



GLOBAL DATA ALLIANCE

TRUST ACROSS BORDERS

SUBMISSION ON THAILAND DRAFT AI ACT TO THE ELECTRONIC TRANSACTION DEVELOPMENT AGENCY

August 2026

The Global Data Alliance (**GDA**)¹ appreciates the opportunity to provide our recommendations on Thailand's Act on Artificial Intelligence ("**draft AI Act**"), released for public consultation on 2 July 2026, to the Electronic Transaction Development Agency (**ETDA**). The GDA has engaged extensively on AI and data governance issues in Thailand, including comments submitted to ETDA, the Ministry of Digital Economy and Society, the Office of the Personal Data Protection Committee, and the National Cybersecurity Committee, among others.²

About the Global Data Alliance

The GDA is a cross-industry coalition of companies, headquartered in different regions of the world, that are committed to high standards of data responsibility. The GDA supports policies that help instill trust in the digital economy without imposing undue cross-border data restrictions or localization requirements that undermine artificial intelligence (**AI**), data security, cybersecurity, innovation, economic development, and international trade. Our members operate in every major sector of the economy, including agriculture, automotive, aviation, biopharmaceutical R&D, consumer goods, energy, financial services, healthcare, manufacturing, supply chain and logistics, telecommunications, and enterprise software. Given the GDA's focus on cross-border data, we comment specifically on the cross-border data aspects of the draft AI Act.

GDA member companies are significant investors in Thailand, investing billions of dollars and supporting thousands of jobs. Thailand's rapid emergence as a regional digital hub rests directly on the openness of its data environment. Thailand's Board of Investment recorded THB 521.2 billion (approximately US\$16 billion) in data center investment across 28 projects in the first half of 2025 alone.⁵ These figures – accounting only for data center investment – do not account for the even larger investments in AI-driven manufacturing and services across the many different sectors in which GDA member companies operate. Investment of this scale is committed against an expectation of a stable, technology-neutral, and internationally interoperable regulatory environment. Particularly in the AI context, data transfers enable the digital tools and insights that are critical to enabling entrepreneurs and companies of all sizes, in every country, to create new kinds of jobs, boost efficiency, drive quality, and improve output.

Overview of Sections 48-50

In light of GDA's focus on cross-border data and data localization matters, we focus our comments on several provisions of the draft AI Act, namely Articles 48-50. These provisions provide as follows

Section 48. For the purpose of maintaining the independence and strategic capability of the country regarding artificial intelligence, the Committee may designate the business of providing artificial intelligence system development services or providing artificial intelligence system services, including data processing services to any artificial intelligence system, as an artificial intelligence business subject to contract control. The power under the first paragraph shall apply only to the provision of artificial intelligence system development services or artificial intelligence

¹ For more information on the Global Data Alliance, please see www.globaldataalliance.org

² For more information on the GDA's prior engagements with the Kingdom of Thailand, please see submissions filed here: https://globaldataalliance.org/resources-results/?pub_type=resource-filings&location=loc-thailand§or=&language=&posts_filtered=1

system services, including data processing services to artificial intelligence systems, to government agencies or critical information infrastructure entities.

Section 49. In cases where the Committee has determined that there is an artificial intelligence business that controls contracts. Under Section 48, the Committee may prescribe contractual terms on any of the following matters: (1) Data processing, including sending or transferring data abroad; (2) Risk management; (3) Security measures; (4) Modification of contractual terms or unilateral service provision; (5) Termination conditions; (6) Measures after termination of service; (7) Any other conditions as prescribed in the Ministerial Regulations, when the Committee determines which contract clauses a controlled artificial intelligence business contract must use.

According to paragraph one, if the contract does not use the said clause, it shall be deemed that the contract does use the said clause.

Section 50. For the purpose of maintaining the security of nationally sensitive data, the Committee may require that certain services within government agencies or critical information infrastructure entities utilize artificial intelligence systems that process data within the Kingdom.

Discussion

We discuss Section 50 and Sections 48-49 in turn below.

A. Section 50: In-Country Processing of Data by AI Systems

Section 50 authorizes the Committee to prescribe any service within a state agency or a critical information infrastructure organization, for the purposes of “maintaining the security of data of national importance”, to deploy an AI system whose processing is located in Thailand. The provision neither defines what constitutes “data of national importance” nor defines the services concerned or the risk levels of the services that could mandate localization of AI system processing. This data localization mandate appears to conflict with the AI Law’s broader objectives by threatening confidence in the legal stability of Thailand’s business environment for AI development and adoption. Data localization requirements are antithetical to successful AI development, integration, and deployment because they threaten the ability to integrate information sources into cutting edge AI tools, while also raising cybersecurity risk, adding to regulatory uncertainty and increasing compliance burdens without any tangible benefit.

