



Legal Update Week 19 - 20 (7 – 20 May 2019)

- Highlights:** - Cabinet approved, new excise tax measures and rates for motorcycles
- New tax deduction allowances for the year 2019 published

Thailand legal news

- **7 May 2019:**
 - The Department of Business Development (“DBD”) warned people and business investors about fake/scam website, since the scammer imitates DBD website using similar domain name “<http://dbd-go-thdbdwebthaii.com>” to phish for business information. The DBD also emphasized that the only official website is “www.dbd.go.th”.
- **8 May 2019:**
 - The Cabinet approved new excise tax measure and excise tax rate for motorcycle (waiting to be enacted). Excise tax rate for motorcycle will be calculated from **CO₂ emission** instead of engine size (cc.). This will be applied from 1 January 2020 onward. Please see new excise tax rate for each type of motorcycles as per the table below:

Type of Motorcycle	CO ₂ emission (g./km.)	Excise tax rate (%)
Electricity	-	1
Fuel and Hybrid (using fuel and electricity)	≤ 10	1
	10 < x ≤ 50	3
	50 < x ≤ 90	5
	90 < x ≤ 130	9
	> 130	18
Model produced or imported for research, development, or test	-	-
Others	> 130	20

Excise tax for general motorcycle and big bike will increase approx. THB 200 and THB 1,500 respectively. The government aimed to reduce CO₂ emission by 20-25% within 2029.

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- **9 May 2019:**
 - The increasing of minimum wage agenda was postponed indefinitely due to the resignation of the Labour Minister and the Permanent Secretary to join the House of Senate.
- **10 May 2019:**
 - Seven digital TV channels will stop broadcasting and return the licenses, due to low profit and upcoming 5G technology. This situation will cause approx. 1,500 employees to be unemployed. The NBTC Secretary-General reminded the digital TV operators, whose licenses were returned within the deadline (10 May 2019) and received compensation from government (using Article 44), to compensate their terminated employees more than the minimum requirements of the labour law.
- **14 May 2019:**
 - Her Majesty Queen Suthida's birthday, 3 June, will be a national holiday, starting from this year (3 June 2019) onward.
- **15 May 2019:**
 - San Francisco is the first U.S. city to ban government agencies/police use of facial recognition technology due to the concern that it may invade privacy and liberty of individuals.
- **17 May 2019:**
 - Taiwan becomes the first country in Asia to legalize same-sex marriage.

New Cabinet resolutions

7 May 2019:

- **Approved Draft:** Three draft Min. Reg. issued under the Workmen's Compensation Act (No.2) B.E. 2561, consisting of:
 1. Draft Min. Reg. re: medical fee paid by the employer B.E.
 2. Draft Min. Reg. re: compensation for rehabilitation paid by the employer B.E.
 3. Draft Min. Reg. re: funeral expense B.E.
- **Approved Draft:** Four draft Min. Reg. issued under the Civil Registration Act (No.3) B.E. 2562 regarding service fees and stateless people.

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- **Approved Draft:** Draft announcement of the Ministry of Commerce prohibiting/requiring permission for import of used/secondhand vehicles B.E.
- **Approved Principle:** Draft announcement of the Ministry of Interior re: registration fees under the Land Code B.E.
 - Reduce registration fees for residential properties for people with low to moderate incomes in the following case:
 1. Transfer: from 2% to 0.01% of estimated cost; and
 2. Mortgage: from 1% to 0.01% of the mortgage cost.
 - Residential property's price shall not exceed THB 1 million per unit.
 - Valid from the date signed by the Interior Minister to 31 May 2020.

14 May 2019:

- **Approved Draft:** Draft Royal Decree issued under the Revenue Code re: tax reduction (No. ..) B.E. (tax benefit for investment promotion in Special Economic Zone)
 - Reduction of corporate income tax rate from 20% to 10% for 10 consecutive accounting periods (under specific conditions).
- **Approved Draft:** Draft Royal Decree issued under the Revenue Code re: tax exemption (No. ..) B.E. (tax benefit for promotion of Voluntary Emission Reductions (VERs) project)
 - Exemption of corporate income tax for 3 consecutive accounting periods.
- **Approved Draft:** Draft Min. Reg. re: service businesses that do not require foreign business license (No. ..) B.E.
 1. Loan service for domestic affiliates;
 2. Lease of land and office space including public utilities for affiliates; and
 3. Consultancy service for affiliates in management, marketing, human resource, and information technology.
- **Approved Draft:** 4 draft Min. Reg. issued under the Land and Building Tax Act B.E. 2562
 - Subordinate legislations re: authorities of the officials and related governmental organizations, procedures and methods.

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Royal Gazette Update:

Date	Part	Subject																			
10 May 19	Gor	<ul style="list-style-type: none"> Announcement of the Director-General of the Revenue Department (No.13) re: regulations, methods, and conditions of income tax reduction/exemption and specific business tax exemption of International Business Centre (IBC) http://www.ratchakitcha.soc.go.th/DATA/PDF/2562/E/115/T_0055.PDF																			
15 May 19	Gor	<ul style="list-style-type: none"> Min. Reg. No. 344 (B.E.2562) issued under the Revenue Code re: tax exemption <table border="1"> <thead> <tr> <th rowspan="2">Tax deduction allowance</th> <th rowspan="2">Limit</th> <th colspan="2">Period</th> </tr> <tr> <th>From</th> <th>To</th> </tr> </thead> <tbody> <tr> <td>Domestic traveling, including hotel, accommodation, home stay</td> <td rowspan="2">15,000</td> <td rowspan="2">30/4/2019</td> <td rowspan="2">30/6/2019</td> </tr> <tr> <td>- Main city</td> </tr> <tr> <td>- Secondary city</td> <td>20,000</td> <td></td> <td></td> </tr> <tr> <td>Total (both not more than)</td> <td>20,000</td> <td></td> <td></td> </tr> </tbody> </table> http://www.ratchakitcha.soc.go.th/DATA/PDF/2562/A/065/T_0001.PDF	Tax deduction allowance	Limit	Period		From	To	Domestic traveling, including hotel, accommodation, home stay	15,000	30/4/2019	30/6/2019	- Main city	- Secondary city	20,000			Total (both not more than)	20,000		
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