

BUSINESS CONTINUES DURING COVID 19

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INFORMATION ABOUT GOVERNMENT MEASURES IN SUPPORT OF ON-GOING BUSINESS AND THE THAI ECONOMY

As a service to members, EABC provides information about government support, kept up-to-date as best we can in a fast changing policy environment. EABC will also provide members' recommendations on changes to these support and relief measures, in order that they may best meet objectives. Please do be in touch with us at advocacy@eabc-thailand.org with any concerns about coverage or terms of these measures, or recommendations you may have.

The Thai Cabinet approved these relief measures for Thai companies and individuals to support the economy during COVID-19 crisis on 10 March, 24 March and 7 April 2020. Further measures have been announced by various Ministries.

On March 25, Prime Minister Prayut Chan-o-cha declared a State of Emergency, effective March 26, in order to reduce the spread of COVID-19 in Thailand, initially to 30 April, extended to 31 May. This was extended on 27 May, to 30 June. An Emergency Decree made in 2005 was relied on to call this State of Emergency. This gives the Prime Minister's Office various powers including powers to exercise authorities under various laws, which are currently held by senior officers in various agencies.

Remark: We have used the numbering system in the original Thai version issued by government, to avoid possible confusion. Please do be in touch with us at advocacy@eabc-thailand.org with any concerns about coverage or terms of these measures, or recommendations you may have.

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A. FINANCIAL MEASURES

1.1. Low interest rate measures

The Government Saving Bank (GSB) will provide THB 150,000 million to financial institutions at the rate of 0.01%. These financial institutions then provide the loan to SMEs at 2% for 2 years. The maximum loan is THB 20 million per borrower. This is open to Thai companies only and it seems that disbursement is only from 2021. See also soft loans through Bank of Thailand wholesale rate of 0.01% and 2% retail rate. By practice, this usually requires an existing relationship with the bank (see Phase 3, item B)

1.2. Extension of repayment measures to those affected by COVID-19

Special Financial Institutes (SFI) will relax the terms and conditions of repayment by extending grace period for repayment on principle, reducing interest rate, extending the repayment period, for example. Additionally, some SFIs have refinancing measures for credit card debts at low interest rates.

1.3. Loan requirement measures

Bank of Thailand is providing guidelines to support those affected loan-takers. All financial institutions are to proactively support their customers by relaxing the loan classifications and giving more flexibility on loan approval to ensure liquidity and the continuity of everyday business.

1.4. Employment support measures

Social Security Office together with the financial institutions will give financial support of THB 30 billion at low interest rate to Social Security Funds (SSF) companies/employers. SSS registered companies/employers must have contributed to the SSF for at least 3 months and maintains the employment at least 80% of total SSF employees on the day of receiving the loan for the period of 3 years.

B. FISCAL MEASURES

2.1. Withholding tax measures

To increase the liquidity to businesses, The withholding tax rate for service fees, such as those for the hire of work, services, commissions, and professional fees, will be reduced, as shown in the table below. Those who will receive the benefits from this tax measure include individuals, companies, and juristic partnerships.

Period covered	Current rate	Reduced rate	Filing method
1 st April 2020 – 30 th September 2020	3%	1.5%	Any filing method
1 st October 2020 –31 st December 2021	3%	2%	Only e-withholding tax filing

Additional information (Source: Tilleke & Gibbins dated 2nd April 2020):

Reduction of withholding tax rates. This measure, which is already in effect, reduces withholding tax from 3% to 1.5% for the following types of payments made between April 1, 2020, and September 30, 2020:

- Income from service fees, commission fees, and other income under section 40 (2) of the Revenue Code, paid to companies or juristic partnerships in Thailand.
- Income from payments for goodwill, copyrights, and other rights under section 40 (3) of the Revenue Code, paid to companies or juristic partnerships in Thailand.
- Income from professional legal fees, audit fees, and other income under section 40 (6) and (7) of the Revenue Code, paid to persons liable to Thai personal income tax or corporate income tax.
- Income from payments in the nature of hire-of-work service, awards, rebate, or sales promotion, and any services other than entertainment performance, advertisement, non-life insurance premiums, and transportation fees, excluding payments for hotel services,

restaurant service charges, and life-insurance premiums, all falling under section 40 (8) of the Revenue Code, paid to persons liable to Thai personal income tax or corporate income tax.

For payments of the above types made between October 1, 2020, and December 31, 2021, the withholding tax rates will be reduced from 3% to 2% for e-payments and e-withholding tax only.

Payments to foundations or associations that carry out business, as well as those announced by the government according to Section 47 (7) (b), are not be eligible for any of these reductions.

2.2. Interest payment measures

A company (especially Small and Medium Enterprises : SMEs) that has taken out low-interest loans (soft loans) can claim a tax deduction for 1.5 times the interest expense paid from 1 April 2020 to December 2020.

The company must meet the following conditions:

- It must have taxable income of not more than THB 500 million from its business in the last 12-month accounting period, where the last day of the accounting period ended on or before 30 September 2019.
- It must have not over 200 employees.
- In order for a company to claim this deduction, it must register with the Revenue Department under the procedures set out for a tax amnesty.

Additional information (Source: Tilleke & Gibbins, 2nd April 2020):

- Increased tax deductibility for SMEs' loan interest: SMEs that enrolled in the Soft Loan program for COVID-19 and committed to the "single account" program can claim 150% of actual loan interest paid from April 1 to December 31, 2020, as tax-deductible expenses.
- Increased tax deductibility for SMEs' salary costs: SMEs can claim 300% of actual salary costs paid to qualifying employees from April to July, 2020, as tax-deductible expenses

2.3. Employment stability measures

SMEs may deduct at 300% the expenses for hiring/salary of employees registered at SSF for expenses paid for staff costs covering the period from 1 April to 30 July 2020 for SSF registered employees receiving income no more than THB 15,000 per month. The company must hire the same amount of employees as in December 2019.

2.4. Speeding up the VAT refund measures

All domestic business operators classified as in the Good Export programme, can speed up the refund of VAT. In case the form is submitted online, you could get refund within 15 days. If you submit at the Revenue Department branches, you could get refund within 45 days.

