



## **Legal Update Week 13 - 14 (23 March – 5 April 2020)**

**Highlights:** - Several government measures to tackle COVID-19

- The Cabinet approved subordinate laws issued under the new Expropriation Act
- Relief measures from the Social Security Office
- Regulations issued under the Emergency Decree on Public Administration in Emergency Situation

### Thailand legal news

- **23 March 2020:**

- The office of the Judicial Administration Commission allowed all courts to postpone all general court hearings between 24 March and 31 May 2020 until the appropriate date, except some specific cases (e.g. criminal cases confession hearing, inheritance, disappearance, or other cases that do not pose health threat to the parties but the postponement may cause damages).
- The Revenue Department took the following tax relief measures to mitigate the impacts of COVID-19:

**SMEs**

- 150% deduction for interest expenses
- 300% deduction for expenses for employees' wages

**Others**

- Extend the deadline for PIT submission (PorNgorDor.90 and PorNgorDor.91) for the 2019 accounting year to 31 August 2020
- Extend the deadline for CIT submission (PhorNgorDor.50) for the 2019 accounting year to 31 August 2020

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- Extend the deadline for CIT submission (PhorNgorDor.51) for the 2020 accounting year to 30 September 2020
- Reduce withholding tax from 3% to 1.5-2% (see Royal Gazette below)
- VAT refund within 15 days
- Tax deduction up to THB 200,000 for investment in SSF
- Deduct expenses for e-donation (5 Mar 2020 – 5 Mar 2021)
  - **Individuals:** up to 10% of income after expenses deduction
  - **Juristic persons:** up to 2% of net profit
- **23 March 2020:**
  - The Department of Rail Transport mandated all train passengers to wear face masks when using any rail transport, which includes BTS, MRT, Airport Rail Link, and trains, to protect themselves and prevent the spread of COVID-19.
- **25 March 2020:**
  - The government declared a state of emergency for all areas in Thailand between 26 March 2020 – 30 April 2020 and imposed the following regulations and guidelines to tackle the emergency situation of COVID-19 pandemic (for more information, see Royal Gazette below):
    1. Nationwide night curfew between 10 p.m. – 4 a.m.
    2. Ban all incoming flights to Thailand between 7 April – 18 April 2020; passengers on board an aircraft leaving the departure airport prior to this notification are subject to 14-day quarantine.
    3. Shut down specific places such as shopping malls, restaurants, schools/universities, sports facilities/arenas, barber shops etc. while some provinces close tourist attractions, beaches, hotels.  
Several provinces are on lockdown, i.e. basically no travelling in or out of the province (18 provinces as of 9 April 2020).
- **31 March 2020:**
  - The Office of the Board of Investment imposed the following measures to be in line with the government's rules under the recent emergency decree regarding COVID-19 pandemic to ease business operators:
    1. Extend the application deadline for CIT exemption privileges to 31 July 2020, or not less than 30 days before the CIT filing date

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2. Offer a new online document submission service (e-submission), from 30 March 2020 onwards via the official website <https://doc.boj.go.th/>

- **1 April 2020:**

- The Department of Land Transport has extended the deadline for any registration in connection with vehicles for 15 days from the end date specified in the emergency decree. Moreover, buses and taxis are exempt from vehicle inspections and fines.

- **3 April 2020:**

- The Department of Highways announced temporary shutdown of motorway number 7 (Bangkok – Chonburi - Pattaya) and motorway number 9 (Bang Pa In – Bang Phli and Suk Sawat – Bang Khun Tien) between 10 p.m. – 4 a.m. in accordance with the government curfew.

