Legal article

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International contract review in Thailand: terms that match your deal and your risk

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> This article is general legal information, not a legal opinion on any specific matter. Each matter must be assessed on its own facts and evidence. The latest online version is at https://eksiamtradeinvestlaw.com/en/services/international-contract-review/

Key points

- Review a contract before you sign, before you pay a deposit, and before you accept a purchase order that incorporates the other side's standard terms.
- If a contract has no governing-law clause, a Thai court applies section 13 of the Act on Conflict of Laws B.E. 2481 (1938), which looks first to the parties' intention, express or implied.
- Thailand is not a party to the UN Convention on Contracts for the International Sale of Goods (CISG); China, Japan, Singapore and Viet Nam are.
- Incoterms allocate delivery obligations and risk, but not title, governing law or dispute resolution.
- You receive a marked-up contract, a risk summary in plain English and a walkthrough call, with scope and fee agreed in writing first.

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When should a cross-border contract be reviewed?

Before you are bound: before signing, before paying a deposit to a supplier, and before accepting a purchase order or quotation that refers to the other party's general terms. Once the contract exists, any change needs the other side's agreement, and your leverage usually falls as payments are made.

Typical situations include a foreign buyer placing its first order with a Thai manufacturer, a brand appointing a Thai distributor, a foreign company engaging a Thai service provider, and a Thai supplier asking for a large advance payment.

Which clauses matter most?

The core issues are the identity and authority of the counterparty, product specifications and inspection, payment and security, delivery and transfer of risk, title, liability and its limits, termination, governing law and dispute resolution. Each clause is checked against how your business will actually perform the contract.

Clause	Question to answer before signing	Business effect
Parties and signatories	Does the legal entity match the bank account and registration documents? Is the signatory authorized?	Avoids paying the wrong entity and later denial of the contract
Specifications and acceptance	Standards, reference samples, time and method for notifying defects	Decides how long the buyer can still reject goods
Price, payment and security	Currency, instalments, deposits, credit terms, letters of credit, changes of bank details	Allocates the risk of non-payment or non-delivery
Delivery and Incoterms	Which rule and which edition? Is the named place precise? Who insures?	Fixes the point where risk and cost pass

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Clause	Question to answer before signing	Business effect
Title	When does ownership pass? Is title retained until full payment?	Affects rights over the goods if the other party fails to pay or becomes insolvent
Liability and caps	Liability caps, excluded losses, liquidated damages for delay	Decides what can actually be recovered
Force majeure and termination	Which events excuse performance, how notice is given, when you can exit	Keeps an exit available when circumstances change
IP and confidentiality	Who owns designs, tooling, trademarks and customer data?	Protects what the business has invested in
Governing law	Which country's law? Does the CISG apply?	Determines how every right and obligation is interpreted
Disputes and language	Which courts or which arbitral institution? Which language version prevails?	Drives the cost and practicality of enforcement

What law applies if the contract is silent?

Before a Thai court, section 13 of the Act on Conflict of Laws B.E. 2481 (1938) applies the law intended by the parties. If no intention can be found and the parties have different nationalities, the law of the place where the contract was made applies; for contracts between parties at a distance, that is where the acceptance reaches the offeror.[1]

In practice, a deal agreed by email without a governing-law clause may end up governed by a law neither side expected, and proving foreign law in court adds time and cost. A clear choice of law removes that uncertainty. Note also that a contract written in English is not, for that reason, governed by English law.

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Does the CISG apply to contracts with a Thai company?

Thailand is not a party to the CISG according to UNCITRAL's status table checked on 27 September 2026, while China, Japan, Singapore and Viet Nam are. The Convention therefore does not apply merely because one party is Thai, but it may still apply through a choice of law or the private international law of the forum.[2]

A review checks the status of each country involved, any reservations those countries made, and the exact wording of the governing-law clause. If you choose the law of a contracting state, say expressly whether the CISG is to apply, because its rules on examination of goods and notice of defects differ from many domestic laws.

We already use Incoterms. Do we still need a contract?

Yes. Incoterms, published by the International Chamber of Commerce, allocate delivery tasks, costs and the point at which risk passes. The ICC explains that they do not deal with the passing of title, do not determine governing law or dispute resolution, and do not replace a sales contract on payment and quality.[3]

Courts or arbitration?

The choice should follow where the counterparty's assets are, cost, time and confidentiality. Thailand has been a party to the 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards since 20 March 1960, which provides the basis for enforcing arbitral awards across borders.[4]

A clause that only says “disputes shall be settled by arbitration”, without institution, seat, number of arbitrators and language, can itself become the first dispute. For smaller transactions, the cost of the process can exceed the amount at stake, so the mechanism should be matched to the value of the deal at the drafting stage.

