

Legal Update Week 41 - 42 (10 – 23 October 2022)

Thailand Legal News

Court approves Thai Airways' Revised Business Rehabilitation Plan (20 October 2022)

The Central Bankruptcy Court approved a request by Thai Airways International (THAI) to revise its rehabilitation plan. The decision came after strong support from the company's creditors, at 78.6% approval. As a result, under the revised plan the company will now only borrow THB 25 billion (USD 650 million) by 2024, compared to the previous THB 50 billion (USD 1.3 billion) loan. The airline is also aiming to increase its capital and undertake debt-to-equity swaps.

<https://www.nationthailand.com/business/corporate/40021222>

National Broadcasting and Telecommunications Commission (NBTC) voted to acknowledge the True-DTAC merger, with conditions (21 October 2022)

After more than 10 hours of discussion, the board of the NBTC voted and ended up in a 2:2 tie with 1 abstention. The chairman then voted to break the tie resulting in a 3:2 vote to acknowledge the merger. This decision was in line with the interpretation of the Office of the Council of State that the authority of the NBTC is only to acknowledge and impose conditions to the merger. Unsurprisingly, the NBTC set some conditions on the operation during and after the merger, including the requirement to install a 5G network to cover 90% of the population within 5 years and reduce the service fees by

Contact us:

Lorenz & Partners

27th Floor, Bangkok City
Tower, 179, S Sathorn Rd,
Thung Maha Mek, Sathon,
Bangkok 10120

www.lorenz-partners.com

+66 (0) 2 287 1882

12% within 90 days. The decision of the NBTC has sparked a huge outrage around the country as many organizations have filed several lawsuits against the decision and the commission to halt the merger.

<https://www.bangkokpost.com/business/2420008/court-urged-to-halt-merger>

<https://www.thaipbsworld.com/nbtc-acknowledges-true-dtac-merger-with-strings-attached/>

Tax exemption for foreign actors (18 October 2022)

The Cabinet approves the tax exemption scheme for foreign actors filming in Thailand. The measures are set to be effective for at least 5 years. In recent years, the revenue from foreign film shootings continued to increase, with an average annual income of THB 3.5 billion from 2017-2021. The scheme aims to promote the country's soft power at the international level and boost the tourism industry generating income for the recovering economy.

<https://www.nationthailand.com/thailand/policies/40021149>

Waiver of certain requirements for LTR Visa (18 October 2022)

The Cabinet approved the waiver of the requirement to present a medical certificate and to pick up work permits in person, for long-term residence visa holders. This is to facilitate and reduce the process to attract high-potential foreigners who wish to invest or live in Thailand, in response to the government's economic and investment stimulus plan.

<https://www.thansettakij.com/business/economy/544184>

Car and motorcycle hire purchase business to be business under contract control (12 October 2022)

The announcement of the Contract Committee under the Consumer Protection Board stipulates that car and motorcycle hire-purchase contracts are contracts under control, which are required to contain certain characteristics. For example, the effective interest rate must be specified in the contract, within the maximum effective interest rate per annum of 23% for motorcycles, 15% for used cars, 10% for new cars, and a maximum default interest rate of 5% of the defaulted payment. The Thai hire-purchase association commented that the new measures will make hire purchasing harder for lower-income people, people with no regular income, or even recent graduates. The announcement will become effective from January 2023.

http://www.ratchakitcha.soc.go.th/DATA/PDF/2565/E/245/T_0026.PDF

**Effective interest rate is the real interest rate calculated on the actual amount that the borrower will have to pay to the lender in the relevant year (similar to the calculation of the home loan by the banks).*

Cabinet Resolutions

Government Gazette

Enactment of the Electronic Government Service Act (12 October 2022)

The act is aimed at utilizing technology to facilitate the administration of state affairs for the benefit of the people. One of the key articles (article 7) stipulates that government officials cannot refuse to accept a request solely on the ground that it is filed electronically. The act will be effective from 1 February 2023 onward.

http://www.ratchakitcha.soc.go.th/DATA/PDF/2565/A/063/T_0001.PDF