## New Cabinet resolutions

### 24 March 2020:

- **Approved Principle:** 8 draft subordinate laws issued under the Expropriation and Acquisition of Immovable Property Act B.E. 2562
  1. Draft Min. Reg. prescribing rules and methods for determining preliminary price for land expropriation B.E. ...
  2. Draft Min. Reg. prescribing rules, procedures, and conditions for determining the price of land remaining from expropriation (either higher or lower) and the action causing the land to change from the original state B.E. ...
  3. Draft Min. Reg. prescribing criteria for reimbursement for special damages arising from possession or usage of an immovable property B.E. ...
  4. Draft Min. Reg. prescribing rules and methods for determining the costs for demolishing, moving, building, and other immovable properties attached to the land, and other costs B.E. ...

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5. Draft Min. Reg. prescribing rules and procedures for selling or destroying building or other immovable properties under the Expropriation and Acquisition of Immovable Property Act B.E. ...
  6. Draft Min. Reg. prescribing rules and procedures for depositing compensation to the court or the deposit office or the Government Savings Bank under the Expropriation and Acquisition of Immovable Property Act B.E. ...
  7. Draft Min. Reg. prescribing form and methods of requesting to return land that is not utilized in accordance with the purpose of expropriation to the original owner or heir B.E. ...
  8. Draft Regulations of the Prime Minister's Office on rules, procedures and conditions for usage of state properties or properties owned by state agencies due to expropriation B.E. ...
- **Approved Draft:** Draft Min. Reg. prescribing the guaranteed amount B.E. ...
    - Since the spread of COVID-19 creates substantial impact on tourism businesses, the government agreed to reduce guarantees (cash/bank guarantees) under the Tourism Business and Guide Act that a tourism business entrepreneur must give to a registrar.
    - Revoke the Min. Reg. prescribing the guaranteed amount B.E. 2555
  - **Acknowledged Draft:** Draft announcement of the Ministry of Labour re: extension of the deadline for filing a contribution payment form B.E. ...
    - Employers can postpone the Social Security contribution payment between March – May for 3 months as follows:

Salary of	Postponed contribution payment date
March 2020	15 July 2020
April 2020	15 August 2020
May 2020	15 September 2020

- **Approved Draft:** Draft announcement of the Ministry of Labour prescribing rules, procedures, and conditions to reduce the contribution of employers and insured persons due to COVID-19 B.E. ...
  - The Ministry of Labour ordered the Social Security Office to reduce contributions paid by employers and employees under the Social Security Fund for 6 months until August at the rate/amount as per the table below:

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Compensation paid by	Contribution (%)	Min (THB/month)	Max (THB/month)
Employee	1	16.5	150
Employer	4	66	600

- **Approved Principle:** Draft Min. Reg. No. .. (B.E. ....) issued under the Revenue Code re: tax reduction (measures to raise confidence in the capital market)
  - Individuals can deduct the purchase price of investment units in SSF which has a policy to invest in securities listed on the Stock Exchange of Thailand at least 65% of the NAV between 1 April 2020 to 30 June 2020 as actually paid, but not more than THB 200,000.
- **Acknowledged:** Remedial measures due to impact of COVID-19 for the lessees (individuals/business operators) of the Treasury Department;
  - Allowing them to postpone the payment of rental fees, exempt penalty;
- **Acknowledged and approved:** Remedial measures due to direct/indirect impact of COVID-19 to Thai economics (phase 2):
  - Assign the relevant departments to consider and proceed with the following related tasks:
    1. Measures to compensate employees or other people affected from COVID-19 pandemic
    2. Knowledge enhancement measures
    3. **Tax measures:** postponement of PIT and CIT payment / postponement of tax filing and tax payment / PIT exemption for additional income of medical staff / increase deduction limit of health insurance premiums etc.
    4. **Financial measures:** loans for employees, self-employed people, and SMEs / soft loan to help the poor

## **31 March 2020:**

- **Approved:** **Revision** on draft Min. Reg. re: unemployment benefits due to force majeure B.E. ...
  - Effective: 1 March 2020 – 31 August 2020
  - Amend definition of “Force Majeure” to include pandemic
  - **Shutdown order by the government:** the SSO will pay **62%** of salary (max. THB 9,300) for up to **90** days.
  - **An employee cannot work due to Force Majeure approved by an employer / An employer is not allowed to work due to Force**

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**Majeure (COVID-19):** the SSO will pay **62%** of salary (max. THB 9,300) for up to **90** days.