Cross-border data transfers underpin the global economy and are vital to the security of networks and information systems. Data localization requirements do not ensure information security and are likely to have the opposite effect of reducing information security. Such requirements can frustrate efforts to implement effective security measures, protect data, and defend critical networks, just as they can impede business innovation and limit services available to consumers. This concern is especially acute for AI-driven cybersecurity tools, which rely on correlating telemetry, logs, and threat indicators across a global customer base to detect and respond to novel threats. A Thailand-only processing requirement would prevent AI-driven security tools from drawing on threat intelligence first observed elsewhere, directly undermining the cybersecurity and robustness objectives the Draft Act itself identifies as risk-management criteria for AI systems.

Data localization requirements have a chilling effect on AI investment as they restrict state agencies and critical information infrastructure organizations from fully benefiting from cutting edge technology and services available in the global marketplace. Data localization restrictions prevent these organizations from using world leading information technology and cloud computing solutions from service providers that offer their services from outside of Thailand. Such services frequently provide best-in-class security capabilities. Restrictions on international data transfers are also resource-intensive for government authorities to manage.

Recommendations:

- Remove the in-country AI-system processing requirement in Section 50.
- If retained, limit it to a published list of government use cases with a direct national security nexus, each supported by a risk assessment, and subject to periodic review.
- Allow trusted cross-border processing and resilience arrangements that support interoperable data transfer frameworks such as the Global Cross-Border Privacy Rules (**CBPR**) System. Permit offshore AI processing such as offshore remote administration and technical support, cross-border transfer of logs and threat intelligence for incident response, encrypted backup and disaster recovery, or transfer of aggregated or de-identified data for model improvement.

B. Sections 48–49: Designation of AI Businesses Subject to Contract Control

Sections 48-49 would permit the Committee to designate providers of AI development services, AI system services, and “data processing services to any artificial intelligence system” supplied to government agencies or CII entities as subject to “contract control,” and to prescribe mandatory terms across seven categories, including the transfer of data abroad. BSA offers the following observations and concerns.

First, the reach of Section 48 is broad, covering “critical information infrastructure entities,” which comprise eight sectors under the Cybersecurity Act B.E. 2562 (2019), from banking and finance to public health, plus any area the NCSC later prescribes. Combined with an undefined reference to AI-related “data processing services,” contract control could potentially impact much of the technology supply chain serving Thai banks, hospitals, airlines, and utilities, including cloud-delivered cybersecurity products such as AI-driven threat detection and response and security operations platforms, which are themselves AI-enabled and process telemetry and threat data on behalf of CII entities. Mandated contract terms restricting cross-border data transfer for these services could directly impair their ability to detect and respond to threats, since effective AI-driven security depends on aggregating and correlating data across a global customer base rather than within a single jurisdiction.

Second, Section 49’s second paragraph deems a contract to contain prescribed clauses that may not be known at the time of contract negotiation. The European Union, by contrast, addresses AI procurement through non-binding model clauses that public buyers adapt case by case.

Third, as regards cross-border data transfers and other topics specified in Section 49, Thailand already regulates these matters under the Personal Data Protection Act and the Cybersecurity Act. Prescribing fixed contract terms under the AI Law on the same subjects could create conflicting rules across multiple government authorities.

Recommendations:

- Delete Sections 48-49 outright to remove the requirement for contract controls.
- If retained, amend Sections 48-49 so that contractual controls are replaced with non-binding guidelines rather than mandatory terms. These guidelines should protect commercial freedom of contract, respect standard commercial operating models, and not retroactively alter existing enterprise service agreements. If retained as mandatory, define “data processing services to any artificial intelligence system” and limit designation to a published list of nationally sensitive functions.
- Clarify that any terms or guidelines regarding cross-border data processing under Section 49(1) must recognize and permit globally accepted legal data transfer mechanisms, including Binding Corporate Rules (**BCRs**), Standard Contractual Clauses (**SCCs**), and the Data Privacy Framework (**DPF**). Base any prescribed terms on internationally recognized instruments, such as the ASEAN Model Contractual

Clauses or EU SCCs, binding corporate rules, Global CBPR System certification, and ISO/IEC standards.

- Publish designation criteria, give notice and reasons, provide administrative review, and bound the Section 49(7) power to the stated purpose of Section 48.

Conclusion

The GDA welcomes ETDA's evident effort to align the draft AI Act with leading international frameworks, and we recognize the care taken to adopt a risk-based structure. Our comments above are offered in that spirit. We thank ETDA for considering these comments. We encourage the ETDA to continue to engage in dialogue with the private sector so as to achieve common goals for developing a vibrant and competitive AI framework. Please do not hesitate to contact us if you require any clarification or further information.

Yours sincerely,

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