C. Other measures

3.1 Electrical utilities (MEA and PEA) and water utilities (MWA and PWA)

The cabinet acknowledged relief measures against the widespread COVID-19 situation to alleviate people's burdens on public utilities. This is as proposed by Ministry of Interior.

3.1.1 Electrical utilities

- 3% electricity fee reduction for 3 months (April-June 2020)
- Extension of electricity bill payment with no interest charged (no later than 6 months of each billing period) for the billing months of April-May 2020
- Refund of electricity deposit for type 1 and 2 users (households and small scale businesses)

3.1.2 Water utilities

- 3% water fee reduction for 3 months (April-June 2020)
- Extension of water bill payment with no interest charged (no later than 6 months of each billing period) for the billing months of April-May 2020
- Refund of water usage deposit for type 1 users (households)

3.2 Employment relief measure

On March 23, 2020, it was announced that there would be a reduction from a 5% contribution to a 4% contribution, for both employees and employers, for a period of six months, commencing in March and ending in August.

However, at a cabinet meeting on March 24, 2020, the contribution rate was then revised further, reducing employee contributions to 1%, for a period of three months, commencing in March and ending in May. Employer contributions remain at 4%, but only from March to May. The earlier announcement is no longer in effect.

Announcement on Rules, Procedures, and Criteria for Deduction of Contributions by Employers and Insured Persons in the Event of Pandemic of COVID-19 B.E. 2563 (2020)

The Royal Gazette website on Saturday (13th April 2020) posted an announcement signed by Labour Minister Chatu Mongkol Sonakul that The Social Security Office had announced a reduction in social security contribution for both employers and employees during the Covid-19 situation for three months, starting from March until May.

This declaration will temporarily decrease the mandatory Social Security Fund contributions under section 33 of the Social Security Act B.E. 2533 (1990) to 1% for employees and 4% for employer

1. Employees (categorized under article 33) are now subject to reduction of 1% of salary, with a maximum contribution of THB 150 per month.

SSF Reduction Ratio	SFF Reduction Ratio as per March 2020 - May 2020
5%	1%
750 THB	150 THB

2. Employers contributions are set at 4% of salary, with a maximum contribution of THB 600 per month, for March, April, and May.

SSF Reduction Ratio	SFF Reduction Ratio as per March 2020 - May 2020
5%	4%
790 THB	600 THB

Remark: In the event that a remittance exceeds the amount specified under this announcement, employers/employees according to No 1 or No 2, can request to receive the excess money at the Bangkok Social Security Office in the area of the Provincial Social Security Office or the Provincial Social Security Office in a branch.

Source: Ministry of Labour

3.3 Government agencies to reduce rental fees for state property

Measures to alleviate the burden of rental fees, compensation for services provided by government agencies and state enterprises Government agencies and state enterprises reduce or delay or postpone the collection of fees. Rental of state property Service remuneration Or other expenses to alleviate the burden on operators affected by the COVID-19 virus.

3.4 Super Saving Fund (SSF)

Individuals investing in a Super Saving Fund (SSF) with a policy to invest at least 65% of its net assets value in shares listed on the Stock Exchange of Thailand, during the period from 1 April to 30 June 2020 can deduct the actual investment amount, capped at THB 200,000, as an allowance for personal income tax purposes, provided that the investment in the fund will be held for at least 10 years. This allowance will be in addition to the SSF allowance threshold (30% of the total income, capped at THB 200,000) and will not be included in the retirement saving fund threshold of THB 500,000.

The Finance Ministry has also set up specific hotlines to answer queries, as follows:

- Financial Measures, Tel: 02 2739020 Ext. 3235.

- Tax Measures, Tel: 02 2739020 Ext. 3509, 3529, and 3512.
- Measures to reduce contributions to the Social Security Fund of employers and employees / measures to build confidence in the capital market system, Tel: 02 2739020 Ext. 3643.
- Measures to alleviate the burden of fees, rental fees, and compensation for services provided by government agencies and state enterprises / measures to alleviate the burden of water and electricity bill payments / measures to assist those affected by the Coronary Infection Disease 2019 or COVID 19. Tel: 02 2739020 Ext. 3558.
- Measures to increase spending efficiency, budget expenditure for the fiscal year 2020, Tel: 02 127 7000 Ext. 4588.

2nd PHASE

The cabinet released the second set of measure on COVID-19 on 24th March 2020 as following

GOVERNMENT MEASURES PHASE 2 – 24 March 2020
<p>A. MEASURE FOR EMPLOYEES</p> <p>1.1 The measures include helping informal workers without social security benefits, including temporary employees and freelancers, and businesses that have been affected by the outbreak of coronavirus.</p> <p>Those affected workers and part-time employees that are not registered with the social security system would receive THB 5,000 per month for 3 months long and if the situation escalated, the government would expand the period of remedial payment measures. The government estimated that there are around 3 million people that could be eligible for the hand out.</p> <p>For workers and employees that are part of the social security system, they will receive 50 per cent of their wages for 180 days if their employer went out of business or for 90 days if their employer was ordered to temporarily close down by the government.</p> <p>1.2 Emergency loans</p>

An emergency loan program valued THB 40,000 million at an interest rate of 0.1 per cent per month and without any guarantee needed to strengthen liquidity for whoever carried an informal debt. The loan limit is THB 10,000 per person, which be given out by state-owned banks and specialized financial institutions.

1.3. Soft loans

A special credit aid/a special low-interest loan of THB 20,000 million for people who want a loan with THB 50,000 limit, but with an interest rate of 0.35 per month instead.

1.4 Low interest rate

The Office of the Government Pawnshop has adjusted an interest rate of pawn not over 0.125% per month with a budget of THB 2,000 million.

1.5 Knowledge enhancement measures

Training to enhance professional skills to provide knowledge to those affected by the outbreak of the COVID-19 virus or those interested, as well as conduct Corporate Social Responsibility (CSR)

1.6 Extension of Personal Income Tax Submission

The deadline for submission of 2019 Personal Income Tax returns is extended from June 30, 2020, to August 31, 2020. This measure is already in effect.

