



25th March 2020

SUMMARY

MEASURES TO LOOK AFTER AND TO ALLEVIATE THE EFFECTS OF THE CORONA VIRUS (COVID-19) ON THE THAI ECONOMY, BOTH DIRECTLY AND INDIRECTLY *(Only Measures That Relevant to Businesses)*

1st PHASE

The cabinet released the first set of measure on COVID-19 to support the economy on 10th March 2020 as following:

1. FINANCIAL MEASURE

- 1.1. Low interest rate:** Government Saving Bank (GSB) will provide financial support at THB 150,000 million to financial institution at the rate of 0.01% for the financial institution providing the loan to SMEs at 2% for 2 years at maximum of THB 20 million per borrower.
- 1.2. Repayment:** Special Financial Institutes (SFI) will relax term and condition of repayment by giving grace period for repayment on principle, reducing interest rate, extending the repayment period, etc. Some SFIs have refinancing project for credit card debt.
- 1.3. Loan Requirement:** BOT provides guideline for all financial institutions by relaxing the loan classification regulation and giving more flexibility on loan approval for entrepreneurs' liquidity.
- 1.4. Employment:** Social Security Office (SSO) and financial institutions will give a financial support at low interest rate for THB 30 billion to SSO members (employer) who contributes to SSO funds at least 3 months and maintains the employment at least 80% of total SSO members (employee) with repayment period of 3 years.

2. TAXATION MEASURE

- 2.1. Withholding Tax:** Reducing withholding tax from 3% to 1% from 1st April to 30th September 2020 and to 2% from 1st October to 31st December 2021, only applicable to withholding tax payment through TRD's e-Withholding Tax system.
- 2.2. Interest Payment:** Any interest on loan can be deducted at 150% for interest during 1st April – 31st December 2020, only applicable to entrepreneurs who are receiving low interest rate financial support from this resolution and registered on Single Financial Statement.
- 2.3. Employment:** SMEs can deduct the expenses for hiring/salary of employees who are member of SSO and receiving income not more than THB 15,000 per month at 300% from 1st April to 30th July 2020. SMEs must hire the same number of employees as declared at SSO in December 2019.

2.4. VAT Refund: If submitting through internet, refund within 15 days. If submitting by paper, refund within 45 days.

3. OTHERS MEASURE

3.1. Social Security Funds: Reducing contribution from employer and employee from 5% to 4% from 1st March to 31st August 2020.

More Information on 1st Phase:

- Financial Measure: Tel. 02 273 9020 ext. 3235
- Taxation Measure: Tel. 02 273 9020 ext. 3509, 3529, 3512
- Social Security Funds Measure: Tel: 02 273 9020 ext. 3643

2nd PHASE

The cabinet released the second set of measure on COVID-19 on 24th March 2020 as following (only measure that relevant to businesses):

4. MEASURE FOR EMPLOYEE

4.1. Extending Personal Income Tax Submission: Extending from 30th June to 31st August 2020

4.2. Increasing Tax Deducible on Insurance Expense: 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.

5. MEASURE FOR COMPANY

5.1. Loans: 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.

5.2. 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)

- 5.3. 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.
- 5.4. 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 are taken from an industrial facility or a bonded warehouse, effective period April to June 2020.
- 5.5. 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.
- 5.6. 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.
- 5.7. Tax Measure for Debt Restructuring:**
- (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.
 - Reducing Registration Fees for Rights and Juristic of Transferring and Mortgaging Properties Under The 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

More Information on 2nd Phase:

- For Item 4.1, 4.2, 5.2, 5.3, 5.6, 5.7: Tel. 02 273 9020 ext. 3558
- For Item 5.1: Tel. 02 273 9020 ext. 3235
- For Item 5.4 and 5.5 Tel: 02 241 5600