

Lorenz & Partners

Legal, Tax and Business Consultants



Legal Update Week 13 - 14 (29 March- 11 April 2021)

Thailand legal news

Highlights:

- Amendment of Civil and Commercial Code on reduction of statutory interest rate
- New measures for Thais and foreigners entering the Kingdom and criteria for quarantine places
- New RD Notifications re: the tax exemption on loan interest

- **9 April 2021:**

- PM approves measures to allow private hospitals to import 10 million doses of Covid-19 vaccines (sufficient for vaccinating 5 million people) to generate group immunity. In this regard, private hospitals are permitted to receive a confirmation letter from the government to acquire the vaccine.

- **6 April 2021:**

- Biotechnology projects worth THB 2.4 billion were granted tax incentives from the BOI during the first quarter, which mirrors the progressing attention of foreign investors in domestic biotech matters.
- The Thai Airways International Plc (THAI) labour union filed a petition to the Department of Labour Protection and Welfare, questioning THAI's compliance with the debt-restructuring plan submitted to the Central Bankruptcy Court. This is in relation to THAI amending the conditions of employment and the employment agreements which reduce the welfare benefits and entitlements.

- **2 April 2021:**

- The well-known food delivery app, Line Man, denied the demands from drivers (partners) calling out for the company to reinstate the previous payment rate which is more

beneficial to the riders, after the protest outside the company's building.

New Cabinet resolutions

- **7 April 2020:**
 - **Approved Draft:** Draft Ministerial Rule re: determination of digital citizenship registration operations and fees B.E. ...:
 - Defines the wording of “identity proof and verification”, and “digital identity verification system”;
 - Determines that any person wishing to access services in relation to civil registration via digital system, request for registration for identity verification, and set up an identity code can submit the notice to the registrar at the district registry office, local registry office, or other registry offices as specified by the Director of Central Registration;
 - Determines the procedures, fee, tracking system in relation to the digital system.
 - **Approved Draft:** Draft Notification of Ministry of Labour re: extension of period for the application of the voluntary insured person and the remittance of the contribution according to Section 39 B.E. ...:
 - The insured person under Section 33 of the Social Security Act who ends the status due to the termination of employment from 1 September 2020 to 31 December 2021 will be granted the extension of the period to apply for the voluntary contribution under Section 39 until 30 June 2021;
 - The insured person under Section 39 can enjoy the extension of the contribution period under Section 39 paragraph 3 under the contribution of March to May 2021, whereby they can contribute to the fund until 15 June 2021.

Lorenz & Partners

Legal, Tax and Business Consultants

- **30 March 2021:**

- **Approved Draft:** Draft National Pension Committee Office Act B.E. ... and Draft National Pension Committee Act B.E. ...:
 - Establishes the National Pension Committee as the juristic person, tasked to encourage money savings among members of the National Pension Fund (employees in private sector, public, and state enterprises) and paying pensions for members, so that they have enough pension for retirement;
 - Determines the contribution rate for the members at least 3% of the maximum salary (THB 60,000) for each side, but not more than THB 1,800 per month and the fund benefits;
 - Determines the definitions, criteria, authorities of the officers and committee, the penalty.
- **Approved Draft:** Draft Governmental Transaction via Electronic Act B.E. ...:
 - Allows persons to apply, pay or contact all government offices via electronic measures, unless prescribed otherwise;
 - Determines the duty of the government offices to provide the copy and certification of copies without delay and free of charge;
 - Legalizes any electronic transactions between government offices or officers which can be applied as legal evidence and state account payable.

Government Gazette Update:

| Date | Part | Subject |
|---------------|------|---|
| 10 April 2021 | Kor | <ul style="list-style-type: none">• Emergency Decree re: assistance and rehabilitation of business operators impacted by Covid-2019 pandemic B.E. 2564: |

Lorenz & Partners

Legal, Tax and Business Consultants

| | | |
|--------------|-----|---|
| | | <ul style="list-style-type: none"> - Allows the BOT to provide the loan for the financial institutions particularly within THB 250 billion, with the interest rate at 0.01% per year, so that the financial institutions can provide loans to business operators accordingly; - Determines the criteria of entitled business operators such as being the debtor of FIT before 1 March 2021, having the properties as a security/collateral to secure the repayment, etc.; - Determines the terms and conditions of FIT's loan and repayment. <p>http://www.ratchakitcha.soc.go.th/DATA/PDF/2564/A/026/T_0005.PDF</p> |
| | Kor | <ul style="list-style-type: none"> • Emergency Decree re: amendment of Civil and Commercial Code B.E. 2564: - In case the interest to be paid is not stipulated in the agreement or any law, the interest can be generally charged at the fixed rate of 3% per annum (amended from the previous rate of 7.5%) (to be re-determined every three years); - The default interest rate is reduced to 5% per annum; - The default interest on instalment payment shall be calculated only only on such specific defaulted installment (not the whole outstanding balance), any contradiction shall be invalid; - <u>Effective date:</u> 11 April 2021 <p>http://www.ratchakitcha.soc.go.th/DATA/PDF/2564/A/026/T_0001.PDF</p> |
| 5 April 2021 | Kor | <ul style="list-style-type: none"> • Ministerial Regulation re: application and approval in relation to factory type 3 B.E. 2564: - Determines the procedures to apply for the operation license of the factory type 3, transfer the factory license type 3; - Determines that the submission of application, issuance of the receipt of the application, notification, payment of fee, issuance of license, or approval letter can be conducted via electronic measure. In case the electronic means cannot be processed, the application can be submitted to the Department of Industrial Works or Provincial Industry Office; - <u>Effective date:</u> 6 April 2021 <p>http://www.ratchakitcha.soc.go.th/DATA/PDF/2564/A/024/T_0012.PDF</p> |

