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THAI LEGAL NEWSFLASH

CAPTURING MARKETS

Issue:
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Latest News on Law, Tax and Business in Thailand

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→ Foreign Business Certificate

According to an Announcement by the Department of Business Development dated 15 September 2020, Foreign Business Certificates issued under Section 12 of the Thai Foreign Business Act may be applied for electronically. Foreign Business Cer-

tificates under section 12 relate are issued once a BOI promotion or a permission according to Thailand's Industrial Estate Authority Act has been granted. The new announcement will further ease the application process and diminish bureaucracy.

→ Social Security Incentives

On 11 September 2020, the Ministry of Labor announced a reduction of social security contributions. For the period from September to November 2020, contributions by employers and employees will be reduced to 2 per cent (from 5 per cent), capped at THB 300 as a maximum

contribution. The announcement is in line with the government's strategy to ease the economic impact of covid-19 on employers and employees in Thailand. The first reduction of social security contributions was announced end of March 2020.

→ Investment Incentives

The government is considering the amendment of existing investment incentives in Thailand's Special Economic Zones for SMEs. Thailand currently has ten special economic zones located in the border areas with Malaysia, Myanmar, Laos

and Cambodia to facilitate investment, namely in the provinces Chiang Rai, Kanchanaburi, Narathiwat, Nong Khai, Nakhon Phanom, Trat, Songkhla, Tak, Sa Kaeo and Mukdahan.

→ Tax Break to Boost Domestic Spending

On 7 October 2020, the Center for Economic Situation Administration approved a measure to increase domestic consumption. Taxpayers purchasing goods and services subject to Value Added Tax during the period from 23 October to 31 December 2020, may deduct spending of up to THB 30,000 from their assessable income for the purpose of Personal Income Tax computation.

Excluded are purchases of alcoholic beverages, tobacco, lottery, fuel, accommodation services, and air travel. Taxpayers taking part in other welfare programs designed to lessen the covid-19 crisis's impact, such as money hand-outs and spending assistance, are not eligible for the tax break. The measure still requires formal cabinet approval which is expected soon.

→ Extension of Emergency Decree

The Center for the covid-19 Situation in Thailand, chaired by the Prime Minister, has approved measures to extend the State of Emergency until

31 October 2020. Under the Emergency Decree, the government is entitled to implement measures to curb the spread of covid-19.

→ Entry to Thailand

The meeting on 28 September 2020 of the Center for the covid-19 Situation in Thailand has initially approved a proposal to allow for additional groups of foreigners to enter Thailand as follows:

- Holders of any non-immigrant visa travelling for business purposes not holding a work permit in Thailand, if they can provide a bank statement showing available funds equal to THB 500,000 over the last six months;
- Holders of a new Special Tourist Visa, the specifics of which will be announced by the related ministries;
- Holders of the Asia Pacific Economic Cooperation Business Travel Card, if the travellers are coming from dedicated low-risk countries such as New Zealand, Australia, Singapore, Malaysia, South-

Korea, Japan, China, and Hong Kong.

- Foreigners wishing to stay for at least 60 days may enter, if they can provide a bank statement showing available funds equal to THB 500,000 over the last six months;
- Foreign athletes attending specific sports events, namely the international bike race taking place from 6 to 16 October in Thailand. It is expected that similar permissions will be granted to other sports events.

However, upon entry to Thailand, all persons have to quarantine for 14 days, have to download and register a specific application, and have to comply with all other regulations in place to prevent the spread of covid-19.

→ Online Dispute Resolution

The Thai Arbitration Institute (TAI) has updated the TAI Arbitration Rules in consideration of the needs for social distancing during covid-19. Under the new rules, arbitral proceedings can be conducted

online. An initial test of the online arbitration process was conducted in April of this year and found the system efficient and reliable.

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