



Legal Update Week 3 - 4 (18- 31 January 2021)

Thailand legal news

Highlights:

- Revision of accounts receivable write-off regulation, max THB 2 mio
- Cabinet approved deduction of 90% of the Land & Buildings Tax and reduced transfer fee to 0.1%
- Notification of the Social Security Office re: criteria to consider for the unemployment benefits

- **18 January 2021:**
 - The Revenue Department developed the “My Tax Account” application, allowing taxpayers to check all the tax deduction amounts before the tax filings, e.g. Social Security Fund contributions, insurance premiums, donations via e-Donation system.
- **25 January 2021:**
 - The Department of Business Development (“**DBD**”) allows online queue reserving via either DBD website or DBD e-Service application. The applicant can choose any location from the list of 7 offices, to reduce the congestion and prevent the spread of Covid-19.
- **27 January 2021:**
 - There is a special period for illegal Cambodian, Lao, and Myanmar migrant workers (available until 13 February 2023) to be registered with the Ministry of Labour. It is expected that approx. 500,000 illegal migrant workers will come for the registration. The measure was launched to encourage the migrant workers to register and eventually take the Covid-19

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screening test to curb the situation and reduce the migrant worker shortage problem.

- **29 January 2021:**
 - The Ministry of Industry ordered strict control on the pollution-emission of around 600 factories to reduce PM2.5 dust in Bangkok. Under the new ministerial regulation which will be effective in 2022, any violation can face a maximum fine of THB 200,000.
- **30 January 2021:**
 - The Ministry of Commerce launched the MOC Online One-Stop Service (via www.moc.go.th) gathering the online services of 9 departments, amounting to 85 services of 4 sections, namely 1) business registration, 2) intellectual property, 3) international trade, and 4) internal trade issues (no longer required to visit the government office).

New Cabinet resolutions

- **19 January 2021:**
 - **Approved principle:** Draft Ministerial Regulation issue no. ... (B.E. ...) under the Revenue Code re: write off for accounts receivable:
 - Increase the possible write-off amount from THB 500,000 to THB 2,000,000, required to issue demand letter, file a legal case, and a report from the legal execution officer that the legal execution process has been performed and the debtor does not have sufficient assets to pay the debt;
 - For the write-off of debts below THB 2,000,000 (originally THB 500,000), demand letter has to be issued, and a legal case must have been submitted to the court;

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- For the write-off of debts below THB 200,000 (originally THB 100,000), the creditor does not have to file the case if a demand letter has been issued and the debt is not worth the legal expense.

- **26 January 2021:**
 - **Approved principle:** Draft Act re: determining the period of the justice system B.E. ...:
 - All governmental agencies in relation to the justice system, such as the Court, Public Prosecutor Office, Ministry of Interior, Royal Thai Police, are required to determine the period (timeline) for each justice process, so that each organization must comply with the required period, having the delay complaint and tracking system, determining the responsible person, as well as the auditing process and responsible person.

 - **Approved Draft:** Draft Ministerial Regulation re: exemption of the annual fee for the operation of Health Establishment B.E. ...:
 - Annual fee exemption for the spa and massage establishment, as Covid-19 relief measure.

 - **Approved Draft:** Draft Ministerial Regulation re: determination of the contribution rate to the Social Security Fund (issue no. ...) B.E. ...:
 - From 1 February 2021 to 31 March 2021, an employee under Section 33 of the Social Security Act shall contribute to the fund at the rate of 0.5% (i.e. the new cap is THB 75 per month), while the employer is subject to the rate of 3% contribution.
 - For the insured person under Section 39 of the Social Security Act, their contributions will be further reduced from THB 278 to THB 38.

- **Approved measures:** Two measures re: real estate were proposed to ease the economic effects of the Covid-19 pandemic in 2021:
 - Draft Royal Decree re: Land and Buildings Tax reduction (No. ...) B.E.:
 - Deduct 90% of the calculated tax amount under Section 42 or Section 95 for the annual tax year 2021 for the followings land or buildings:
 1. Land or building for agricultural purpose;
 2. Land or building for residential purposes;
 3. Land or building other than 1 and 2;
 4. Vacant or non-utilized land or building.
 - Draft Royal Decree re: [...] B.E.:
 - Reduce the property transaction fee from 2% to 0.01% and decrease the registration of mortgage fee from 1% to 0.01% only for the purchase of the following properties:
 - (1) Land with buildings such as detached houses, twin houses, rowhouses, or commercial buildings from the authorized land developer; or
 - (2) A registered condominium at a price not exceeding THB 3 million per unit. Whereby the transaction and mortgage registration must be performed at the same time.
- **Acknowledged:** Extension of the period of tax filing and tax payment of PIT, withholding tax, and VAT:
 - Extension for the PIT filing and payment for another 3 months (until 30 June 2021);
 - WHT and VAT: Extension until the end of each respective month (until June 2021).

