

Royal Decree
Establishing Forest Industry Organization
B.E.2499

BHUMIBOL ADULYADEJ, REX
Given on 11th day of July B.E. 2499
Being the 11th Year of the present Reign

His majesty King Bhumibol Adulyadej is graciously pleased to proclaim that:

Proper establishment of Forest Industry Organization

By virtue of Section 95 of the Constitution of the Kingdom of Thailand, B.E. 2475, additional amendment in B.E. 2495 and Section 3 of Government Organizations Establishment Act B.E.2496. Be it, therefore, The Royal Decree is enacted by His Majesty the King, as follows:

Section 1 This Royal Decree is called "Royal Decree Establishing Forest Industry Organization B.E.2499"

Section 2¹ This Royal Decree shall come into force as from the day following the date of its publication in the Government Gazette.

Section 3 In this Royal Decree,

"Worker" means person working in the Forest Industry Organization by receiving wage.

"Officer" means person working in the Forest Industry Organization by receiving monthly salary and every position under Managing Director s' supervision.

"Deputy Managing Director" means Deputy Managing Director of Forest Industry Organization

"Managing Director" means Managing Director of Forest Industry Organization

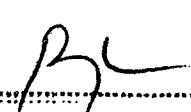
"Committee" means Committee of Forest Industry Organization

"Board committee" means Board committee of Forest Industry Organization

"Minister" means the Minister who shall take charge of the execution of this Royal Decree

Section 4 Establish an organization called "Forest Industry Organization"

¹ Government Gazette Vol 73 / Part 57 Kor / Page 881 / 24 July 1956


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And its abbreviation is called "F.I.O.".

Section 5² The head office of F.I.O. shall be located in Bangkok or in other provinces as appropriate and could set up branch or representative office both locally and abroad.

Section 6. The objectives of F.I.O. are as follows:-

(1)³ to provide services to government and public in forest industry

(2)⁴ to engage in forest industry business such as related to logging, collect of non-wood product, lumber, plywood, wood dryer, Preservative treatment, wood refined and producing material form wood and non-wood and production from forest materials, as well as related business and industries to wood or non-wood product.

(3)⁵ to enrichment reforestation and preservation forest and forest restoration for the benefit of whole forest. Whether doing by own benefit or support to government section.

(4)⁶ to conduct research and experiment about product in the forest industry.

(5)⁷ to disseminate, and public awareness conservation and development to forest resources as well as take care of Thai Elephants. Including the activities for accommodation, facilities or services related to tourism or other business for benefit of such operation.

(6)⁸ Other related business or beneficial to F.I.O. activities.

Section 7 In order to proceed objectives as stated in Section 6, the F.I.O. shall have the authority including

² Section 5 Additional amendment by the Royal Decree Establishing Forest Industry Organization (6th Edition) B.E.2559

³ Section 6 (1) Additional amendment by the Royal Decree Establishing Forest Industry Organization (2nd Edition) B.E.2517


⁴ Section 6 (2) Additional amendment by the Royal Decree Establishing Forest Industry Organization (2nd Edition) B.E.2517

⁵ Section 6 (3) Additional amendment by the Royal Decree Establishing Forest Industry Organization (2nd Edition) B.E.2517

⁶ Section 6 (4) Additional amendment by the Royal Decree Establishing Forest Industry Organization (2nd Edition) B.E.2517

⁷ Section 6 (5) Additional amendment by the Royal Decree Establishing Forest Industry Organization (6th Edition) B.E.2559

⁸ Section 6 (6) Additional amendment by the Royal Decree Establishing Forest Industry Organization (6th Edition) B.E.2542


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(1) Tenure of land and other assets, have right to build, buy, sell, rent, rental, borrow, lend, provide, distribute, sale, exchange receive transfer in land, other assets or right both inside and outside of the kingdom.

(2) Trade the products from forest Industry both inside and outside of the kingdom.

(3) Import and export about tools, equipment and machinery that used in forest industry to other countries.

(4) Being a broker and trade representative for products from forest industry including tools, appliances and machineries for forest industry.