- For insured persons under Section 39, contribution is reduced from THB 211 to THB **86**.

## Royal Gazette Update:

Date	Part	Subject
25 March 2020	Ngor Piset	<ul style="list-style-type: none"><li>● Declaration of the state of emergency for all areas in the Kingdom of Thailand:<ul style="list-style-type: none"><li>- By virtue of Section 5 of the Emergency Decree on Public Administration in Emergency Situation B.E. 2548</li><li>- <u>Effective date</u>: 26 March 2020 – 30 April 2020</li></ul></li></ul> <a href="http://www.ratchakitcha.soc.go.th/DATA/PDF/2563/E/069/T_0001.PDF">http://www.ratchakitcha.soc.go.th/DATA/PDF/2563/E/069/T_0001.PDF</a>
	Ngor Piset	<ul style="list-style-type: none"><li>● Regulations by virtue of Section 9 of the Emergency Decree on Public Administration in Emergency Situation B.E. 2548 (No.1)</li></ul> <p>The following regulations and guidelines are announced to tackle the emergency situation of COVID-19 pandemic:</p> <ol style="list-style-type: none"><li>1. Prohibition from entering risky areas</li><li>2. Shutdown of risky areas</li><li>3. Close of the entrance points to the Kingdom</li><li>4. Stockpile prohibition</li><li>5. Gathering prohibition</li><li>6. News reports</li><li>7. Preparation measures</li><li>8. Measures for specific groups of people</li><li>9. Measures for leaving the Kingdom of Thailand</li><li>10. Measures for the public order</li><li>11. Disease prevention measures</li><li>12. List of places that shall remain open</li><li>13. Guidelines for travelling across provinces</li><li>14. Guidelines for events/activities</li></ol>

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		<p>15. Penalties 16. Enforcement</p> <p>- <u>Effective date</u>: 26 March 2020</p> <p><a href="http://www.ratchakitcha.soc.go.th/DATA/PDF/2563/E/069/T_0010.PDF">http://www.ratchakitcha.soc.go.th/DATA/PDF/2563/E/069/T_0010.PDF</a></p>
	Ngor Piset	<p>● Announcement of the Ministry of Interior re: extension of the deadline for ID cards due to COVID-19 in Thailand</p> <p>- ID cards which are subject to be made, renewed, or changed shall be made, renewed, or changed within <u>120 days</u> instead of 60 days (latest until 31 July 2020).</p> <p><a href="http://www.ratchakitcha.soc.go.th/DATA/PDF/2563/E/070/T_0006.PDF">http://www.ratchakitcha.soc.go.th/DATA/PDF/2563/E/070/T_0006.PDF</a></p>
30 March 2020	Gor	<p>● Min. Reg. No. 361 (B.E. ....) issued under the Revenue Code re: income tax</p> <p>- Reduce withholding tax (“<b>WHT</b>”) for some types of assessable income to 1.5-2%</p> <p>- <b>Payer</b>: company/juristic partnership</p> <p>- <b>Receiver</b>:</p> <ul style="list-style-type: none"> <li>- Company/juristic partnership operating in Thailand for assessable income under <ul style="list-style-type: none"> <li>- Section 40(2)</li> <li>- Section 40(3) → goodwill, copyright, others</li> <li>- Section 40(6)</li> <li>- Hire of work</li> <li>- Section 40(8) → service fees</li> <li>- Reward, discount, commission</li> </ul> </li> <li>- Individual for assessable income under <ul style="list-style-type: none"> <li>- Section 40(6)</li> <li>- Hire of work under Section 40(7) or 40(8)</li> <li>- Section 40(8) → service fees</li> <li>- Reward, discount, commission</li> </ul> </li> </ul> <p>- <b>Phase</b></p> <ul style="list-style-type: none"> <li>○ <b>Phase I</b> Reduce WHT to <b>1.5%</b>  <u>Duration</u>: 1 April – 30 September 2020  <u>Payment method</u>: any method</li> <li>○ <b>Phase II</b> Reduce WHT to <b>2%</b>  <u>Duration</u>: 1 October 2020 – 31 December 2021  <u>Payment method</u>: e-Withholding Tax</li> </ul> <p><a href="http://www.ratchakitcha.soc.go.th/DATA/PDF/2563/A/026/T_0003.PDF">http://www.ratchakitcha.soc.go.th/DATA/PDF/2563/A/026/T_0003.PDF</a></p>

