



Legal Update Week 35 - 36 (24 August – 6 September 2020)

Thailand legal news

Highlights:

- Postponement of land and building tax collection again by the end of October 2020.
- Social security contributions to be reduced for 3 months from September to November
- VAT to maintain at 7% for another year.

- **25 August 2020:**
 - RD announced the alternative way to submit the Disclosure Form Report via the internet by uploading an Excel file, to maintain the social distancing policy. This form is applicable for Thai tax entities who have total revenue of THB 200 million or more per one accounting year.
 - The Prime Minister and Minister of Defence denied the dictatorial order commanding Facebook to close the illegal page, namely Royalist Marketplace which contains a sensitive issues related to the monarchy. He insisted that all parties must observe the laws of Thailand and ready to apply Thai law for the lawsuit from Facebook.
- **26 August 2020:**
 - The Ministry of Economic and Society (DES) issued the notifications to close 1,024 URLs on the platforms, such as Facebook and Twitter, which contain illegal contents.
- **29 August 2020:**
 - The deadline for land and building tax payment was postponed again by the end of October 2020 announced by the governor of Bangkok Metropolitan Administration

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(BMA). Some of the owners have not received the letter from the BMA, addressing the tax amount and payment.

- **1 September 2020:**

- The government approved a THB 75 Mio budget for a study of 2 seaports and another THB 90 million for the highways and railways, under the passageway construction project connecting between Indian and Pacific oceans. The planned route will reduce the congestion of the Strait of Malacca and cut the shipping time by more than 2 days.

- The committee's investigation into the fatal hit-and-run case relating Red Bull heir declared that there is evidence of conspiracy and dishonest prosecution. As a result the committee advised to re-open the investigation immediately. Moreover, the Public Sector Anti-Corruption Commission (PACC) received the proposals to investigate the misconduct of alleged officers involving in the case.

- **3 September 2020:**

- A parliament house's committee on the hopewell project mentioned that there were many unlawful processes in the project. For example, the agreement had been signed by Hopewell (Thailand) which is a different entity as one approved by the Cabinet (i.e. Hopewell Holding (Hong Kong)). In addition, Hopewell (Thailand) was unlawfully registered with DBD which might lead to the invalidity of the administrative court's judgment, which ordered the government to pay Hopewell (Thailand) THB 25 billion for wrongful termination of the contract.

New Cabinet resolutions

- **25 August 2020:**
 - **Approved principle:** Draft Royal Decree in accordance with the Revenue Code re: deduction of the Value Added tax rate payment (issue no....) B.E. ... (The relief measure for the extension of deduction of the Value Added tax rate payment)
 - maintain VAT rate at 7 percent (inclusive of local tax) from 1 October 2020 to 30 September 2021.
 - **Approved principle:** the establishment of the Sustainable Manufacturing Center (SMC) project, located in Eastern Economic Corridor (EECi-ARIPOLIS for BCG zone) will take 5 years during the period between 2021 and 2025 aiming to develop the platforms for industrial and innovation development relating to the automatic technology, robot and intelligence system
- **1 September 2020:**
 - **Approved draft:** 2 draft Min. reg. under the Revenue Code:
 - Re: adjustment of assessable income and expenses for related entities: criteria for commercial and financial transaction that can be understood as transfer pricing;
 - Re: Amount of income for entities under Section 71 (tri) para 3.: The entities, that have less than THB 200 Mio within 1 fiscal year, do not have to submit the disclosure report (fiscal year starting after 1 Jan 19);
 - **Approved draft:** draft Min. reg. re: determination of measures procedures and conditions of the reduction of the compulsory social security contributions paid by employers and insured persons under the COVID-19 pandemic circumstance
 - deduct the employer's contribution from 5% to 2% of the salary of the insured person (but not exceeding the maximum salary of

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Baht 15,000 per employee per month) on the monthly payment from September to November 2020.

- deduct the contribution payment for the insured person under Section 39 to THB 96.

- **Acknowledged and approved:** the postponement of merging between TOT Public Company Limited and CAT Telecom Public Company Limited as per approved by the cabinet resolution dated on 14 January 2020 for another 6 months
 - acknowledged the new registered name as “National Telecom Public Company Limited: NT Plc.”