(5)⁹ Loan and borrow money up to fifty million baht per time if over than this shall permitted from the Council of Ministers.

(5/1)¹⁰ Provide loan lending or pay in advance with collateral by personal or property for the benefit of business of F.I.O.

(5/2)¹¹ Issuing bond or financial instrument for investment or business benefit of F.I.O. by shall permitted from the Council of Ministers.

(6) Establish and become a branch, representative, trading representative or broker in various private or any juristic businesses both inside and outside of the kingdom for the benefit of the business of F.I.O.

(7) Join or cooperate with others for the benefit business of F.I.O. including to be partnership or share holder in company or any juristic but shall permitted from the Council of Ministers first.

Section 8 The Royal Forest Department shall transfer assets, properties, rights, liabilities and businesses that Forest Industry Organization has been settled during being under Royal Forest Department and the Ministry of Agriculture as well as officers and workers of such organization before this Royal Decree is effective to F.I.O., which is established by this Royal Decree and continue with the business.


Any Rule or Regulation, which the Forest Industry Organization during being under Royal Forest Department has been applying before this Royal Decree is effective, the F.I.O. established according to this Royal Decree will continue to comply to such Regulation until any amendment, change or annulment.

Section 9 The registered capital of F.I.O. is one hundred million baht and the government will initiate the first fund as ten million baht and will be deposited in additional capital periodically follow as amount that permitted by the Thai government.

⁹ Section 7 (5) Additional amendment by the Royal Decree Establishing Forest Industry Organization (6th Edition) B.E.2542

¹⁰ Section 7 (5/1) Additional amendment by the Royal Decree Establishing Forest Industry Organization (6th Edition) B.E.2542

¹¹ Section 7 (5/2) Additional amendment by the Royal Decree Establishing Forest Industry Organization (6th Edition) B.E.2542


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Section 10 The ordinary reserved money of F.I.O. consists of normal reserved money to set aside to redeem debt and other reserves for each especially purpose follow as the Board Committee will deemed reasonable.

Section 11 The revenue of F.I.O. during the year could be used as business expenses for F.I.O.

Section 12 The yearly revenue after deducted the cost of goods and other expenses as stated in Section 11 and deducted the other appropriated obligations. The rest for net profit may be allocated to the reserved money as stated in Section 10 the other money as stated in Section 16 money for investment that permitted by the Council of Ministers, the last remaining shall send as revenue of Thai Government.

If the revenue is insufficient for such case, besides the reserve money as stated in Section 10 and F.I.O. could not obtain money from other source, the Thai government shall support the money to F.I.O. as necessary.

Section 13¹² Set up an Executive Board of F.I.O. called " Board Committee of Forest Industry Organization", which consists of Permanent Secretary of Ministry of Natural Resources and Environment as the Chairman of the Board Committee, Head of Mission Group in Ministry of Natural Resources and Environment as assigned by permanent secretary of the Natural Resources and Environment Ministry, Director General of the Royal Forest Department, Director General of the Department of National Parks, Wildlife and Plant Conservation, the representative from Ministry of Finance and other Committee members appointed by the council of Ministers up to five Committee Members.

The Managing Director is a Committee member and secretary.

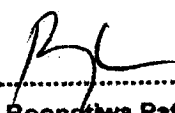
Section 14¹³ Person with any of following characteristic is forbidden to become a Managing Director or Deputy Managing Director.

(1) The stake holder in the contract with F.I.O. or in the undertaking that will be make to F.I.O either directly or indirectly. Except being only the shareholder in the limited partnership or limited company.

(2) Be a Government official with a permanent position or salary or a government's employee or worker regardless whether from central, regional or local administrative agency.

¹² Section 13 Additional amendment by the Royal Decree Establishing Forest Industry Organization (6th Edition) B.E.2559

¹³ Section 14 Additional amendment by the Royal Decree Establishing Forest Industry Organization (2nd Edition) B.E.2517


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(3) Be a member of legislative assembly of state, member of Bangkok Metropolitan Council, member of Provincial Council or member of Municipal Council.

(4) A person without Thai nationality

(5) A person who could not work full time with F.I.O.

