CHANDLER MHM

Newsletter

NEW REGULATION ON THE PROHIBITION OF SALES OF ALCOHOLIC BEVERAGES ONLINE

Background

On 7 August 2020, the Notification of the Prime Minister Office re: Prohibition of Sales of Alcoholic Beverages by Electronic Methods or Means, B.E. 2563 (the "Notification") was enacted under the Alcoholic Beverage Control Act, B.E. 2551 (the "Act"). The Notification was published in the Royal Gazette on 8 September 2020 and will become effective after 90-days from publication, i.e. on 7 December 2020.

In line with evolving trends in technology, certain entrepreneurs and retailers have started using online channels to sell alcoholic beverages, which makes it difficult to ensure the sale of such beverages is in accordance with existing laws. These laws limit the sale of alcoholic beverages to certain times of the day, locations for sales, and impose an age restriction on purchasers of alcoholic beverages. The Notification was enacted in order to prevent accessibility to alcoholic beverages by minors and to decrease the consequences associated with consumption of alcoholic beverages.

Currently, the Act prohibits the advertising of alcoholic beverages, product names of alcoholic beverages and tradenames of alcoholic beverages. An advertisement for alcoholic beverages must not include photos of the alcoholic beverage or its packaging. This includes advertisements displayed via online means, including social media platforms.

Prohibitions under the Notification

The Notification prohibits the following:

- the sale of alcoholic beverages or provision of services relating to the sale of alcoholic beverages by using electronic methods (e.g. websites or social media) directly to the consumer; or
- acts that are considered as persuasion to purchase, sell or services offered directly to consumers using
 marketing activities (online advertisements) or the provision of services regarding the sale of alcoholic
 beverages to consumers using electronic communications where the seller and consumer are not required
 to meet each other in-person.

The Notification does not apply to the sale, purchase, and payment of alcoholic beverages via electronic means at the physical retailers' store, restaurant, or places providing alcoholic beverages.

Effect of the enactment of the Notification

As the Notification will prohibit a wide range of activities relating to the sale of and services in connection with the sale of alcoholic beverages via electronics means, despite there being no precedent cases to date, it is anticipated that the following activities would be prohibited under the Notification:

- sales of alcoholic beverages directly to end-consumers via websites, applications, or social media platforms;
- online advertisements of alcoholic beverages; and
- online marketing activities such as promotional campaigns for alcoholic beverages via websites, applications, or social media platforms.

Violations of the Notification will result in penalties that include a term of imprisonment of up to six months and/or fine of up to Baht 10,000. Entrepreneurs and retailers should be aware of the restrictions under this Notification and cease the above activities when the Notification becomes effective. It is also recommended

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that any prior posts or online content that exist prior to the effective date of the Notification should be removed before the Notification becomes effective.	
If you would like to discuss the issues raised in this article further or related issues, please contact the authors listed in the right-hand column.	

This publication is intended to highlight an overview of key issues for ease of understanding, and not for the provision of legal advice. If you have any questions about this publication, please contact your regular contact persons at Mori Hamada & Matsumoto or Chandler MHM Limited. If you should have any inquiries about the publications, or would like more information about Chandler MHM Limited, please contact bd@mhm-global.com.