



### Thailand legal news

#### Highlights:

- The measures issued by RD to help SMEs and its employees.
- Amending the Civil and Commercial Code on the corporate section.
- No longer required to re-submit a T.M.30, every time a foreigner temporary leaves the premises occasionally.

- **17 June 2020:**

- The Board of Investment (BOI) approved 5 major investment project applications in the value of THB 41.8 Billion on 17 June 2020. Those are projects as follows:
  1. Electricity production using oil waste invested by Thai Oil;
  2. Natural gas-fired power plant invested by B.Grimm Power;
  3. Electric battery-powered vehicles invested by Summitr Group;
  4. Production of recycled plastic pellets invested by Envico; and
  5. A construction of convention hall invested by Bangkok Arena.

- **18 June 2020:**

- RD joined the Multilateral Convention on Mutual Administrative Assistance in Tax Matters (MAC) for exchanging information and expanding networks between member countries to prevent multinational tax avoidance.

- **22 June 2020:**

- Almost 60% of foreign trademarks have been registered in Thailand via the Madrid System Application, established by the Department of Intellectual Property (DIP) since 2018, for the

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brand-owners to register their trademarks for obtaining protection in many jurisdictions around the world. Under this system, the trademark applications can be considered and approved within 18 months by the authority, under the Madrid Protocol.

- **24 June 2020:**

- RD supports SMEs and workers during the Covid-19 pandemic by reducing the wage expenses from April 2020 to July 2020 in tax calculation up to 3 times. The SMEs is required to meet the criteria:
  1. A company or juristic partnership must have income not exceeding THB 500 Million in 12-month income with no more than 200 employees considered for accounting period ending before or on 30 September 2019;
  2. The wages of each maintained employees must not be more than THB 15,000/person/month;
  3. The total number of employees at the end of March 2020 must not be less than the total number of maintained employees from April 2020 to July 2020;
  4. SMEs owners are required to register at [www.rd.go.th](http://www.rd.go.th) by 150 days from the last day of the accounting period of the year of tax exercise.

## New Cabinet resolutions

- **23 June 2020:**

- **Approved Draft:** Draft Act amending civil and Commercial Code (No. ...) B.E. .... on the topics as follows;
  - Amended the minimum numbers of company's promoters from 3 persons to 2 persons.
  - The dividend is required to be distributed to shareholders within 1 month from the date of the Shareholders' Meeting or the date of approval of the board of director.

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- Expanded the types of mergers by adding the combined mergers which allows another company to still remain the status as a juristic person, while the others will be ceased ( $A + B = A$ ).
- **Approved Draft:** Draft Act Prescribing Offences Relating to Registered Partnership, Limited Partnership, Limited Company, Association and Foundation (No. ...) B.E. ....
  - The offenses and penalties are added in cases those juristic persons do not comply with the corporate laws such as paying dividend within 1 month from the date of the Shareholders' Meeting or the date of approval of the board of director and not sending a special resolution or not publishing a special resolution on merger of the limited companies.

## Government Gazette Update:

Date	Part	Subject
16 June 2020	Ngor	<ul style="list-style-type: none"><li>• Announcement of the Royal Thai Police Notification re: Residence of Heads of Household, House Owners, Landlords, or Managers of Hotels, who Accommodate Foreign Nationals on a Temporary Basis.</li><li>- The landlords or hotel owners are no longer required to re-submit a T.M.30, every time a foreigner temporary leaves the premises and returns occasionally within the total period of his/her stay.</li><li>- <u>Effective date:</u> 30 June 2020</li></ul> <p><a href="http://www.ratchakitcha.soc.go.th/DATA/PDF/2563/E/141/T_0001.PDF">http://www.ratchakitcha.soc.go.th/DATA/PDF/2563/E/141/T_0001.PDF</a></p>
17 June 2020	Gor	<ul style="list-style-type: none"><li>• Min. Reg. No.365 (B.E. 2563) issued under the Revenue Code re: tax exemption</li></ul>

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		<ul style="list-style-type: none"><li>- The actual insurance premium, but not more than THB 25,000, paid for life insurance company or non-life insurance company can be used as a tax deduction from the calculation of income tax.</li><li>- <u>Effective date:</u> 18 June 2020</li></ul> <p><a href="http://www.ratchakitcha.soc.go.th/DATA/PDF/2563/A/043/T_0001.PDF">http://www.ratchakitcha.soc.go.th/DATA/PDF/2563/A/043/T_0001.PDF</a></p>
19 June 2020	Gor	<ul style="list-style-type: none"><li>● Min. Reg. No.364 (B.E. 2563) issued under the Revenue Code re: methods of tax submission</li><li>- The taxpayer is entitled to do tax submission and pay for the withholding tax, income tax, value-added tax to the Revenue Department via bank transfer.</li><li>- <u>Effective date:</u> 19 June 2020</li></ul> <p><a href="http://www.ratchakitcha.soc.go.th/DATA/PDF/2563/A/044/T_0001.PDF">http://www.ratchakitcha.soc.go.th/DATA/PDF/2563/A/044/T_0001.PDF</a></p>
22 June 2020	Gor	<ul style="list-style-type: none"><li>● Royal Decree issued under the Revenue Code on the reduction of tax rate (No. 693) B.E. 2563</li><li>- Manufacturers of goods or service providers in Special Economic Zones (“SEZ”) can enjoy the Corporate Income Tax rate reduced to 10% for 10 years based on their income earned in SEZ regardless of their location of head offices.</li><li>- <u>Effective date:</u> 23 June 2020</li></ul> <p><a href="http://www.ratchakitcha.soc.go.th/DATA/PDF/2563/A/045/T_0001.PDF">http://www.ratchakitcha.soc.go.th/DATA/PDF/2563/A/045/T_0001.PDF</a></p>
	Gor	<ul style="list-style-type: none"><li>● Royal Decree issued under the Revenue Code on the exemption of tax rate (No. 695) B.E. 2563</li><li>- grant an additional 150% deduction for cost of new machinery investment for production (not for hiring or leasing to others)</li><li>- acquired during 1 January 2020 to 31 December 2020.</li><li>- The machinery is not subject other tax deduction or exemption;</li><li>- <u>Effective date:</u> 23 June 2020</li></ul> <p><a href="http://www.ratchakitcha.soc.go.th/DATA/PDF/2563/A/045/T_0008.PDF">http://www.ratchakitcha.soc.go.th/DATA/PDF/2563/A/045/T_0008.PDF</a></p>

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23 June 2020	Gor	<ul style="list-style-type: none"><li>• Royal Decree Revising Limits of Liability of a Carrier under the Law on International Carriage by Air B.E. 2563</li><li>- Amend the limitation of liability of carrier by air under the conditions where the passenger deaths or gets physical injure or the luggage's damage, lost, or delay.</li><li>- <u>Effective date</u>: 24 June 2020</li></ul> <p><a href="http://www.ratchakitcha.soc.go.th/DATA/PDF/2563/A/046/T_0037.PDF">http://www.ratchakitcha.soc.go.th/DATA/PDF/2563/A/046/T_0037.PDF</a></p>
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