

## **Thailand Tax update : Tax measure related to the impact from COVID-19**

March 2020

## Disclaimer

The information provided in this document is based on the announcement of Ministry of Finance (“MOF”) for tax measures related to the impact from COVID-19, which have been approved by the Thai Cabinet on 10 March 2020 and 24 March 2020. The official law has not been enacted yet and, therefore, subject to change.

This document is designed as a basis for further discussion/analysis and contains general information only. Specific advice and recommendations should be sought from relevant professionals prior to executing any transaction.

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**5 measures of Covid-19 tax relief  
by The Thai Revenue Department**


Approved by the Cabinet on 10<sup>th</sup> March 2020

<b>1</b>	<b>Reduction of withholding tax rates</b>
<b>2</b>	<b>Additional deduction of 1.5 times on interest expenses for SMEs</b>
<b>3</b>	<b>Additional deduction of 3 times on staff expenses for SMEs</b>
<b>4</b>	<b>VAT refund for Good Exporter</b>
<b>5</b>	<b>Additional deduction from donation to support Covid-19 response fund</b>

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## Reduction of withholding tax ("WHT") rates

Incentives	Period	Filing requirement
From 3% to 1.5%	April 2020 – September 2020	Manual or e-Withholding Tax
From 3% to 2%	October 2020 – December 2021	e-Withholding Tax

 <b>Conditions</b>	1) A company or a juristic partnership	2) Individual
	<u>Category of income</u> 1. income derived from hire of work 2. service fee 3. income from liberal professions 4. commission fee	<u>Category of income</u> 1. income derived from hire of work 2. service fee 3. income from liberal professions
<b>Remarks</b> *Exception: a foundation or association		

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## **Additional deduction of 1.5 times on interest expenses for SMEs**



### **Conditions**

- SMEs that participated in the government's low-interest loans (soft-loans) program and have accurate accounting information under one book of accounts
- A company has an annual turnover not exceeding 500 million Baht per year
- A company has employees not exceeding 200 people
- A company's accounting periods ended on or before 30 September 2019
- The interest expenses must be paid during April 2020 to December 2020

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## **Additional deduction of 3 times on staff expenses for SMEs**

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### **Conditions**

- A company has an annual turnover not exceeding 500 million Baht per year
- A company has employees not exceeding 200 people
- A company's accounting periods ended on or before 30 September 2019
- Number of employees must not be less than the number as at the end of December 2019 and employees' monthly salaries do not exceed 15,000 Baht per person
- The wages or salaries must be paid during April 2020 to July 2020

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## VAT refund for Good Exporter

Incentives	Filing requirement
VAT refund within 15 days (normally 30 days)	Internet
VAT refund within 45 days (normally 60 days)	Paper filing



### Conditions

- A company or a juristic partner that qualifies as a Good Exporter under Taw.490/2562



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## Additional deduction from donation to support Covid-19 response fund

Incentives	Taxable person	Type of assets to be donated
Additional deduction of not exceeding 10% of gross income after deduction of expenses	Individual	Cash
Additional deduction of not exceeding 2% of net profits	A company or a juristic partnership	Cash or assets
VAT exemption	VAT operator	Assets



### Conditions

- Donation via e-Donation platform from 5 March 2020 to 5 March 2021
- Bank account: 067-0-138290-0 (Krung Thai Bank, the Government House Branch)

**4 measures of Covid-19 tax relief  
Phase II by The Thai Revenue  
Department**

Approved by the Cabinet on 24<sup>th</sup> March 2020

<b>1</b>	<b>Extension of the submission date for CIT and PIT</b>
<b>2</b>	<b>Extension of the submission date tax returns filing and payment (e.g., VAT, SBT and other taxes)</b>
<b>3</b>	<b>Import duty exemption</b>
<b>4</b>	<b>Tax exemption and transfer fee reduction for debt restructuring for non-financial institution creditor</b>

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## Extension of the submission date for CIT and PIT

The new deadline	
Personal income tax ("PIT) for FY2019 (PND.90 and PND.91)	Within 31 August 2020
The annual corporate income tax ("CIT) for FY2019 (PND.50)	Within 31 August 2020
The half-year CIT for FY2020 (PND.51)	Within 30 September 2020



### Conditions

- The extension deadline of CIT returns filing will be apply only for non-listed company

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## **Extension of the submission date tax returns filing and payment (e.g., VAT, SBT and other taxes)**

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### **Conditions**

- A company which is closed by the government order (e.g., The Ministry of Interior, Local Administrative Organization, the Ministry of Health etc.) for Covid-19 prevention
- Other company which is significantly impacted from the Covid-19 (this will be considered by the Ministry of Finance on case-by-case basis)

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## Import duty exemption

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### Conditions

- The import duty will be exempt for certain goods under the announcement of the Ministry of Health for protection against Covid-19 and medical treatments until 30 September 2020

## 4

## Tax exemption and transfer fee reduction for debt restructuring for non-financial institution creditor

Description	Covered person				Tax exemption				
	Debtor		Creditor		PIT	CIT	Value added tax ("VAT")	Specific Business tax ("SBT")	Stamp duty ("SD")
	Individual	Corporate	Individual	Corporate					
• Income derived from the creditor debt forgiveness	✓	✓	-	-	✓	✓	-	-	-
• Income derived from transfer of assets, goods or services in relation to the debt restructuring and execution of relevant instrument	✓	✓	✓	✓	✓	✓	✓	✓	✓
• Income derived from the transfer of immovable property which is previously mortgaged to the creditor to others and execution of relevant instrument under the condition that the debtor shall use that income to repay the debt to the creditor	✓	✓	-	-	✓	✓	-	✓	✓
<ul style="list-style-type: none"> <li>• Relaxation of regulations for bad debts written off</li> <li>• Reduction of registration fee, transfer fee and/or mortgage fee of immovable assets and condominium in relation to the debt restructuring from 2% to <u>0.01%</u> until <u>31 December 2020</u></li> </ul>									



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