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	Ngor Piset	<ul style="list-style-type: none"> <li>● Announcement of the Consumer Protection Board re: rules, procedures and conditions for litigation regarding violation of consumer rights on behalf of consumers of the Secretary-General of the Consumer Protection Board</li> <li>- This will be applied to urgent cases.</li> <li>- <u>Effective date</u>: 31 March 2020</li> </ul> <a href="http://www.ratchakitcha.soc.go.th/DATA/PDF/2563/E/073/T_0066.PDF">http://www.ratchakitcha.soc.go.th/DATA/PDF/2563/E/073/T_0066.PDF</a>
	Ngor Piset	<ul style="list-style-type: none"> <li>● Announcement of the Consumer Protection Board re: guidelines for notification or advertisement of products or services that may affect or damage the rights of consumers</li> <li>- <u>Effective date</u>: 31 March 2020</li> </ul> <a href="http://www.ratchakitcha.soc.go.th/DATA/PDF/2563/E/073/T_0068.PDF">http://www.ratchakitcha.soc.go.th/DATA/PDF/2563/E/073/T_0068.PDF</a>
2 April 2020	Ngor Piset	<ul style="list-style-type: none"> <li>● Regulation issued under Section 9 of the Emergency Decree on Public Administration in Emergency Situation B.E. 2548 (No.2)</li> <li>- Nationwide night <b>curfew</b> between <b>10 p.m. – 4 a.m.</b></li> <li>- Maximum punishment for breaking the curfew: 2 years imprisonment and/or THB 40,000 fine</li> <li>- <u>Effective date</u>: 3 April 2020 onwards</li> </ul> <a href="http://www.ratchakitcha.soc.go.th/DATA/PDF/2563/E/076/T_0001.PDF">http://www.ratchakitcha.soc.go.th/DATA/PDF/2563/E/076/T_0001.PDF</a>
3 April 2020	Ngor Piset	<ul style="list-style-type: none"> <li>● Regulation of the Social Security Office re: receipt of benefits (No.2) B.E. 2563</li> <li>- Allow an insured person to file forms and related documents via <u>registered mail, fax, email, and LINE application</u> without having to come to the Social Security Office.</li> <li>- <u>Effective date</u>: 23 March 2020 – 31 March 2021</li> </ul> <a href="http://www.ratchakitcha.soc.go.th/DATA/PDF/2563/E/078/T_0015.PDF">http://www.ratchakitcha.soc.go.th/DATA/PDF/2563/E/078/T_0015.PDF</a>
	Ngor Piset	<ul style="list-style-type: none"> <li>● Announcement of the Medical Committee under the Social Security Act re: rules and medical service rate in case of Coronavirus Disease 2019 (COVID-19)</li> <li>- Allowing medical expenses for Covid-19 test, treatment, and emergency vehicle</li> <li>- <u>Effective date</u>: 2 March 2020</li> </ul> <a href="http://www.ratchakitcha.soc.go.th/DATA/PDF/2563/E/078/T_0038.PDF">http://www.ratchakitcha.soc.go.th/DATA/PDF/2563/E/078/T_0038.PDF</a>