of foreign countries.
  - (b) sell to a foreign government by means of government-to-government.
  - (c) other type of sales as specified by the Committee.



Regarding the Criteria, Methods and Conditions for the Manufacture and Sale of Military Equipment, Including the Characteristics and Types of Military Equipment B.E. 2563 (2020)

DTI-G-S202-SPP-001

Written by: The Board of the Directors of the Defence Technology Institute

Approval by: The Board of the Directors of the Defence Technology Institute

Page 7 of 10

**Section** 12 The sales of Military Equipment to foreign governments by government-to-government method in Section 11(2) (b) shall proceed as follows:

- (1) the Institute or the Juristic Organization must be approved by the Committee to be the negotiator and seller of the Military Equipment to foreign governments by government-to-government method.
- (2) the Institute or the Juristic Organization must operate in accordance with the agreement between the Thai government and the Government Agency of the country who is the buyer, such as details of purchasing equipment, preliminary conditions and prices, etc.
- (3) the Institute or the Juristic Organization shall prepare a report asking for approval in principle to conduct a government-to-government sales as negotiated with the Government Agency of the country who is the buyer to the Committee.
- (4) the draft of a contract or an agreement between the Institute or the Juristic Organization with an agency of the buyer's government must be considered by the Office of the Attorney General with the approval of the Board.
  - (5) the Committee consider the government-to-government sales method.
  - (6) the Institute deliver the Military Equipment to foreign governments.

Section 13 Other type of sales as per Section 11(2) (c) shall proceed as follows:

- (1) method of selling by being an agent to the Ministry of Defence, Government Agency, or the private sector with manufacturing capability to promote sales, innovation or research and development both domestically and abroad. Selling to foreign Juristic Organizations outside of the Kingdom which operates in the defence industry shall be in accordance to the relevant laws of that country.
- (2) direct sales method to Government Agencies or private sectors in the foreign defence industry businesses.
  - (3) sales method through agents of Government Agencies both domestically and abroad.
  - (4) sales method in the counter trade form with a Government Agency or a foreign private sector.
- (5) government-to-government sales method with the Institute acting for Government Agencies or private sectors.
  - (6) any other form of sales that the Committee deems necessary or appropriate.

**Section** 14 Before selling any equipment, the Institute or the Juristic Organization (as the case may be) shall submit a report to the Board to approve the sale procedure. The submission of the Board for approval may be done together with the request for approval of the production method in accordance with



Regarding the Criteria, Methods and Conditions for the Manufacture and Sale of Military Equipment, Including the Characteristics and Types of Military Equipment B.E. 2563 (2020)

DTI-G-S202-SPP-001

Written by: The Board of the Directors of the Defence Technology Institute

Approval by: The Board of the Directors of the Defence Technology Institute

Page 8 of 10

Section 10 or may be undertaken later. Consideration of the Board must be in line with the rules and conditions in the document for appropriate consideration. Examples are below:

- (1) Military Equipment to be sold.
- (2) quantity to be sold.
- (3) delivery time.
- (4) proof of purchase or obtaining permission to purchase from the Government Agency of the country who is the buyer.
  - (5) account showing a list of Military Equipment.
  - (6) export method (if any).
- (7) laws, rules, regulations, Cabinet resolutions and international agreements under which Thailand is obligated.
  - (8) estimates of economic, military, security, legal, and technological value.
  - (9) any other criteria which the Committee deems necessary or appropriate.

**Section** 15 After the Board has approved the method for conducting the sales under Section 14, the Institute or the Juristic Organization shall make an agreementor contract with the purchaser, with the main requirements or the essence of the manufacturing contract or sales and purchase agreement as follows:

- (1) details, name, address, representative of the juristic person.
- (2) sales agreements, such as list style and specific features, purchase price, delivery schedule, quality test and qualifications according to the scope of work.
  - (3) collateral for contract performance and defect security.
  - (4) equipment delivery, place of delivery, delivery time and reception.
  - (5) price and payment method.
  - (6) warranty for the quality and defect of equipment.
  - (7) design tolerances, unique feature, and details of work.
- (8) intellectual property, ownership, and specifying the rights and duties of each counterparty in connection with the purchase of such equipment.
  - (9) fines or determination of damages.
  - (10) extension of the period of performance under the contract.
- (11) grounds for termination of the contract, means to terminate the contract, result of termination of the contract.