1.7. Health insurance deductions

Increasing the limit of tax deductible on health insurance expense from “per actual expense but not more than THB 15,000” to “per actual expense but not more than THB 25,000”. When combining with life insurance and life support deposit, it should not more than THB 100,000, effective on 2020 tax year.

1.8 Risk allowances, for medical professionals

For eligible medical and public health personnel involved in the prevention or treatment of COVID-19, Certain types of income earned in 2020, such as risk compensation, are exempted from income tax.

B. MEASURE FOR ENTREPRENEUR

2.1. Low interest rate loan

Low interest rate loan for effecting businesses such as tour, spa, transportation (coach bus, van, taxi, boat, hired car), tour guide, hotel, accommodation, and restaurant. SME Development Bank will provide loan facility at THB 10 billion, THB 3 million per borrower at 3% interest rate for the first two year, 5-year maximum repayment period. Application deadline is 30th December 2020.

2.2 Extending Corporate Income Tax Submission

Extending the submission of Corporate Income Tax of company or partnership limited who is not listed at Stock Exchange of Thailand as following:

During 2019 fiscal year (Por Ngo Dor 50) for the case that must submit from 1st April to 30th August 2020 to submit within 31st August 2020.
(Standard Practice: Submit within 150 days of the fiscal year ended)

During 2020 fiscal year (Por Ngo Dor 51) for the case that must submit from 1st July to 29th September 2020 to submit within 30th September 2020. *(Standard Practice: Submit within 2 months after half year ended)*

2.3 Delaying of Tax Filing, Submission, and Payment

Delaying the filing, submission, and payment of all types of tax that the Revenue Department collects, such as Value Added Tax, Specific Business Tax, etc. for affected entrepreneurs

affected including (1) Entrepreneurs who have to close their establishments according to government orders such as the Ministry of Interior Local government organization Ministry of Public Health, etc. (2) Other operators that are affected by the spread outbreaks of COVID-19 viral diseases, with justifiable grounds to delay The Ministry of Finance will consider on a case-by-case basis in order to reduce the burden of document preparation and increase liquidity for the affected business operators.

2.4. Extending Tax Payment for Entrepreneur In Oil and Petrol Product Industry:

the Excise Department, allowed oil and petrol product industry operators to submit their tax payment within 10 days to submit within 15th of the next month that the goods is taken from an industrial facility or a bonded warehouse, effective period April to June 2020.

2.5. Extending Tax Filing and Payment of Service Establishment Classified Under Excise Tax Classification:

To alleviate the tax burden on business operators of entertainment venues affected by the closure, the Excise Department has extended the tax filing and payment of entrepreneurs of service establishment, including nightclub, discotheques, pubs, cocktail bars, lounges, and places that sell food and alcohol by providing music or other performances for entertainment which is closed after 24.00 hrs, and showers or baths and massages, as well as horse racing and golf course businesses, have to file and pay taxes by 15th July 2020.

2.6 Import Duty Exemption on Goods for Treatment, Diagnosis or Prevention of COVID-19

The exemption is for goods that specifies by the Ministry of Public Health. Effective since the date of the announcement of the Ministry of Finance, until 30th September 2020.

2.7 Tax Measure for Debt Restructuring

2.7.1 Personal and corporate income tax exemption for debtors on income obtained from debt forgiveness of creditors (2) Exemption on personal corporate income tax, VAT, specific business tax, and stamp duty for debtors and creditors for the proceeds from the transfer of assets, selling goods, or providing services and entering into an agreement due to debt restructuring (3) Exemption on personal and corporate income tax, VAT, specific business tax, and stamp duty for the debtor on the income from the transfer of immovable property that uses as collateral to another person who is not a creditor, and entering into an agreement due to the transfer of the immovable property. The debtor has to pay the debt to the creditor. Only the portion that is not more than the amount owed or has obligations under guarantee agreement is exempted. However, this must be in accordance with the rules, procedures and conditions specified by the Director-General (4) Relaxing the rules on disposals of bad debts from accounts receivable for debts forgiven by creditors.

2.7.2 Reducing registration fees for rights and juristic of transferring and mortgaging properties under Land Code and Condominium Act for debt restructuring case as specified. The Land Department will issue a notification of the Ministry of Interior to charge the registration fees for rights and juristic at 0.01%, effective from the date of its publication in the Government Gazette until 31st December 2021

Source: Ministry of Commerce announcement on 10 March and 24 March 2020.

Phase 3

On 7 April 2020, the cabinet approved 1.9-trillion-baht spending to help people and businesses affected by the coronavirus disease 2019 (Covid-19), including 600 billion baht for six-month cash giveaways and 500-billion-baht soft loans for small and medium-sized businesses.

The package, the third phase of the stimulus program to shore up the economy, will be backed by three executive decrees.

GOVERNMENT MEASURES PHASE 3 – 7 April 2020

A. Measure for Emergency loans

Draft of the Royal Decree which will authorizes the Ministry of Finance to take on emergency loans with a volume of THB 1,000,000 million as a remedy to rehabilitate the overall economy as well as to support the healthcare sector and affected individuals.

1.1. Measure to support the healthcare sector and individuals who have been affected by the outbreak (600,000 THB million)

The Cabinet agreed on Tuesday (April 7) to extend the cash-handout period from three months to six months, to provide Bt5,000 in cash per month to 9 million people from April 8 until September. The relief measure covers people who do freelance jobs, are self-employed or are workers in the informal sector who are affected by the Covid-10 pandemic or are out of jobs due to the forced shutdown of businesses. The government initially only planned to provide cash to 3 million people for three months. (Source: The Nation dated 8th April 2020)

Updated on 17th April 2020

The current central budget worth 50-billion Baht is sufficient to sustain only one month of the 5,000 Baht cash-handout. Payments for April and May would be financed through borrowing to be enacted through a decree. This would be supplemented by the 10 percent budget appropriation from various ministries, to be disbursed in June. The amount appropriated will be no more than 100 billion Baht.

