



Legal Update Week 41 - 42 (5– 18 October 2020)

Thailand legal news

Highlights:

- E-stamp duty payment via RD online system

- Exemption of CIT for actual expenses of wage of employees insured person the social security fund

- 150% exemption of actual expenditure paid for renovation of hotel property

- **7 October 2020:**

- The Revenue Department commences the Open API system to apply for online payment of e-stamp duty. The following electronic documents issued between 29 September 2020 and 31 December 2020 require stamp duty under the Notification of Director-General of the Revenue Department (issue no. 58):

1. Hire of work
2. Loan or bank overdraft
3. Power of attorney
4. Proxy for the company' Annual General Meeting
5. Bank guarantee

- The payment application must be submitted online before the transaction or within 15 days after the transaction date.

- **9 October 2020:**

- The US tourist who was detained and charged against strict anti-defamation laws finally offered a formal apology to the hotel during a mediation meeting. He was accused of posting negative reviews about a hotel in Koh Chang.

Lorenz & Partners

Legal, Tax and Business Consultants

- **12 October 2020:**
 - Thai Airways introduces a new policy on early retirement and unpaid leave to reduce the workforce to improve the financial situation; employees who are approved for early retirement are eligible to severance pay in accordance with Thai labour law.
- **16 October 2020:**
 - The Chinese Foreign Minister, Wang Yi, officially visited the Prime Minister at Government House aiming at reinforcing the Comprehensive Strategic Cooperative Partnership between Thailand and China and supporting economic recovery from the COVID-19 pandemic.
- **17 October 2020**
 - Bank of Thailand (BOT) postponed the debt moratorium to 30 June 2021 for targeted SMEs that cannot repay the loan under the debt relief measure scheme.

New Cabinet resolutions

- **6 October 2020:**
 - **Approved principle:** 5 Draft ministerial regulations in accordance with the Cooperatives Act (Issue no. 3) B.E. 2562:
 1. Draft Notification on lending and credit line of savings and credit union cooperatives B.E. ...
 2. Draft Notification on accepting deposits, incurring debt and creating contingencies arisen from loaning money or warranty of savings and credit union cooperatives B.E. ...
 3. Draft Notification on asset management and maintenance of savings and credit union cooperatives B.E. ...

Lorenz & Partners

Legal, Tax and Business Consultants

4. Draft Notification on asset classification and provisioning of savings and credit union cooperatives B.E. ...
5. Draft Notification on supervision of concentration of financial transactions of savings and credit union cooperatives B.E. ...

- **12 October 2020:**

- **Approved principle:** Draft Kratom (Mitragyna Speciosa Korth) Act B.E. ... (type of drug plant):
 - Determine the definition of “Kratom”, “production”, “import”, and “export”
 - Prohibit any person from producing, importing, or exporting, unless otherwise approved by the Secretary of the Office of the Narcotics Control Board
 - Determine the areas where Kratom cannot be sold, such as school, park, via internet
 - Prohibit any person aged under 18 years from consuming Kratom
- **Approved principle:** Draft Royal Decree re: determination of criteria and rate of contribution, types of benefit including the criteria and conditions of the right to receive benefits of any person applying for being the insured person (Issue no. ...) B.E. ...
 - Amend the rate of benefits granted for the voluntary insured person under Section 40 of the Social Security Act as follows:
 1. In case the insured person who contributed to the fund at the rate of THB 70 or 100 per month passes away, his/her heirs shall gain the following benefits:
 - funeral expense: amended to THB 25,000 from THB 20,000

Lorenz & Partners

Legal, Tax and Business Consultants

- Allowance: amended to THB 8,000 from THB 3,000 (the insured person has contributed to the fund not less than 60 months before the death)

2. In case the insured person contributed to the fund at the rate of THB 300 per month not less than 6 months for the foregoing 12 months, the insured person's heir is eligible for the funeral expense THB 50,000 (the previous rate was THB 40,000)

- **Approved principle:** Draft Royal Decree re: determination of the government agency under the Liability for Wrongful Act of Officials Act B.E. 2539 (Issue no. ...) B.E. ...
 - Adding **Thai traditional medical council** as the government agency under the Liability for Wrongful Act of Officials Act B.E. 2539
- **Approved measure:** Stimulus campaign named "Shop Dee Mee Kuen" and approved draft ministerial regulation issue no. ... (B.E. ...) in accordance with the Revenue Code regarding the tax exemption:
 - Take effect from 23 October to 31 December 2020
 - Offer taxpayers income tax deduction of up to THB 30,000 when purchasing products and services with a value-added tax (VAT) component
 - Eligible products and services are all goods/services with VAT, and non-VAT goods (books and One Tambon One Product (OTOP) goods), excluding alcoholic beverages, tobacco, lottery tickets, fuel, accommodation, and air tickets.