Government Gazette Update:

Date	Part	Subject
24 August 2020	Phiset Ngor	<ul style="list-style-type: none">• Notification of Labour re: the permission of foreigners to work in the kingdom particularly for Cambodia, Laos, and Myanmar under the situation of Covid-19 virus pandemic.- grant the work permit to 3 national (Cambodia, Lao, and Myanmar) workers who were permitted to work in Thailand but the work permit will expire within 31 October 2020 or already expired between 30 September 2019 and 30 June 2020.- The abovementioned workers who wish to work with their employers until 31 March 2022 must submit the application (Bor.Tor. 23) to the registrar within 31 October 2020.- Effective date: 25 August 2020- http://www.ratchakitcha.soc.go.th/DATA/PDF/2563/E/194/T_0022.PDF

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	Phiset Ngor	<ul style="list-style-type: none">● Notification of Interior Ministry re: the permission of foreigners to stay in the kingdom particularly for Cambodia, Laos, and Myanmar nationals under the situation of Covid-19 virus pandemic.- grant the resident permit particularly for 3 nationals (Cambodia, Laos, and Myanmar) who wish to work in Thailand and have already obtained the work permit within 31 October 2020.- prescribe the requirements of those 3 national's employers to bring in those foreigners to have a health check with government hospitals within 31 January 2021 and apply for or update the registration of personal records within 31 March 2022.- <u>Effective date:</u> 25 August 2020 http://www.ratchakitcha.soc.go.th/DATA/PDF/2563/E/194/T_0017.PDF
	Phiset Ngor	<ul style="list-style-type: none">● Notification of Public Health Emergency Operation Center on the Covid-19 disease case re: lists of Alternative Hospital Quarantine- determine the lists of alternative hospital quarantines including the acceptance of overnight stay patients and non-acceptance of overnight stay patients.- <u>Effective date:</u> 25 August 2020 http://www.ratchakitcha.soc.go.th/DATA/PDF/2563/E/194/T_0040.PDF
28 August 2020	Phiset Ngor	<ul style="list-style-type: none">● Announcement: extension of the declaration of the state of emergency for all areas in the Kingdom of Thailand (5th time)- Extend the state of emergency, effective 1 – 30 September 2020 http://www.ratchakitcha.soc.go.th/DATA/PDF/2563/E/198/T_0031.PDF
31 August 2020	Khor	<ul style="list-style-type: none">● Min. reg. re: work permit, the issuance of work permit, and the notification of foreign's work B.E. 2563- determine the application and issuance procedures of work permit which is in accordance with working management emergency decree B.E. 2560.- <u>Effective date:</u> 1 September 2020

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		http://www.ratchakitcha.soc.go.th/DATA/PDF/2563/A/069/T_0004.PDF
	Khor	<ul style="list-style-type: none">• Min. reg. re: prescription of qualifications and prohibited characteristics of foreigners who wish to apply for work permit B.E. 2563- prescribes the qualifications of foreigners who wish to apply for the work permit such as applicants must not have the prohibited disease.- <u>Effective date:</u> 1 September 2020 http://www.ratchakitcha.soc.go.th/DATA/PDF/2563/A/069/T_0010.PDF
	Khor	<ul style="list-style-type: none">• Min. reg. re: prescription of fee and the exemption of fee of foreigners' working management B.E.2563- <u>Effective date:</u> 1 September 2020 http://www.ratchakitcha.soc.go.th/DATA/PDF/2563/A/069/T_0013.PDF
1 Septemb er 2020	Phiset Ngor	<ul style="list-style-type: none">• Regulations of the Board of Directors of the IEAT re: Rules, Procedures and Conditions for Business Operations in Industrial Estates (Issue no. 6) B.E. 2563- added the definitions of “self-certification”, “inspection or certification”, “annual inspection of the business operation”.- amend the procedures, and conditions for Business Operations in Industrial Estates.- <u>Effective date:</u> 25 August 2020 http://www.ratchakitcha.soc.go.th/DATA/PDF/2563/E/200/T_0040.PDF