Lorenz & Partners

Legal, Tax and Business Consultants

| | | |
|--------------|------|---|
| | Kor | <ul style="list-style-type: none"> Ministerial Regulation re: notification of the closure of factory business type 3 B.E. 2564: - Determines that any person wishing to close the operation of factory type 3 shall notify the officer not less than 30 days prior to the closure of business; - The notification can be conducted via electronic means. In case the electronic notification cannot be processed, the application can be submitted at the Department of Industrial Works or Provincial Industry Office; - <u>Effective date:</u> 6 April 2021 http://www.ratchakitcha.soc.go.th/DATA/PDF/2564/A/024/T_0017.PDF |
| | Kor | <ul style="list-style-type: none"> Ministerial Regulation re: notification of the closure of factory business type 3 in order to amend to factory type 1 or type 2 B.E. 2564: - Determines that any person wishing to amend the type of factory to type 1 or 2 shall notify the closure of the operation of factory type 3 via electronic means. In case the electronic notification cannot be processed, the application can be submitted at the Department of Industrial Works or Provincial Industry Office; - The approved business operator shall return the factory license type 3 within 15 days upon the receipt of the notification; - <u>Effective date:</u> 6 April 2021 http://www.ratchakitcha.soc.go.th/DATA/PDF/2564/A/024/T_0019.PDF |
| 1 April 2021 | Ngor | <ul style="list-style-type: none"> Notification of the Director of the Revenue Department (issue no. 396) re: determination of criteria and measures of deduction of the loan interest under Section 47 (1) (Sor) of Revenue Code: - Describes the procedures for the tax deduction. Any person utilizing this deduction is required to have evidence from the creditor proving that payment of interest resulting from the loan was made, unless prescribed otherwise; - <u>Effective date:</u> 2 April 2021 http://www.ratchakitcha.soc.go.th/DATA/PDF/2564/D/026/T_0079.PDF |
| | Ngor | <ul style="list-style-type: none"> Notification of the Director of the Revenue Department (issue no. 397) re: determination of rules and procedures for tax exemption equal to the interest of loan rate for home loan or mortgage under Article 2 (53) of the Ministerial Regulation |

Lorenz & Partners

Legal, Tax and Business Consultants

| | | |
|---------------|-------------|---|
| | | <p>No. 126 (BE 2509) issued under the Revenue Code on tax exemption:</p> <ul style="list-style-type: none"> - For the contract after 1 January 2021, the taxpayer has to notify the creditor that he/she wants to use this exemption; - For the loan before 1 January 2021, the taxpayer who does not notify the creditor that he/she will use the tax exemption is required to have evidence showing the payment of loan interest from the creditor; - Effective date: 2 April 2021 <p>http://www.ratchakitcha.soc.go.th/DATA/PDF/2564/D/026/T_0081.PDF</p> |
| | Ngor | <ul style="list-style-type: none"> • Notification of the Director of the Revenue Department (issue no 398) re: determination of criteria and measures for the tax exemption equal to the interest rate for home loan under clause 2 (59) of the Ministerial Rule issue no. 126 (B.E. 2509) in accordance with the Revenue Code on the tax exemption: <ul style="list-style-type: none"> - The same criteria as Notification No. 397 above re: notification to the creditor; - The lender who receives the notification is required to submit information to the Revenue Office via electronic means within 15 January of the next year; - <u>Effective date:</u> 2 April 2021 <p>http://www.ratchakitcha.soc.go.th/DATA/PDF/2564/D/026/T_0083.PDF</p> |
| 31 March 2021 | Phiset Ngor | <ul style="list-style-type: none"> • Order of the Centre for the Administration of the Situation due to the Outbreak of the Communicable Disease Coronavirus (COVID-19) no. 4/2564 re: guidelines based on regulations issued under Section 9 of the Emergency Decree on Public Administration B.E. 2548 (Issue no. 9): <ul style="list-style-type: none"> - Determines the measures to prevent Covid-19 disease for Thais and foreigners entering the kingdom and criteria for operating quarantine place determined by the government office; - <u>Effective date:</u> 1 April 2021 <p>http://www.ratchakitcha.soc.go.th/DATA/PDF/2564/E/074/T_0042.PDF</p> |
| | Phiset Ngor | <ul style="list-style-type: none"> • Notification of the National Communicable Disease Committee re: issuance of certificate of promotion of immunity of disease in case of Coronavirus Disease 2019 or COVID-19 B.E. 2564: <ul style="list-style-type: none"> - The certificate of immunity creation is granted for any person who received the Covid-19 vaccine injection; - The fee for the issuance of the certificate is THB 50; |

Lorenz & Partners

Legal, Tax and Business Consultants

| | | |
|---------------|-----|---|
| | | <ul style="list-style-type: none">- <u>Effective date:</u> 1 April 2021 http://www.ratchakitcha.soc.go.th/DATA/PDF/2564/E/074/T_0036.PDF |
| 30 March 2021 | Kor | <ul style="list-style-type: none">• Ministerial Regulation re: registration and approval of being a service provider for promotion of occupational safety, health, and environment B.E. 2564:<ul style="list-style-type: none">- Determines the procedures of the registration, application, qualification for being the service provider for the promotion of occupational safety, health, and environment;- Determines the rate of fee and measures to provide the service;- <u>Effective date:</u> 31 March 2021 http://www.ratchakitcha.soc.go.th/DATA/PDF/2564/A/023/T_0008.PDF |