(Sources: Bangkok Post, published 16 April 2020 at 05:00) Thus the cover is for up to three months x THB 5,000 per month

1.2 Support the Thailand's economy (Economic and social rehabilitation plan) (400,000 THB million)

- 1.2.1 Support, strengthen and uplift the community's economic level to create jobs, productivity and product which link to service sectors and tourism.
- 1.2.2 Support the development of infrastructure and economy at the local area level including creating marketing channels and raising the standard of quality and value added of local products and products
- 1.2.3 Support and accelerate the household and private sector consumption as well as encourage investment to restrain the consumption to back to normal

B. Measure for Soft Loans

2.1 The BOT is to provide a direct soft loan with an interest rate of 2% for SMEs

Bank of Thailand (BOT) is able to grant soft loans to commercial banks and specialized financial institutions at the rate of 0.01 percent per annum in the amount of 500,000 million baht in order to let commercial banks and specialized financial institutions extended new loans to SMEs. SME must have an outstanding credit balance of not more than 500 million baht, not listed on the Stock Exchange of Thailand and not an NPL as of 31 December 2019. SMEs will receive additional credits of not more than 20 percent of the original loan at the rate of Interest, not more than 2 percent per annum. Borrowers do not have to pay the principal and interest for the additional loans during the first 6 months. Commercial banks and specialized financial institutions are able to suspend their existing debt, both principal and interest, for SMEs for a period of 6 months to SMEs who are good debtors as of 31 December 2019 and have credit line not over 100 million baht. **(500 million baht)**. In practice commercial banks require existing relationships and may not recognize all legal forms of collateral.

2.2 Draft of the Royal Draft to stipulate liquidity support for the stabilization of private sector debt instruments 2019 B.E. 2563 (Draft Corporate Bond Liquidity Stabilization Fund: BSF)

To increasing liquidity and stabilizing the private sector's bond market and financial system. This draft regulation requires the establishment of a supplementary fund in order to to reduce the risk of raising funds in the private bond market (Corporate Bond Liquidity Stabilization Fund: BSF) and allowing the BOT to buy and sell investment units in such funds, in order to support fundraising by issuing debt securities in order to accelerate market functioning. The fund will buy bonds to increase liquidity to the companies issuing the quality bonds but face temporary liquidity shortage and to allow the company to continue to rollover debentures. BOT can buy investment units of such funds not more than 400 billion baht. BOT has power to trade private sector debt securities in the secondary market in case there is an urgent need to stabilize the private sector bond market and the financial system. (400 billion baht)

C. Further Aid Measures:

Further measures to stabilize the Financial Markets with a volume of 400,000 Thai million:

3.1 Draft of Royal Decree for prescribing the amount of protected deposits that are generally protected 2019 B.E. 2563

The extension of protection amount extended to 5 million baht to 10th August 2021 to build trust among depositors, which will increase stability and maintain economic stability and the financial institution as a whole.

3.2. Measures for low-interest loans for non-banks operator

To enable the Government Savings Bank to grant loans to non-banks operator in order to be able to help the micro debtors of each operator by relaxing the conditions of credit card loans, personal loans, leasing, hire purchase, motorcycle hire purchase, and car registration loans to the public.

3.3. Reducing financial development funds contribution

The reduction of the remittance from the financial institution from 0.46 percent per year to 0.23 percent per year in order to reduce the cost of financial institutions, which will lead to a lower interest rate. It will help relieve the debt burden of businesses and citizens

Source: Ministry of Finance's news 36/2563 on 7 April 2020.

No. 1. Call 0 2265 8050 Ext. 5516, No. 2. Call 0 2283 5401, No. 3.1 Call 0 2273 9020 Ext. 3691, No. 3.2 Call 0 2273 9020 Ext. 3219, No. 3.3 Call 0 2356 7100

Social Security Fund (SSF) – cabinet decision 31 March 2020

Payment of salary compensation from the Social Security Fund for low paid workers affected by COVID-19

Two new changes to Social Security Fund legislation to provide greater support for the payment of salary compensation for low paid workers effected by COVID-19, which has already passed approval from the Thai Cabinet and has been officially announced in the Social Security Fund website

(<https://www.sso.go.th/wpr/main>); summary:

- (1) in case of a 'day rate' (ie not full time) employee ordered to stay home by the employer due to COVID-19, SSF will pay at 62% of their wage, maximum THB 9,300 per month for 90 days (based on actual unpaid leave up to THB 15,000 in eligible wages per month). In this case the employer would not need to top up.

- (2) in case of temporary close of business for up to 2 months due to government order, such as gym staff due government order to close all gyms, SSF will pay at 62% of their wages, maximum THB 9,300 per month for 90 days (NB: based on actual unpaid leave up to THB 15,000 in eligible wages per month).

Two further salary compensation rules (#3 and #4 below) previously announced for payment of salary compensation for low paid workers effected by COVID-19 remain unchanged within the Social Security Fund legislation:

- (3) in case termination ordered by the employer during to COVID-19 situation, SSF will provide monthly payments at 70% of their wages (with a maximum up to THB 15,000 in eligible wages per month), which amounts to maximum THB 10,500 per month for a maximum payment period of the lesser of 200 days (i.e., about 6 and a half month), and until the employee finds a new job. Plus, Employer has to pay normal severance.
- (4) in case that a company closes TEMPORARILY due COVID-19 due to without government order, the company must pay 75% of their ACTUAL wages. This is not a termination.

There is some discussion to increase support percentage from 62% to 75% see item (1) and (2) above. See Bangkok Post news on 8th May 2020 (at the end of this document)

The Office of the Board of Investment (BOI) stated 2nd April that it remains committed to serve the needs of investors. BOI has taken the following measures to facilitate companies:

the Board of Investment (BOI) Measure – released 2 April 2020

A. BOI has extended the application deadline

In accordance with the announcement by the Ministry of Finance to postpone corporate income tax submission for the 2019 accounting year (Por.Ngor.Dor.50) to 31 August 2020, the BOI has extended the application deadline for corporate income tax exemption privileges to 31 July 2020, or not less than 30 days before the corporate income tax filing date.