(6) Be bankrupt

(7) Being an incompetent person, quasi - incompetent person

(8) A person who has been sentenced by final judgment to imprisonment, Except for punishment for offences committed through negligence or a petty offences.

(9) Having age over sixty years old

Section 14 two¹⁴ The term of each Committee appointed by the Council of Ministers is three years each and can be reappointed.

Section 15 Board Committee has the authority and duty to impose general policy and control F.I.O. business and has authority and duties as follows:-

(1) to operate business as stated in Section 6 and Section 7

(2) to assign rules and regulations of administration.

(3) to assign the regulation of Personnel management as assignment, appointment, removal, salary moving in increase, or decrease cut and Disciplinary Rules for Employees and Workers as well as determine job positioning , rate of salaries and wages and other payment to employees and workers.

(4) to determine Managing Director's and Deputy Managing Director's salary

(5) to determine interest rates, charges, service fee and business operation fees

(6) to determine rates and accumulated interests of Managing Director's, Deputy Managing Director's, employees and workers and assign Payback Accumulated Profit Regulation.

(7)¹⁵ to appoint a Sub-Committee or several Sub-Committees to engage in any business as assigned by the Committee.

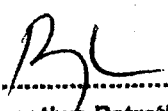
The authority and duties as prescribed in No. (1) (3) (5) and (6), Committee can assign to the Managing Director to proceed as seemed reasonable.

If the Rules and Regulation that settled by Board Committee made the Managing Director has limitation to engage in any juristic act, the Minister shall promulgate regulations containing such texts in the Government Gazette.

Section 16 the remuneration of Chairman, vice chairman and committee in Board Committee has determines by the Council of Ministers

¹⁴ Section 14 two Additional amendment by the Royal Decree Establishing Forest Industry Organization (6th Edition) B.E. 2559

¹⁵ Section 15 (7) Additional amendment by the Royal Decree Establishing Forest Industry Organization (2nd Edition) B.E.2517


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The Chairman of the Board Committee, Vice Chairman of the Board Committee, Committee, Managing Director, Deputy managing Director, officer and worker could receive pension, prize money according to Regulation as required by the council of Ministers.

Section 17¹⁶ Except being relieved from position according to term as stated in Section 14 two, the committee appointed by the council of Ministers is relieved from position, when

- (1) death
- (2) resignation
- (3) the council of Ministers gives order to resign
- (4) be adjudged bankrupt
- (5) being an incompetent or quasi - incompetent person
- (6) Have been sentenced by a final judgment to imprisonment. Except for punishment for offense committee through negligence or petty offenses.

In case any Committee member appointed by the council of Ministers is acquitted before his term expires or the council of Ministers appoints new Committee member while the term of existing Committee members remains, the newly appointed committee member will be in the position or new Committee member takes position for the remaining term of existing Committee members.

Section 18¹⁷ The Minister has authority to appoint and dismiss the Managing Director by approval from the council of Ministers.

Section 19 The Managing Director has authority and duty to manage and operate F.I.O. business in accordance to F.I.O. Policy and Regulations and has authority over Deputy Managing Director and every officer and worker.

The Managing Director must be responsible towards the Board Committee to manage and operate F.I.O. business.

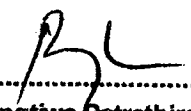
Section 20 The Managing Director has authorities and duties as follows:-

(1)¹⁸ Recruit, appoint, dismiss, increase salary, reduce salary including discipline punishment for officer and worker, which comply to regulation of F.I.O. However, if the officer positions level are Deputy Managing Director, consultant, experts or Director of the Office who are directly under line of command to the Managing Director shall received approval from Board Committee first.

¹⁶ Section 17 Additional amendment by the Royal Decree Establishing Forest Industry Organization (2nd Edition) B.E. 2517

¹⁷ Section 18 Additional amendment by the Royal Decree Establishing Forest Industry Organization (6th Edition) B.E.2559

¹⁸ Section 20 (1) Additional amendment by the Royal Decree Establishing Forest Industry Organization (6th Edition) B.E. 2559


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(2) set regulation of F.I.O. Business Operation, which does not contradict or violate to Policy and Regulation of F.I.O.