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What you receive

A marked-up contract within the agreed scope, a risk summary ranked by business impact, and a walkthrough call explaining what to accept, negotiate or change. Where a point depends on a foreign law that requires advice from a practitioner qualified in that country, we tell you before accepting that part of the work.

Illustrative example, not client work

Clause	Issue	Business effect	Negotiation proposal
7.2	Buyer must notify defects within 3 days of arrival at the port	Defects found after unloading at the warehouse may be time-barred	Run the period from arrival at the buyer's warehouse; 14 days for defects found in use
12.1	Seller's liability capped at the value of each purchase order	Costs of a product recall downstream may exceed the cap	Separate cap for recall costs; carve-out for wilful misconduct and gross negligence

How scope and fees are set

Fees depend on the number of pages and attachments to be read, language, governing law, complexity and deadline. Before we start, we confirm in writing the deliverables, delivery date, rounds of revision, exclusions and the fee.

You can ask for a review of specific issues or of the whole contract. Foreign-law opinions, translation and attendance at negotiations are separate items if needed. New facts or a change of negotiating position after delivery are scoped as additional work; correcting our own errors is never charged.

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How engagement works

1. Send preliminary details the type of transaction, your counterparty's country, the approximate page count and the signing date
2. Conflict check we confirm that we can act before asking for the full documents
3. Scope proposal setting out the deliverables, delivery date, rounds of revision, exclusions and fee
4. Review and quality check within the agreed scope
5. Delivery and discussion we walk your decision-makers through the issues and our negotiation proposals

Questions before instructing us

Do I need to send the full contract to get a quote?

No. The type of transaction, the countries involved, page count, language and governing law are enough for a preliminary scope. The full document follows once our conflict check is complete.

The contract is governed by Singapore law. Can you review it?

We review structure, risk allocation and fit with actual performance. Where a result depends on Singapore domestic law, we identify the point and tell you before we start whether an opinion from a Singapore practitioner is needed.

We have already signed. Is a review still useful?

Yes. It tells you your rights, obligations and deadlines, such as notice periods for defects or termination, and whether to renegotiate for the next order.

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How long does a review take?

It depends on the length and complexity of the documents. The delivery date is set out in our scope proposal and runs from receipt of the complete documents. Urgent work is assessed case by case.

Can you guarantee the other side will perform?

No one can. A review makes the terms clear, allocates risk sensibly and prepares options in advance; it does not certify the other party's good faith or financial standing.

Who does the work

Reviews are the responsibility of Eksiam Chaisorn, Legal Consultant and founder of Eksiam & Partners Co., Ltd., who studied at master's level in the LL.M. program in International Trade Law at Thammasat University, including international sales and international business law. Full profile

Notes

1. Thailand, Act on Conflict of Laws B.E. 2481 (1938), section 13 (Government Gazette vol. 55, p. 1021, 20 March B.E. 2481, which is 1939 in the Gregorian calendar because the Thai year then began on 1 April). Unofficial translation of the first two paragraphs: “The question as to what law shall apply to the essentials or effects of a contract shall be determined by the intention of the parties. Where their intention, express or implied, cannot be ascertained, the applicable law is the law of their common nationality if they are of the same nationality; if they are not, the law of the place where the contract was made shall apply. Where a contract is made between persons at a distance, the place where the contract is deemed to have been made is the place where the notice of acceptance reaches the offeror; if that place cannot be ascertained, the law of the place of performance shall apply.” Thai text checked against the Office of the Council of State legal database (searchlaw.ocs.go.th), 28 September 2026.
2. UNCITRAL, Status: United Nations Convention on Contracts for the International Sale of Goods (Vienna, 1980). As checked on 27 September 2026 the table lists 97 parties; Thailand is not among them. China (in force 1 January 1988), Japan (1 August 2009), Singapore (1 March 1996) and Viet Nam (1 January 2017) are parties; China and Singapore have made Article 95 declarations (note (b) of the table, checked 20 October 2026). uncitral.un.org
3. ICC Academy, “Incoterms® 2020: new rules, old problems”, explaining that Incoterms rules do not deal with the passing of title, do not determine the applicable law or dispute resolution, and are not a substitute for a sales contract on payment and quality terms. academy.iccwbo.org (checked 27 September 2026)

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4. UNCITRAL, Status: Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York, 1958). Thailand acceded on 21 December 1959; in force 20 March 1960. uncitral.un.org (checked 27 September 2026)

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