B. BOI e-submission

To ensure continued support to investors, online document submission service (e-submission) was launched since March 30, 2020 apart from our existing e-services (such as e-investment for applications, e-tax for corporate income tax exemption authorization, and e-land for land ownership approval). Please visit our website for e-submission (<https://doc.boi.go.th/>). This new service, in line with the government policies to encourage people to work from home, ensures that companies can still receive services from us as usual.

Source: The Office of the Board of Investment (BOI) email dated 2 April 2020

the Board of Investment (BOI) Measure – Released 13 April 2020

The Board of Investment of Thailand (BOI) approved a series of measures to mitigate the impact of the coronavirus or COVID-19 outbreak on business, including steps to encourage rapid investment in the manufacturing of medical equipment. The board also approved incentives to promote technology-based “smart farming” solutions as well as research and development in a broader range of sectors.

The measures approved today include the following:

A. Accelerate investments in the medical sector

1.1 Apart from the 3 to 8 year tax holidays, a reduction of 50 percent of corporate income tax for an additional 3 years will be given to qualified investments in the medical sector. Examples include the production of medical devices and parts, non-woven fabric used as raw materials in the production of medical supplies, diagnostic test kits, drugs, and active pharmaceutical ingredients. This measure covers projects that apply for promotion between 1 January and 30 June 2020 and must start production and generate income by 31 December 2020. Distribution or donation domestically of at least 50 percent of the output must take place in 2020-2021.

1.2 A measure to support the adjustment of existing production lines to manufacture medical devices or parts by exempting import duties on machinery on the condition the equipment is imported within 2020 and the application for production line adjustment is filed by September 2020.

1.3 Adjustments to the benefits granted for the production of raw materials used in the manufacture of medical products to encourage a more complete value chain in Thailand. For instance, pharmaceutical grade alcohol production can now be entitled to an 8-year corporate income tax exemption. Additional benefits will also be granted for the production of non-woven fabric used as raw materials for the production of medical masks or medical devices, by expanding the corporate income tax exemption to 5 years, from 3 years.

B. Temporary relaxation of investment conditions

A relaxation of investment conditions was approved to mitigate the impact of the virus outbreak, which has affected economic activity both directly and indirectly on BOI promoted businesses. The board agreed to relax deadlines in cases such as the duty-free importation of machinery and the full operation start-up, as well as waivers for applications for temporary cessations of operations for a period of more than two months.

C. Support for the management of water resources

The BOI approved the inclusion of the management of water resources in its earlier announced scheme to encourage private sector participation in support of projects improving the competitiveness of the grassroots economy. The approved extension will allow companies to enjoy tax benefits for up to 3 years and equivalent to 120% of the amount they invest in projects supporting the holistic management of water resources which contributes to flood prevention and helps mitigate the impact of the drought affecting parts of the country. The extension covers projects such as connecting water sources to reservoirs,

installing plumbing systems, digging wells to store water, and the installation of wastewater recycling plants, using reverse osmosis water treatment technology to be installed in local communities.

D. Support to Research and Development

The BOI has broadened the scope of activities eligible for duty-free importation of materials used in research and development to cover all activities required to conduct R&D.

E. Encourage the development of smart farming

To encourage investment in technologies supporting the modernization of the agricultural sector and allow local start-up enterprises to participate in the overall development of digital platforms, the BOI has simplified the conditions of investment promotion of smart farming service while retaining attractive tax incentives.

Source: Investment Services Center, The Board Of Investment Office Of The Prime Ministe No. 43/ 2563 (O.19), 13th April 2020

The Revenue Department more detail on 2nd phase measure on Delaying of Tax Filing, Submission, and Payment (item 1.6, 2.2, 2.3)

The Revenue Department Announcement – Released 2 April 2020

1. Extend the submission of form and payment as general

- 1.1. Personal Income Tax for the tax year 2019 (Por Ngor Dor 90*, 91*, and 95) that must be submitted by 31 March 2020, has extended until 31 August 2020.
- 1.2. Corporate Income Tax for 2019 fiscal year, (Por Ngor Dor 50 and 55) not listed on the Stock Exchange of Thailand, normally submitted during April 2020 to August 2020, extended to 31 August 2020.
- 1.3. Corporate Income Tax for the half of 2020 fiscal year (Por Ngor Dor 51) not listed on the Stock Exchange of Thailand, normally to be submitted within April 2020 to September 2020, extended to 30 September 2020.

2. Extend the submission of form and payment for the entrepreneurs who is closed the premises according to the government order

- 2.1. Withholding Tax (Por Ngor 1, 2, 3, 53, and 54) of March 2020, which is normally submitted within April 2020 and of April 2020, which is normally submitted within May 2020, extended to 15 May 2020.
- 2.2. Value Added Tax
 - 2.2.1. Domestic sales of goods and services (Por Por 30) of March 2020, which must be submitted by April 2020 and April 2020, which must be submitted by May 2020, extended to 23 May 2020
 - 2.2.2. Payment of services to foreign country (Por Por 36) of March 2020, which must be submitted within April 2020, and of April 2020, which must be submitted within May 2020, extended to 15 May 2020.
 - 2.2.3. Specific business tax (Por Tor 40) of March 2020, which must be submitted within April 2020, and of April 2020, which must be submitted within May 2020, extended to 23 May 2020 but not including the case of real estate sales as commercial or profit which is paid at the time of registration of rights and juristic acts.
 - 2.2.4. Stamp duty (Or Sor 4, 4 Kor, 4 Khor) which must be paid within April 1, 2020 until May 15, 2020, extended to 15 May 2020.

Source: The Revenue Department News Por Chor Sor 27/2563

The Revenue Department Announcement - Released April 28 2020

Corporate income tax refunds can be done by PromptPay system beginning May 1, 2020.