(3) Set the uniform and Dress Code Regulation for officer and worker appropriately and shall be effective after the Board Committee's approval.

Section 21¹⁹ In case the Managing Director could not duty performance or the Managing Director's position is vacant and has not appointed the new Managing Director, the Deputy Managing Director shall acting on behalf of the Managing Director. If there is not the Deputy Managing Director or the Deputy Managing Director could not duty performance the Board Committee shall appointed an officer to acting on behalf of the Managing Director.

The acting Managing Director as stated in paragraph one will have the same authority and duty as the Managing Director.

Section 22 The Managing Director shall be representative of F.I.O. to contact the external person. For this matter, the Managing Director may assign any officer to act on certain matter on his behalf as the Board Committee states in the Regulation that the matter can be carried out on his behalf.

In case there is a Regulation announced in the Government Gazette based on Section 15, last paragraph which states that before the Managing Director engages in any legal action, It shall be approved by the Board Committee first. However, if the Managing Director engaged in any legal action without such approval, it is not effective to F.I.O. except ratified by the Board Committee.

Section 23 F.I.O. may be establish fund to assist the Managing Director, the Deputy Managing Director, officers and workers in case they left their positions, accident, sick or other proper reasons for assistance.

The F.I.O. shall set up regulation for such fund in previous paragraph. Specify types of persons qualify to receive benefit from fund, financial assistance rule as well as fund management.

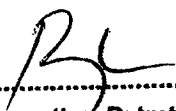
The regulation in previous paragraph shall present to the council of Ministers, It has effective after approval by the council of Minister.

Section 24 F.I.O. shall open deposit account with the Ministry of Finance, Bank of Thailand and other banks according to Board Committee's Regulations, which have been approved by the council of Ministers.

Section 25 F.I.O. shall set and manage the correct accounting system related to type of essential main task activity, Arrange having regular internal account appraisal and have an account book for item as follow :

- (1) Receive and payment

¹⁹ Section 21 Additional amendment by the Royal Decree Establishing Forest Industry Organization (6th Edition) B.E.2559


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(2) Assets and Liabilities

Statement need to show as actual and proper activity which belongs to types of activity and reason for each item.

Section 26 Annual financial and accounting of F.I.O. shall be audited and approved by The Office of the Auditor General of Thailand.

Section 27 The auditor of Financial has the authority to audit and verify the accounting books record and any evidence of F.I.O. . As for this matter, the auditor has the authority to verify the Chairman, Vice Chairman, Committee, Managing Director, Deputy Managing Director, representative and any officer of F.I.O.

Section 28 The auditor shall prepare audit report and propose to the council of Ministers within one hundred and twenty days since the end of yearly accounting and financial state.

Section 29 The Managing Director shall prepare Annual Report for that year ended and propose to the Board Committee to show balance sheet, worksheets, profit and loss account, which the audit has verified within one hundred and fifty days since the yearly accounting and financial ended.


Section 30²⁰ The Minister of Natural Resources and Environment shall take charge of the execution of this Royal Decree.

Countersigned by:

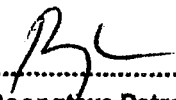
Field Marshal Por Pibulsongkram

Prime Minister

²⁰ Section 30 Additional amendment by the Royal Decree Establishing Forest Industry Organization (5th Edition) B.E.2546


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Notes: - The reason to announce the effectiveness of this Royal Decree is that the Forest Industry Organization, which is a government organization to operate the business for useful of economic and benefit to support standard of livelihood. However, it has not been divided to be corporation, and should enact the Royal Decree to establish the Forest Industry Organization.



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Royal Decree Establishing Forest Industry Organization (2nd Edition) B.E.2517²¹

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

Note: The reason to announce the effectiveness of this Royal Decree is that the Forest Industry Organization has to be appointed as an authority to reforestation and protection forest for the benefit of whole forest, conduct research and experiment in forest product and forest industry, so that the Forest Industry Organization operation is more effective. Nevertheless, additional amendment is needed to add legislative about objectives of Forest Industry Organization and Management Committee of Forest Industry Organization. Therefore, this Royal Decree has been enacted.