Lorenz & Partners

Legal, Tax and Business Consultants

Government Gazette Update:

Date	Part	Subject
5 October 2020	Kor	<ul style="list-style-type: none">Ministerial regulation re: determination on the standard of health check-up of employees who work under the environment with risk-factor B.E. 2563Determine the definition of health check-up, risk-factor-related work, physicianStipulate the duty of the employer to arrange health check-up for employees within 30 days from the work commencement date and at least one time per year<u>Effective date:</u> 6 October 2020 http://www.ratchakitcha.soc.go.th/DATA/PDF/2563/A/080/T_0030.PDF
6 October 2020	Phiset Ngor	<ul style="list-style-type: none">Rule of Department of Employment re: determination of procedures and notification of annual fee B.E. 2563A licensee who brings in foreigners to work must pay an annual fee within sixty days from the beginning of the second year of the license and the following yearsThe fee can be paid via credit card or debit card or bank counter at Krungthai Bank.<u>Effective date:</u> 7 October 2020 http://www.ratchakitcha.soc.go.th/DATA/PDF/2563/E/234/T_0012.PDF
12 October 2020	Phiset Ngor	<ul style="list-style-type: none">Notification of Ministry of Commerce re: usage of juristic person's data of Department of Business DevelopmentPermit the officers at Revenue Department to use the data which is relevant to copy of company certificate, company's memorandum, shareholder list via online sharing data system in accordance with the RD policy to abolish the requirement for the copy of company certificate.<u>Effective date:</u> 13 October 2020 http://www.ratchakitcha.soc.go.th/DATA/PDF/2563/E/239/T_0019.PDF

Lorenz & Partners

Legal, Tax and Business Consultants

15 October 2020	Ngor	<ul style="list-style-type: none">• Announcement: Serious State Emergency Decree in Bangkok area- <u>Effective date:</u> from 15 October 2020 onwards http://www.ratchakitcha.soc.go.th/DATA/PDF/2563/D/079/T_0079.PDF
	Phiset Ngor	<ul style="list-style-type: none">• The requirement under Section 9 and 10 of the Emergency Decree on public administration in emergency situations B.E. 2548- List of requirements to authorize a competent official to determine a time condition for the compliance as follows:<ul style="list-style-type: none">(1) to prohibit the assembly or gathering from 5 persons at any place or the commission of any act which may cause unrest;(2) to prohibit the press release, distribution or dissemination of letters, publications or any means of communication containing texts which may instigate fear amongst the people;(3) to prohibit the use of routes or vehicles or prescribe conditions on the use of routes or vehicle;(4) to prohibit the use of buildings or enter into or stay in any place.- <u>Effective date:</u> 15 October 2020 http://www.ratchakitcha.soc.go.th/DATA/PDF/2563/E/241/T_0004.PDF
	Ngor	<ul style="list-style-type: none">• Notification of the Director-General of the Revenue Department (issue no. 381) on income tax re: determination of rules, procedures, and conditions for exemption of CIT for the actual expenditure paid for addition, alteration, extension, betterment to the property related to the hotel business operation in accordance with the hotel laws:- Deduct 150% of the actual expenditure paid to add, alter, extend, better the following properties:<ul style="list-style-type: none">1. Permanent building for hotel business operation2. Decoration or furniture which are part of the building no.1 and cannot be separated except for breaking or destroying.- The expense must be paid from 1 January 2020 to 31 December 2020. http://www.ratchakitcha.soc.go.th/DATA/PDF/2563/D/079/T_0081.PDF

Lorenz & Partners

Legal, Tax and Business Consultants

	Ngor	<ul style="list-style-type: none">• Notification of the Director-General of the Revenue Department (issue no. 382) on income tax re: determination of rules, procedures, and conditions for exemption of CIT for the actual expense of the wage of employees who are insured persons under the Social Security Fund:- Determine the following conditions for the company:<ol style="list-style-type: none">1. Must be a wage payment according to the employment agreement of employees who have a salary of not more than THB 15,000;2. The number of employees who are insured persons under Section 33 of the Social Security Fund Act at the end of April, or May, June or, July 2020 must not less than the number of employees at the end of March 2020;- Any company wishing to apply for the corporate income tax exemption must inform the RD within 150 days from the end of the fiscal year.- <u>Effective date:</u> 16 October 2020 <p>http://www.ratchakitcha.soc.go.th/DATA/PDF/2563/D/079/T_0084.PDF</p>
16 October 2020	Phiset Ngor	<ul style="list-style-type: none">• Announcement: Serious State Emergency Decree in Bangkok area (Issue no.2)- <u>Effective date:</u> from 15 October 2020 to 13 November 2020 <p>http://www.ratchakitcha.soc.go.th/DATA/PDF/2563/E/243/T_0018.PDF</p>