Mrs. Sommai Siriudonset, Strategic Tax Consultant (Energy Business Group), as spokesman for the Revenue Department, revealed that “using the PromptPay system will be another way for taxpayers to request a refund, in addition to receiving cheque or receiving bank transfers. This service is available for juristic persons with some basic requirements, including;

1. It is a juristic person which has registered for PromptPay;
2. It has tax returns of less than 100 million baht;

TRD will consider issuing tax refunds to the bank account linked to the company's 13-digit corporate registration number. For other juristic persons that do not meet the above qualifications, the Revenue Department will still issue returns via cheque or via bank account transfer.

Source: The Revenue Department

The Revenue Department has extended the time to submit the application form via the internet for entrepreneurs helps reduce the risk of spreading the COVID-19 virus.

The Revenue Department Announcement – Released 12 May 2020

The Ministry of Finance, with the Revenue Department, has extended the submission of tax returns and payment forms. For the tax month in March until August 2020, only for entrepreneurs submitting online forms helps entrepreneurs not have to travel to file form by themselves, reducing risk during the corona epidemic situation 2019 (COVID-19).

Dr. Ekniti Nitithanprapas Director-General of the Revenue Department Said further that Extending the deadline for submitting the return and payment tax return to the business submitting form this time through the internet consists of withholding tax (income tax PND 1, income tax 2, income tax 3, income tax 53 and income tax 54). From domestic sales of goods and services (Por.Por.30), VAT from payment of overseas services (Por.Por.30) and specific business tax (Por.Por. 40) with details as follows:

Type	Tax month	Filed within
Income Tax Form 1, 2, 3, 53, 54 VAT 30, 36 Phor. 40	March April 2020	1 June 2020
	May 2020	30 June 2020
	June 2020	31 July 2020
	July 2020	31 August 2020
	August 2020	30 Sept. 2020

Source: The Revenue Department, Office of the Secretary Public relations

COVID-19 Relief Measures - corporate compliance summary (secondary source – KPMG)

As the outbreak of COVID-19 may affect the compliance of corporate law, especially the convention of the annual general meeting of shareholders (“AGM”), the Department of Business Development (“DBD”) and the Thai Revenue Department (“TRD”) has released the relief measures to ease the affected entities in the compliance of corporate requirements during this situation.

The summary of the corporate compliance relief measures and the relevant compliance requirements are as follows:

Public limited companies listed in the Stock Exchange of Thailand (“Listed companies”)

	Normal timeline	Extended timeline
AGM	Within 4 months of the end of the accounting period.	<p>Listed companies that are affected by the outbreak of COVID-19 can hold an AGM later than 4 months from end of the accounting period. The timeline is not specified.</p> <p>Listed companies must submit the notification letter* to clarify the reason for not being able to hold an AGM or hold an AGM later than 4 months from the end of the accounting period, along with the updated list of shareholders (form BMJ.006) to the DBD or via website or registered mail. It appears that this may be done when the AGM is to be held.</p> <p>Listed companies must inform the Stock Exchange of Thailand (“SET”) and the shareholders of the companies that the meeting initially scheduled has been postponed.</p>
List of shareholders (BMJ.006) submission	Within 1 month from the AGM date	The timeline remains unchanged, subject to the extended date of the AGM.
Submission of audited financial statements to DBD	Within 1 month from the AGM date	The timeline remains unchanged, subject to the extended date of the AGM.
	Normal timeline	Extended timeline
Submission of financial	<ul style="list-style-type: none"> Unaudited financial statements (optional) - within 	The timeline remains unchanged.

statements to SET (listed companies)	<p>30 days of the end of the quarter or of the company's accounting period.</p> <ul style="list-style-type: none"> Reviewed quarterly financial statements - within 45 days of the end of each quarter. Audited annual financial statements - within three months from the end of an accounting period. 	<p><i>Note:</i> Due to the postponement of AGM, listed companies can appoint the SEC authorized auditor to review financial statements for the first quarter of 2020 in order to disclose information and submit financial statements to SET under the specified timeline. However, the appointment of the auditor should be resolved in the next AGM.</p>
Application for the Board of Investment's corporate income tax incentive utilization Submission	Within 120 days from the end of accounting period.	The timeline remains unchanged.
Annual corporate income tax return (PND.50) submission	Within 150 days from the end of the accounting period. Audited financial statements are required to be submitted with PND.50.	The timeline remains unchanged.
Transfer Pricing ("TP") Disclosure form submission	Within 150 days from the end of accounting period.	The timeline remains unchanged.
Mid-year corporate income tax return (PND.51) submission	Within 2 months from the half of the accounting period.	The timeline remains unchanged.

Limited companies and public limited companies

	Normal timeline	Extended timeline
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AGM	Within 4 months of the end of the accounting period.	<p>Limited companies and public limited companies that are affected by the outbreak of COVID-19 can hold an AGM later than 4 months from end of the accounting period. The timeline is not specified. It appears that this may be done when the AGM is to be held.</p> <p>Limited companies and public limited companies must submit the notification letter* to clarify the reason for not being able to hold an AGM or hold an AGM later than 4 months from the end of the accounting period, along with the updated list of shareholders (form BOJ.5/ BMJ.006) to the DBD or via website or registered mail.</p>
List of shareholders (BOJ.5/ BMJ.006) submission	<ul style="list-style-type: none"> • <i>Limited companies:</i> within 14 days from the AGM date • <i>Public limited companies:</i> within 1 month from the AGM date 	The timeline remains unchanged, subject to the extended date of the AGM.
Submission of audited financial statements to DBD	Within 1 month from the AGM date	The timeline remains unchanged, subject to the extended date of the AGM.
Application for the Board of Investment's corporate income tax incentive utilization submission	Within 120 days from the end of accounting period.	<p><u>31 July 2020</u> or at least 30 days before the PND.50 submission due date.</p> <p><i>Note:</i> The business operator can submit the documents via e-submission system from 30 March 2020 onwards.</p>
Annual corporate income tax return (PND.50) submission	Within 150 days from the end of the accounting period. Audited financial statements are required to be submitted with PND.50.	<p>For limited companies and public limited companies that are required to submit and pay corporate income tax within April 2020, May 2020, June 2020, July 2020 and August 2020, the deadline is extended to <u>31 August 2020</u>.</p> <p>For limited companies and public limited companies that the normal timeline for corporate income tax payment and return submission is from 24 August 2020 to 31 August 2020, the 8-day extension for e-filing is still applicable.</p>
TP Disclosure form submission	Within 150 days from the end of accounting period.	For limited companies and public limited companies that are required to submit TP Disclosure form within April 2020, May 2020, June 2020, July 2020 and August 2020, the deadline is extended to <u>31 August 2020</u> .