Regarding the Criteria, Methods and Conditions for the Manufacture and Sale of Military Equipment, Including the Characteristics and Types of Military Equipment B.E. 2563 (2020)

DTI-G-S202-SPP-001

Written by: The Board of the Directors of the Defence Technology Institute

Approval by: The Board of the Directors of the Defence Technology Institute

Page 9 of 10

- (12) conditions on absolute rights of the Institute in case of violation of the provisions of the Defence Technology Act B.E. 2562 (2019) or when there is an incident related to security or an event that affects the public interest.
  - (13) confidentiality provisions.
- (14) dispute resolution that must not enforce the use of dispute resolution through arbitration unless there is a special reason and a necessity.
- (15) laws in effect which must specify that the contract and documents related to the contract shall be subject to Thai law.

When the contract is made, the sale, transfer or exportation of the product shall be in accordance with the related law or in accordance with the announcement on supervision measures or control of the manufacture and sale of the Institute's Military Equipment, as the case may be.

**Section 16** The sales under Section 14 must be sold to a Government Agency, the persons or juristic persons who are licensees under the laws governing control of arms or the laws governing private arms factories, or the law governing firearms, ammunition, explosives, firework, and imitation firearms.

**Section 17** When the Institute or the Juristic Organization has completed the sale of Military Equipment, there shall be a letter together with documents or evidence notifying the delivery to the Institute and the Board within 30 business days from the date of the delivery of the Military Equipment to the purchaser from time to time, and the Institute shall report to the Committee on the first occasion.

#### Chapter 5

#### **Control Measures**

**Section 18** For Military Equipment obtained from production in accordance with Section 9 that will be sold, there may be an accreditation for Military Equipment standards of the Ministry of Defence or the Armed Forces or industry standard or passage of test with certification of test results on a prototype device or product in the defence industry at the Institute or a unit that has the duties and authority to test the Military Equipment.

**Section** 19 Operations of the Institute in relation to the manufacture and sale shall comply with laws, rules, cabinet resolutions, and international agreements under which Thailand has a commitment towards.

Ordering, importing, manufacturing, Having, transporting objects or Weapons, or Arms used in the manufacture of Weapons, sales, exports shall be in accordance with the laws governing control of arms,



Regarding the Criteria, Methods and Conditions for the Manufacture and Sale of Military Equipment, Including the Characteristics and Types of Military Equipment B.E. 2563 (2020)

DTI-G-S202-SPP-001

Written by: The Board of the Directors of the Defence Technology Institute

Approval by: The Board of the Directors of the Defence Technology Institute

Page 10 of 10

the laws governing firearms, ammunition, explosives, fireworks and imitation firearms, the laws governing control of exports of armaments and war materials out of the Kingdom, customs law, or the laws governing these matters.

Announced on 30 April 2020

General Prayut Chan-o-cha

Chairman of the Defence Technology Policy Committee

### An Account of the Characteristics and Types of Military Equipment to be Manufactured or Sold Defence Technology Institute

#### 1. Military Equipment

- 1.1 Military Equipment for used in war, according to Item 2
- 1.2 Products manufactured and used by civilian which may be used, applied or convert for military purposes

#### 2. Military Equipment for used in war

- 2.1 Unmanned System
  - 2.1.1 Unmanned Ground System: UGS
    - 2.1.1.1 Unmanned ground vehicle
    - 2.1.1.2 Unmanned ground robot
  - 2.1.2 Unmanned Maritime System: UMS
    - 2.1.2.1 Unmanned surface craft
    - 2.1.2.2 Unmanned underwater vehicle
  - 2.1.3 Unmanned Aircraft System: UAS
    - 2.1.3.1 Fixed-wing unmanned aircraft
    - 2.1.3.2 Rotary wing unmanned aircraft
    - 2.1.3.3 Hybrid unmanned aircraft
  - 2.1.4 Anti-unmanned vehicle system according to Items 2.1.1 2.1.3
- 2.2 Combat Vehicle Technology and Weapon Systems
  - 2.2.1 Water, land and air vehicles
    - 2.2.1.1 Combat vehicle
    - 2.2.1.2 Combat service support vehicle
    - 2.2.1.3 Battleship
    - 2.2.1.4 Combat service support ship
    - 2.2.1.5 Combat aircraft
    - 2.2.1.6 Combat service support aircraft
    - 2.2.1.7 Anti-combat vehicle system according to Items 2.2.1.1 2.2.1.6