Royal Decree Establishing Forest Industry Organization (3rd Edition) B.E.2533²²

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

Notes: The reason to announce the effectiveness of this Royal Decree is that the Forest Industry Organization should have the authority to spread knowledge and public awareness conservation and development to forest resources . Arrange for accommodation, facilities or services related to tourism or other business for benefit of such operation. On this issue, the objectives of Forest Industry Organization shall be amended and added, and the Royal Decree shall be enacted.

Royal Decree Establishing Forest Industry Organization (4th Edition) B.E.2542²³

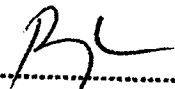
Section 2 This Royal Decree shall come into force as from the day following the date of its publication in the Government Gazette.

Note: The reason to announce the effectiveness of this Royal Decree is because the objectives of Forest Industry Organization as stated in Royal Decree Establishing Forest Industry Organization B.E. 2499 does not facilitate business operation in current situation and should amend objectives of Forest Industry Organization so that business operation can cover wider area including other related businesses for the benefit of Forest Industry Organization business. Forest Industry Organization operations shall then cover wider area and become more effective. Thus this Royal Decree is enacted.

²¹ Government Gazette Vol. 91/Section 185/ Page 463/5 November B.E.2517

²² Government Gazette Vol. 107/Section 48/ Page 4 Por/23 March B.E.2533

²³ Government Gazette Vol. 116/ Section 41 Kor/ Page 1/21 May B.E.2542


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Royal Decree Establishing Forest Industry Organization (5th Edition) B.E.2546²⁴

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

Section 5 The Committee members appointed by the council of Ministers and remain the position before this Royal Decree is effective shall remain in position until a new Committee is appointed according to the Royal Decree Establishing Forest Industry Organization B.E.2499, shall additional amendment by this Royal Decree.

Section 6 The Minister of Natural Resources and Environment shall take charge of the execution of this Royal Decree.

Note: The reason to announce the effectiveness of this Royal Decree is to improve management for government agencies shall related work and gather as one working group, so as to unified operation objectives and direction for greater efficiency. Hence, the Forest Industry Organization was established according to the Royal Decree Establishing Forest Industry Organization B.E.2499. The Minister of Natural Resources and Environment has the authority and duty to improve the Board Committee and manage Forest Industry Organization business as seemed appropriate. Therefore, this Royal Decree is enacted.


Royal Decree Establishing Forest Industry Organization (6th Edition) B.E.2559²⁵

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

Section 12 The Committee members as appointed by the council of Ministers remain in position before this Royal Decree is effective and shall remain in position until their term expires according to Section 14 two of Royal Decree Establishing Forest Industry Organization B.E.2499, with additional amendment to the Royal Decree.

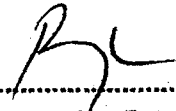
²⁴ Government Gazette Vol. 120/Section 80 Kor/Page 22/26 August B.E.2546

²⁵ Government Gazette Vol. 133/Section 78 Kor/Page 1/7 September B.E.2559


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Section 13 The Minister of the Natural Resources and Environment shall take charge of the execution of this Royal Decree.

Notes: The reason to announce the effectiveness of this Royal Decree is the Royal Decree Establishing Forest Industry Organization B.E.2499 has been effective for a long time. As a result, F.I.O. could not perform certain tasks efficiently and F.I.O. has been assigned by the government to engage in Thai elephants conservation and take care. Therefore, to enhance F.I.O. assignment efficiently, additional amendment to F.I.O. objectives is needed for such assignment. F.I.O. is also authorized to rate up loan amount and issue government bond or other debt instruments for investments or F.I.O. business benefits. The acting Managing Director shall be the same authority and duty as the Managing Director. Additional amendment has also been made to the legislation about Head Office of the Committee and term of Committee members appointed by the council of Ministers shall be appropriate and conform to the Act on Standard Qualifications for directors and public enterprise employees B.E.2518. Thus the Royal Decree is enacted.

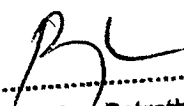


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Visanee/ Prepared

4 October 2016

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