<p>Mid-year corporate income tax return (PND.51) submission</p>	<p>Within 2 months from the half of the accounting period.</p>	<p>For limited companies and public limited companies that are required to submit and pay mid-year corporate income tax within April 2020, May 2020, June 2020, July 2020, August 2020 and September 2020, the deadline is extended to <u>30 September 2020</u>.</p> <p>For limited companies and public limited companies that the normal timeline for mid-year corporate income tax payment and return submission is from 23 September 2020 to 30 September 2020, the 8-day extension for e-filing is still applicable.</p>
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Registered partnerships, foreign companies operating business in Thailand and joint ventures

	Normal timeline	Extended timeline
<p>Submission of audited financial statements to DBD</p>	<p>Within 5 months of the end of the accounting period.</p>	<p>For entities that have the accounting period ending from 31 October 2019 to 31 March 2020, the deadline is extended to <u>31 August 2020</u>.</p>
<p>Annual corporate income tax return (PND.50) submission</p>	<p>Within 150 days from the end of the accounting period. Audited financial statements are required to be submitted with PND.50.</p>	<p>For entities that are required to submit and pay corporate income tax within April 2020, May 2020, June 2020, July 2020 and August 2020, the deadline is extended to <u>31 August 2020</u>.</p> <p>For entities that the normal timeline for corporate income tax payment and return submission is from 24 August 2020 to 31 August 2020, the 8-day extension for e-filing is still applicable.</p>
<p>Transfer Pricing (“TP”) Disclosure form submission</p>	<p>Within 150 days from the end of accounting period.</p>	<p>For entities that are required to submit TP Disclosure form within April 2020, May 2020, June 2020, July 2020 and August 2020, the deadline is extended to <u>31 August 2020</u>.</p>
<p>Mid-year corporate income tax return (PND.51) submission</p>	<p>Within 2 months from the half of the accounting period.</p>	<p>For entities that are required to submit and pay mid-year corporate income tax within April 2020, May 2020, June 2020, July 2020, August 2020 and September 2020, the deadline is extended to <u>30 September 2020</u>.</p> <p>For entities that the normal timeline for mid-year corporate income tax payment and return submission is from 23 September 2020 to 30 September 2020, the 8-day extension for e-filing is still applicable.</p>

Trade associations and chambers of commerce

	Normal timeline	Extended timeline
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AGM	Within 120 days of the fiscal year-end.	<p>Trade associations and chambers of commerce that are affected by the outbreak of COVID-19 can hold an AGM later than 120 days from end of fiscal year. The timeline is not specified. It appears that this may be done when the AGM is to be held.</p> <p>Trade associations and chambers of commerce must submit the notification letter to clarify the reason for not being able to hold an AGM or hold an AGM later than 120 days from the end of the fiscal year to the DBD or via website or registered mail.</p>
Submission of audited financial statements to DBD	Within 30 days from the AGM date.	The timeline remains unchanged, subject to the extended date of the AGM.
Annual corporate income tax return (PND.55) submission	Within 150 days from the end of the accounting period. Audited financial statements are required to be submitted with PND.50.	<p>For entities that are required to submit and pay corporate income tax within April 2020, May 2020, June 2020, July 2020 and August 2020, the deadline is extended to <u>31 August 2020</u>.</p> <p>For entities that the normal timeline for corporate income tax payment and return submission is from 24 August 2020 to 31 August 2020, the 8-day extension for e-filing is still applicable.</p>

Note:

*The DBD has published a standard format of letter clarifying the impact from Covid-19 pandemic in particular. The letter can be downloaded from: https://www.dbd.go.th/download/regis_file/covid19/dbdregist_exam_COVID19.pdf Source: KPMG in Thailand newsletter dated 2nd April 2020

ELECTRONIC MEETINGS

A Royal Decree dated 18 April 2020 (gazetted and in force on 19 April) repealed a 2014 NCPO Announcement so that electronic meetings of almost all organisation types (companies, trade associations, chambers of commerce) other than some public sector organisations or bodies can hold director (or equivalent) and member (eg shareholder) meetings electronically.

All can be anywhere in the world
 No need for 1/3 to be in the one place

There is no need to change constitutive documents to allow an electronic meeting (the chairman can determine it)

But there are detailed recording and record-keeping requirements. Traffic data (meta data) of all participants must be kept. Agenda and meeting documents must be emailed. The old 2014 then MICT (now MDES) Announcement about security still applies.

The set up and operation requirements are onerous and should be checked before setting up a meeting. A draft MDES Notification will amend the 2014 MICT Announcement on security measures, but not the 18 April Decree which mandates retaining 'traffic data'

ENTRY RESTRICTIONS

Apart from diplomats, special cases, flight crew etc, only Thai nationals, work permit holders and smart visa holders (not Permanent Residents, not "O; visa holders, not retirees) are allowed entry¹ (leaving aside bans on arriving commercial flights currently extended to 30 April) – see CAAT news 3 April 2020 and 15 April, which does not apply to certain flights including repatriation flights.² Extended by CAAT announcement 27 April, to 31 May.

On 16 May 2020, CAAT announced the Extension of temporary ban on all international flights to Thailand until 30 June 2020.

BROADBAND and AIRTIME SUPPORT

10GB free additional data download – for Thai nationals, one mobile number each, application period is to 30 April provided the service was in place at 31 March. Does not apply to juristic persons (eg companies), or those with package over 10GB or unlimited. The additional 10GB data is valid for 30 days. Financed by Universal Service Obligation Fund (USO) or 3 billion baht from the Broadcasting and Telecommunications Research Fund (BTRF) – reports vary. Co-operative arrangement of operators and NBTC.