2.2.1.8 Special equipment or accessories for the weapon stand, armor to protect critical points of combat vehicles, and equipment for the various vehicles in Items 2.2.1.1 - 2.2.1.7

#### 2.2.2 Weapon system

- 2.2.2.1 Weapons and launchers or releaser and equipment
  - (1) Pistol
  - (2) Carbine
  - (3) Rifle
  - (4) Machine gun
  - (5) Artillery
  - (6) Anti-submarine weapons
  - (7) Grenade launcher
  - (8) Signal pyrotechnics machine
  - (9) Smoke or artificial mist maker
  - (10) Weapon enhancement equipment, including systems of target search, position setting, firing range, monitor or track, search, gather information, verify information, detect, and anti-weapon system

#### 2.2.2.2 Bullet and explosive

- (1) Explosive, powder, gunpowder, rocket propeller, missile with both solid and liquid fuel, including low-strength combustible explosives container
- (2) Cartridge
- (3) Torpedo
- (4) Grenade
- (5) Military signal fireworks
- (6) Smoke grenade, canister smoke, pot smoke, and so on.
- (7) Chemicals and chemicals used as a mixture of explosives. After consideration of Thailand's obligations under the Convention on the Prohibition of Chemical Weapons and related laws
- (8) Explosives

- (9) Trigger, fire, discard, release primer of items in accordance with Items 2.2.2.2 (1) (8)
- 2.3 Simulation systems and virtual training technology
  - 2.3.1 Virtual and simulation systems for personal training
  - 2.3.2 Virtual and simulation system for unit training
- 2.4 Technology on military communication and information
  - 2.4.1 Military communication tools and equipment
    - 2.4.1.1 Network control, command and monitoring system
    - 2.4.1.2 Mobile communication system
    - 2.4.1.3 Information and communication security system
    - 2.4.1.4 Electronic warfare system
  - 2.4.2 Military satellite and dual-use satellite
- 2.5 Rocket technology for security
  - 2.5.1 Un-guided missiles Including missiles and released weapons
  - 2.5.2 Guided missiles, including missiles and released weapons
  - 2.5.3 Launchers, as well as rocket, missiles and released weapon control systems
- 2.6 Other technologies
  - 2.6.1 Combat aid, protective device, costume, personal equipment, or performance enhancement equipment
    - 2.6.1.1 Bullet-proof vests or tactical suit
    - 2.6.1.2 Shields or bulletproof or flak prevention shields
    - 2.6.1.3 Bayonet
    - 2.6.1.4 Flamethrowers
    - 2.6.1.5 Barricades or specially made wire for barriers dangerous to soldiers and military vehicles
    - 2.6.1.6 Military camouflage
    - 2.6.1.7 Aerial photography machine Including film and aerial photo paper
    - 2.6.1.8 Military surveillance tools with visuals that can see both during the day and night

- 2.6.1.9 Military rangefinder tool
- 2.6.1.10 Special equipment essential for packing or transporting ammunitions
- 2.6.1.11 Masks and chemical protective equipment, military biological substance which can give protection against chemicals (chemical agents) and biological agents that are solid, liquid, gas, vapor or aerosol
- 2.6.2 Energy technology for defence
  - 2.6.2.1 Fuel for combat vehicles, weapons systems, Military Equipment
  - 2.6.2.2 Battery
  - 2.6.2.3 Power reserve system
- 2.6.3 Technology against weapons of mass destruction
- 2.6.4 Anti-Terrorism and unconventional warfare technology
- 2.6.5 Medical supplies for military use (By the Ministry of Defence)
  - 2.6.5.1 Tablets
  - 2.6.5.2 Capsule
  - 2.6.5.3 Powder for internal use
  - 2.6.5.4 Liquid medicine for internal use
  - 2.6.5.5 Liquid medicine for external use
  - 2.6.5.6 Injection medicine
  - 2.6.5.7 Creams and ointments
  - 2.6.5.8 Herbal medicine
  - 2.6.5.9 Other medicine
- 2.6.6 Technology, Military Equipment, Arms, military products, and other dual-use products that have been requested by user agencies and have been approved by the Defence Technology Policy Committee
- 2.7 Components and equipment of items according to Items 2.1-2.6
- 2.8 Raw materials, explosives tools, appliances and equipment for use in the production, inspection, measurement, detection, calibration, analysis, testing, assembly, repair, protection, destruction, search or use in combination with the various things in Items 2.1-2.7