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Government Gazette Update:

Date	Part	Subject
21 January 2021	Ngor	<ul style="list-style-type: none">• Notification of the Director-General of the Revenue Department in relation to income tax (issue no. 390) re: Determination of the criteria, measure, and conditions of tax exemption for any income purchasing products and services (THB 30,000 shopping scheme):<ul style="list-style-type: none">- The tax exemptions for any purchase of products and services from 23 October to 31 December 2020 are as follows:<ol style="list-style-type: none">1. Must not be a partnership or a group of individuals;2. Any taxpayer is granted the tax exemption on expenses actually paid up to THB 30,000;3. In case husband and wife file a joint tax return, they can only claim the exemption once.- <u>Effective date:</u> 23 October 2020 <p>http://www.ratchakitcha.soc.go.th/DATA/PDF/2564/D/006/T_0040.PDF</p>
22 January 2021	Kor	<ul style="list-style-type: none">• Ministerial Regulation re: payment of child benefit (issue no. 2) B.E. 2564:<ul style="list-style-type: none">- Increases the rate of child benefit from THB 600 to THB 800 per child- <u>Effective date:</u> 1 January 2021 <p>http://www.ratchakitcha.soc.go.th/DATA/PDF/2564/A/004/T_0009.PDF</p>
	Phiset ngor	<ul style="list-style-type: none">• Notification of the Social Security Office re: determination of territories and lists of the hospital for year B.E. 2564:<ul style="list-style-type: none">- Determines the lists of hospitals that the insured person can receive the treatment in case of injury or accident, not in relation to working.- <u>Effective date:</u> 1 January 2021 <p>http://www.ratchakitcha.soc.go.th/DATA/PDF/2564/E/017/T_0022.PDF</p>
26 January 2021	Phiset Ngor	<ul style="list-style-type: none">• Notification of the Ministry of Interior re: extension of personal identification card issuance due to the Covid-19 pandemic:

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		<ul style="list-style-type: none">- Extend the period for the application for new ID cards, renewal, or amendment of ID cards, in every province including Bangkok until 30 April 2021- <u>Effective date:</u> 27 January 2021 <p>http://www.ratchakitcha.soc.go.th/DATA/PDF/2564/E/019/T_0012.PDF</p>
28 January 2021	Phiset ngor	<ul style="list-style-type: none">• Notification of the Director-General of the Revenue Department re: the submission of the application for tax e-filing and payment via internet through the Department of Business Development:- Business operators submitting the company registration form to DBD can apply for tax e-filing and tax payment service via internet with DBD (not required to apply at RD)-<u>Effective date:</u> 1 February 2021 <p>http://www.ratchakitcha.soc.go.th/DATA/PDF/2564/E/021/T_0065.PDF</p>
	Ngor	<ul style="list-style-type: none">• Notification of the Director-General of the Revenue Department (issue no. 25) re: Determination of criteria, procedures, and requirements for the income tax, VAT, specific business tax, and duty stamp exemption for the donation for sport support, via electronic donation system:- Determines that it is required to be only the donation in cash for the PIT exemption. For the company, the donations by cash, properties, or goods are acceptable;- The taxpayer or company who has already utilized the tax exemption cannot deduct the same amount as the tax deduction under Section 47(7) of the Revenue Code.- <u>Effective date:</u> 1 January 2021 <p>http://www.ratchakitcha.soc.go.th/DATA/PDF/2564/D/008/T_0088.PDF</p>
29 January 2021	Phiset Ngor	<ul style="list-style-type: none">• Notification of the Social Security Office re: the criteria to consider for the unemployment benefits B.E. 2564:- Determines the criteria and procedure to grant the unemployment benefits;- The insured person who meets the criteria and registers in the job search system within 30 days after the unemployment date with the recent employee will receive the benefits after the unemployment for at least 8 days;- Determines the conditions of the entitled person to receive the benefits as follows:<ol style="list-style-type: none">1. Report the status of unemployment at least once a month;2. Not denying any employment;3. Not denying the job training program;

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		<p>4. The period to receive the benefit is not more than the period prescribed under the law;</p> <p>5. Does not become the insured person under section 33;</p> <p>6. Age less than 55 years old.</p> <p>- <u>Effective date:</u> 29 January 2021</p> <p>http://www.ratchakitcha.soc.go.th/DATA/PDF/2564/E/022/T_0004.PDF</p>
	Phiset Ngor	<ul style="list-style-type: none">• Regulations of the Social Security Office re: the application for benefits (issue no. 3) B.E. 2564: <p>- Amend the application form for the benefits from the Social Security Office (Sor. Por. Sor 2-01) and the application for the unemployment benefit (Sor.Por.Sor 2-01/7) as well as the certification form confirming the unemployment due to the force majeure resulting of the dangerous contagious disease.</p> <p>- <u>Effective date:</u> 29 January 2021</p> <p>http://www.ratchakitcha.soc.go.th/DATA/PDF/2564/E/022/T_0001.PDF</p>
31 January 2021	Kor	<ul style="list-style-type: none">• Royal Decree on Land and Buildings Tax reduction (No. 2) B.E. 2564: <p>- Reduce the Land and Buildings Tax payments by 90% for the following types of land and buildings: (pay only 10%)</p> <ol style="list-style-type: none">1. Land or buildings used for agricultural purposes;2. Land or buildings used for residential purposes;3. Land or buildings used for other purposes; and4. Vacant or unused land or buildings. <p>- <u>Effective date:</u> 1 February 2021</p> <p>http://www.ratchakitcha.soc.go.th/DATA/PDF/2564/A/006/T_0001.PDF</p>