100 Minutes free airtime is offered for Thai nationals, one mobile number each.

¹ <https://www.caat.or.th/en/archives/48998> - see 1 (e), (f), there is a 3 April update which does not materially change the 26 March statements; also 15 April update

² <https://www.caat.or.th/en/archives/49329>;

VISA measures – According to Immigration Bureau ³, a 7 April decision, second extension 23 April to 31 July

	Normal	Changed
Permanent Residents (normally residing in Thailand but stuck overseas)	Return within one year or lose Residency status.	Foreigners granted residence in the Kingdom under s. 48 of the Immigration Act and have issued departure notification to return within one year under s.50 are allowed to extend the return trip for more than one year. When the COVID 19 situation is resolved, they must return as soon as possible within the period specified by the Immigration Office. Residents currently have no return rights however.
Expired visa 'from' 26 th March	Overstayer; THB 500/day fine	All visa classes, including VoA and visa exemption categories, automatically extended to 30 April now extended to 31 July, no need to apply for an extension. This also applies to 'B' visa holders (There is evidence of non adherence to this extension, by Immigration Bureau)
90 day reporting – if due for reporting in period 26 March – 30 April	Required to report s. 37(5); efforts to use an on-line reporting tool.	Extend the period of notification – we take this to mean that reporting must be done after 30 April if the reporting obligation fell in the period 26 March – 30 April; extended to 31 July
Visitors from neighbouring countries who hold a temporary border pass and got stuck in Thailand after the borders were shut,	Honour the terms of the pass	will be allowed to stay in Thailand until the borders are re-opened, they will be required to leave Thailand within seven days after the borders reopen.

Work Permit extension does not appear to have been addressed. The initial period to 30 April is based on the lockdown period; given that flights are scarce, an extension of this waiver may be needed.

³ The official EN version on the Immigration Bureau website covered only some of the cases, thus the TH version was relied on for this document

Four Royal Decree and One Decree in effect from 19 April 2020 onward

The Royal Thai Government Gazette – Released 19 April 2020

On 19 April 2020, the Government Gazette website published 4 Royal decrees and 1 decree approved by his Majesty the King and signed by the Prime Minister Gen, Prayut Chan-o-cha. These laws announcement will be an important mechanism worth 1.9 Trillion Baht to mitigate the impact of the coronavirus on the economy, there are basic details as follows

1. The Royal Decree authorizing the Ministry of Finance to proceed loan, in the amount of not over 1 Trillion Baht.
2. The Royal Decree providing financial assistance to entrepreneurs, no more than 500,000 million baht
3. The Royal Decree on Maintaining Financial System Stabilization and Economic Security in 2020 by stipulating that in the term of funds, the amount does not exceed 400,000 million baht.
4. The Royal Decree on Electronic Meetings (covered elsewhere in this file)
5. The Decree on the amount of deposits received general coverage 2020

Source: The Royal Thai Government Gazette website

Updates on 25 May 2020:

The government is set to reallocate 150 billion baht from the 2020 and 2021 fiscal budgets if additional funds for economic and social restoration are needed to blunt the fallout from the pandemic, says the Budget Bureau.

Ministry of Finance has made preparations for securing 150 billion Baht if additional funds for economic and social restoration are needed. Of the 150 billion Baht, 40 billion Baht will be allocated from the 2021 annual budget (to go before the cabinet on May 26), 60 billion Baht will be from the central budget and 50 billion Baht from reallocating unused 2020 budget.

Source: <https://www.bangkokpost.com/business/1923668/b150bn-from-future-budgets-may-be-used>

The board of the Social Security Office (SSO) - 8 May 2020 (Still not approved by cabinet)

The board of the Social Security Office (SSO) said the board stands by its March 24 decision that compensation for workers affected by Covid-19 outbreak is 50% of their wages capped at 15,000 baht a month for a period of two months.

The Labour Ministry, however, decided to raise the compensation payment from 50% to 62%, covering a period of three months. That proposal was approved by the cabinet.

Now, in a new development which would bring about a further boost, Labour Minister MR Chatu Mongkol Sonakul on Wednesday said he would ask the cabinet to approve the compensation payout of 75% of daily wages. If approved it will be retroactive from March.

The proposal drew objections from labour activists who already disagreed with the 62% payment as they saw it as a way for the government to pass the buck to the Social Security Fund (SSF).

The maximum ceiling of the daily wage -- 500 baht a day or 15,000 baht a month -- is used to calculate the compensation. The current rate of 62% comes to 9,300 baht a month. Based on that calculation, the new 75% rate will total 11,250 baht a month.

A source on the SSO board who asked not to be named said the board had agreed with a sub-committee's proposal to classify the Covid-19 pandemic as a "force majeure" under Section 75 of the Labour Protection Act, allowing employees to seek a proportion of their salaries from the SSF.

But the panel settled on 50% compensation for 60 days for those whose jobs were suspended due to the outbreak. This was because they did not lose their jobs, while the 160 billion baht fund was allocated to help those who had become unemployed, according to the source. The source added one of the labour specialists had told the board the government might have to pay the difference to the SSF if it granted more than the board.

National Economic and Social Development Council (NESDC) guideline for B400bn rehabilitation

National Economic and Social Development Council (NESDC) – Announcement on 25 May 2020

National Economic and Social Development Council (NESDC) approved for the 400 billion Baht allocated for economic and social rehabilitation projects to be spent on four sectors:

1. Future sustainable growth (smart agriculture, large-scale farming, food processing, bio-economy, tourism)
2. Local economic development – 200 billion Baht would go to supporting community businesses and community tourism. Tourism and Sports Ministry also plans to provide subsidy for boosting domestic tourism
3. Household and private consumption stimulus; and
4. Small scale infrastructure development (water & irrigation, R&D for digital platform, transport & logistics)

Relevant ministries must propose development projects under these guidelines by June 15. NESDC will screen the projects before proposing them to the cabinet, to be approved by 7 July. The projects are to be implemented from July and completed within fiscal year 2021.

Source: National Economic and Social Development Council (NESDC), <http://nscr.nesdb.go.th/loanact/>