Regarding the Criteria, Methods and Conditions for the Manufacture and Sale of Military Equipment, Including the Characteristics and Types of Military Equipment (No.2) B.E. 2564 (2021)

#### **Unofficial Translation** \*



#### Regulation of the Defence Technology Policy Committee

Regarding the Criteria, Methods and Conditions for the Manufacture and Sale of Military Equipment, Including the Characteristics and Types of Military Equipment (No.2) B.E. 2564 (2021)

Whereas it is expedient to amend the Regulation of the Defence Technology Policy Committee Regarding the Criteria, Methods and Conditions for the manufacture and sale of Military Equipment, Including the Characteristics and Types of Military Equipment B.E. 2563 (2020):

By virtue of Section 9 (5) of the Defence Technology Act B.E. 2562 (2019) together with the resolution of the Defence Technology Policy Committee in its Meeting No. 1/2564 held on 28 January 2021, the Defence Technology Policy Committee has issued the following regulations:

**Section 1** This regulation is called the "Regulation of the Defence Technology Policy Committee Regarding the Criteria, Methods and Conditions for the Manufacture and Sale of Military Equipment, Including the Characteristics and Types of Military Equipment (No.2) B.E. 2564 (2021)".

**Section 2** This regulation shall come into force as from the day following the date of its publication.

**Section 3** Section 7 of the Regulation of the Defence Technology Policy Committee Regarding the Criteria, Methods and Conditions for the Manufacture and Sale of Military Equipment, Including the Characteristics and Types of Military Equipment B.E. 2563 (2020) shall be revoked.

**Section 4** Section 8 of the Regulation of the Defence Technology Policy Committee Regarding the Criteria, Methods and Conditions for the Manufacture and Sale of Military Equipment, Including the Characteristics and Types of Military Equipment B.E. 2563 (2020) shall be revoked and replaced with the following:

"Section 8 In the case where the Institute views that the Military Equipment for use in war, which has been researched pursuant to the regulations of the Defence Technology Policy Committee concerning the research of Military Equipment for the Manufacture and Sale and in line with the Account of the Characteristics and Types of Military Equipment per Section 6, is worth producing and selling, the Institute shall propose the matter to the Board for its approval in principle, the initial manufacture and sales.



Regarding the Criteria, Methods and Conditions for the Manufacture and Sale of Military Equipment, Including the Characteristics and Types of Military Equipment (No.2) B.E. 2564 (2021)

DTI-G-S202-SPP-001

Written by: The Board of the Directors of the Defence Technology Institute

Approval by: The Defence Technology Policy Committee

Page 2 of 2

In considering the approval of the Board under the first paragraph, the Board shall take consideration of the worth and benefit of the manufacture and sales as the important factors, and make other considerations as well, as follows:

- (1) the objective in establishing the Institute, as well as the duties and authority of the Institute.
- (2) consistency with national strategies, government policies, related resolutions of the Cabinet, the policies of the Ministry of Defence, other plans related to the Institute, and the Institute's operational plans.
- (3) consistency with the economic climate, society, defence capacity development plan, military, national security, and other related laws.
  - (4) criteria, methods and conditions for the manufacture and sales, as prescribed in Section 24.
- (5) guidelines or methods for the manufacture and sales, including the business model of the operation.
  - (6) international agreements under which Thailand is obligated.
  - (7) the research report and the Institute's opinions.
  - (8) any other criteria which the Board deems necessary or appropriate.

Once the Board approves in principle the manufacture and sales as proposed by the Institute, the Board shall forward its opinion to the Sub-Committee appointed by the Committee for consideration and screening of the necessity in the production for official use of other countries, or the value in supporting the production in the defence industry.

The Institute shall propose the matter submitted to the Sub-Committee under the third paragraph to the Committee for further consideration pursuant to Section 24."

**Section 5** Any matters and resolutions of the Sub-Committee under Section 7 of the Regulation of the Defence Technology Policy Committee Regarding the Criteria, Methods and Conditions for the Manufacture and Sale of Military Equipment, Including the Characteristics and Types of Military Equipment B.E. 2563 (2020) which was revoked by this regulation shall remain in effect until the Sub-Committee, under the Order of the Defence Technology Policy Committee No. 1/2564 regarding the Appointment of the Sub-Committee for Activities in the Defence Industry dated 15 February 2021, resolves as otherwise.

Announced on 15 February 2021

General Prayut Chan-o-cha

Chairman of the Defence Technology Policy Committee