



Foreigners Work in Thailand Without Work Permit

Foreigners' Working Management Emergency Decree (No.2) B.E. 2561 (2018) has become effective on 27th March 2018 amending requirements for a work permit. According to the new amendment, the following foreigners are not required to obtain work permits to work and operate businesses in Thailand:

- (1) foreigners who enter into the Kingdom occasionally for arranging or attending meeting, giving the opinion, lecturing or demonstrating in meeting, training, exhibition or seminar or exhibition, culture or sports or other activities as prescribed by the Cabinet;
- (2) foreigners who entered into the Kingdom for engaging in the business or investment, or being talented experts or highly-skilled professionals and will develop the economy of Thailand as prescribed by the Cabinet;
- (3) foreigners who are representatives of a company holding a foreign business license under the foreign business law of Thailand.

Approval on Operating Foreign Currency Business for Securities Company

According to the Announcement No. 37/2561 of the Bank of Thailand ("BoT"), in order to support the measurement of Ease of Doing Business in Thailand, the Ministry of Finance and the BoT have issued numbers of Notifications regulating and approving a securities company which applies for a foreign currency business license in Thailand ("Authorized Securities Company"). In this regard, an authorized securities company would be entitled to purchase, sell, or exchange foreign currency directly to its customer for the investment in securities of which the authorized securities company acts as Securities Broker. This Announcement would provide more convenience to either local investor or foreign investor in a sale or exchange of foreign currency as the transactions could be made with any authorized securities company, instead of only with a commercial

bank. This Announcement method became effective on 13 June 2018 onwards.

Under the Notification of the BoT No. For. Gor. Ngor. (21) Vor. 22/2561 dated 13 June 2018, a securities company intending to apply for a foreign currency business license must satisfy requirements as prescribed by the BoT. Important requirements are as set forth below:

1. A securities company must obtain a license for a securities broker business for all types of securities;
2. A securities company must operate its securities broker business for not less than three years; and
3. A director and a manager of a securities company must satisfy requirements as prescribed by the BoT.

Bill on Proposal Amendment to PLCA

On 7 August 2018, the Committee on Amendment of Public Limited Company Act ("Committee") proposed Bill on Amendments to Public Company Limited Act, which is revised in accordance with the 3rd public hearing. The Key features of the proposed Amendment Bill can be summarized as follows:

1. A public limited company can publish any declaration such as a notice by electronic mean as prescribed in the announcement of the Ministry of Commerce.
The period for publishing in newspaper has been decreased from 3 days to 1 day.
2. As mentioned, sending a notice or any letter might be sent by electronic mean.
3. The meeting of board of directors can be held by using electronic means as prescribed by the announcement of the Ministry of commerce.
4. A notice of board meeting can be sent by e-mail or other technology as approved by the Ministry of Commerce instead of sending a physical notice in writing.
5. In case that chairman does not hold a BOD meeting within 14 days from the date of request from the directors, the directors can summon the BOD meeting by themselves.
6. A shareholder can give a consent to a third person as a representative in order to participate in the meeting.

Digital Asset Business Act

Digital token offering

Digital token offering must be made only by a company established under Thai law. Criteria for approval of digital token offering require various conditions such as clear disclosure of information, fairness and compliance. Furthermore, there must be no grounds of suspicion regarding the issuer's intention to avoid regulatory compliance or exploit investors and the issuer must have integrity of directors and executives who must not have any prohibited characteristic.

Digital business operators

The Digital Asset Business law defines the digital business operators into 3 types which are digital asset exchange, digital asset broker and digital asset dealer, all types require an approval for operating respective businesses from the Minister of Finance and maintenance of standards specified by the Securities and Exchange Commission or the SEC. Each type of operators is required to have adequate source of fund in a different amount. For example, at least 10 million baht for digital asset exchange, 5 million baht for digital asset broker and digital asset dealer. However, the amount of capital will affect the power of management of customer assets, for instance, low capital might not allow the operator to transfer certain assets of a customer.

Trade and Exchange of digital assets

Digital assets and cryptocurrencies to be traded and exchanged must be specified by the SEC and denominated in Thai Baht only.

E-business Tax

According to the proposed e-business tax law in Thailand, a foreign company that maintains services through electronic mean to a non-VAT registered person in Thailand would be required to pay VAT in Thailand, if it appears that such foreign company has annual VAT income over Thai Baht 1.8 million per annum and these services are available within Thailand. the Revenue Department of Thailand requires the business operator to apply for registration with within 30 days from the date on which VAT income of the operator is over the threshold.

The foreign business operator is now alerted to these following matters.

1. A foreign business operator is expected to become a taxpayer with no right to claim VAT from consumers in Thailand.

2. A foreign business operator shall file VAT returns through the Revenue Department website and make a payment to the Revenue Department via electronic channels in accordance with the rules, procedures and conditions prescribed by the Director General of the Revenue Department.
3. A foreign business operator registered for VAT will not be able to claim input VAT credit or obtain VAT refund.
4. A foreign business operator which registered for VAT in Thailand is no longer to issue tax invoice.
5. There is a punitive sanction for failure of registration or failure to file a VAT return or failure to remit VAT to the Revenue Department.

The proposed e-business tax Bill would be effective 180 days after the proposed e-business tax Bill would become an Act of amendment to the Revenue Code and would be published in the Royal Gazette.

Cabinet maintains 7% VAT for another year

On July 3, 2018 - The Cabinet resolved to maintain the value-added tax (VAT) rate at 7 percent for one more year to stimulate consumption and private investment, even the extension of the policy may cost the government 258 billion baht in lost revenue tax collection. As a consequent, 7 percent VAT will be effective until September 30, 2019 unless the reduced rate would be further maintained.

Extension of the tax exemption on transfer of assets from individuals, unregistered partners and non-juristic bodies of persons to companies.

In May, 2018- the Cabinet extended the business promotion period in the decree for conversion of individuals , unregistered partners and non-juristic bodies of persons to companies from January 1, 2018 to December 31, 2018. The decree has come into effect with these significant points, for example, an individual, unregistered partner and non-juristic body of person will benefit from the exemption of income tax, value added tax, specific business tax and stamp duty for income and revenue derived from the transfer of assets to a new company of which shares are issued. However, those assets must be used in the business before transferring to the new company .

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