



Bank of Thailand issues relief measures for debtor during Covid-19 outbreak.

Individual debtor

From 1 January to 31 December 2020

- **Working Capital:**

- Approving additional loan.

- **Debt Restructure:**

- Extend due date for debt repayment, including loan for business as Packing Credit or Trust Receipt.

- Change type of loan from short term loan to long-term loan.

- Grace period of interest/debt payment.

- Reduce interest/fee for credit card & Personal loan

- Reduce minimum credit card payment of 10% of the total amount

- Adjust maximum of credit limit for emergency personal loan

From 1 April 2020

- **Credit card & Personal loan**

- Reduce minimum credit card payment in years from 2020 to 2021 at rate of 5%, in year of 2022 at rate of 8% and in year of 2023 at rate of 10%.

- Debt from credit card and personal loan could change to term loan at lower interest rate.

- **Personal Installment Payment and Auto Cash**

- Financial institution and specialized financial institution: postponing debt repayment for 3 months.

- other institutions: reduce installment payment by 30 % for 6 months or postponing debt repayment for 3 months.

- **Hire Purchase and Leasing**

Postpone debt repayment for 3 months or principal amount for 6 months for motorcycle's credit limit not exceeding 35,000 THB, car's credit limit not exceeding 250,000 THB and leasing of which debt does not exceed 3 million THB:

- **House loan and SMEs micro-finance and nano-finance loan**

Postpone debt repayment for 3 months for house loan's credit limit not exceeding 3 million THB and SMEs micro-finance and Nano-finance loan's credit limit not exceeding 20 million THB.

SMEs debtor

- Postpone debt repayment for 6 months for SMEs which have credit limit not exceeding 100 million THB and are not NPL debtors. The postponement of debt repayment shall not be considered as a default of repayment.

- Provide soft loan for SMEs which have credit limit not exceeding 500 million THB and considered as good debtor for the interest rate of 2% for 2 years. The government shall compensate for payment for 6 months by providing additional loan not exceeding 20 % of due debt on 31 December 2019 per business.

BOI Approved Measures to Ease COVID-19 Impact

The Board of Investment of Thailand ("BOI") announced measures to mitigate the impact of COVID-19 outbreak on business including the following:

- 1) Measures to support medical industry

for investment promotion to the medical sector

1. The BOI will grant 50% reduction on corporate income tax for 3 years for the investors in the medical industry for investments including medical devices or parts, medical equipment supplies, non-woven fabric to produce face masks, personal protection equipment, diagnostic test kits, drugs, and active pharmaceutical ingredients.
2. company shall apply for investment incentives between 1 January and 30 June 2020, and the company must commence its business and start generating income by 31 December 2020.
3. At least 50% of the products which are made from 2020 to 2021 must be distributed and/or donated domestically.

Adjustment of privileges for producing raw materials used in manufacturing medical products

1. The production of pharmaceutical-grade alcohol is entitled to an exemption from corporate income tax for 8 years.
2. Corporate income tax shall be exempted for 5 years for production of non-woven fabric used as raw materials to produce surgical masks or medical devices.

Measures to support the adjustment of existing production lines to produce medical devices

Company will receive an exemption from import duty for machinery imported to adjust the production lines of medical devices or parts, by filing applications to amend the promoted project by September 2020 and must import the machinery within the year 2020.

2) Temporary relaxation of investment conditions

1. The deadline of the duty-free importation of machinery and the full operation start-up has been extended.

2. Waivers for applications for temporary cessations of operations for a period of more than two months.

3) 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.

4) Encourage the development of smart farming

The BOI has encouraged investment in technologies supporting the modernization of the agricultural sector and has allowed local start-up enterprises to participate in the development of digital platforms.

The Notification of Board of Investment (BOI) No. 3/B.E. 2563 (A.D. 2020) on Investment Stimulus Measures has been issued.

The Notification of the Board of Investment (“BOI”) No. 3/B.E. 2563 (A.D. 2020) on Investment Stimulus Measures was published in the Royal Gazette and came into effect on **5 May 2020**. This Notification has the purpose to promote large scale projects in the target industry to invest speedily within the country by **designation the area of every provinces to be BOI promoted zone**. The conditions that set out in relation to applications for investment promotion are as follow:

1. Promoted projects have to fall within **A1, A2 and A3 group** only, except projects which do not have an establishment such as air transportation project or sea transportation project;
2. Promoted projects which receive privileges and are exempted from corporate income tax according to investment stimulus measures for a period **not over 8 years**;

3. Promoted projects that has **investment capital**, excluding land and working capital as follows:
 - 3.1 **At least 500 million baht** from 6 February 2020 to 30 December 2020; or
 - 3.2 **At least 1,000 million baht** from 6 February 2020 to 30 December 2021
4. Time for importing machines shall not be extended.

All promoted projects which comply with these conditions shall receive privileges and are entitled to 50% deduction of corporate income tax for the period of 5 years from the date on which exemption of corporate income tax ends.

This Notification shall be used for projects which apply for investment promotion from BOI from 2 January 2019 to the last day of the year 2020 and evidence of investment shall be filed with the Office of the BOI within the last working day of June 2021.

How Intellectual Property Can Strengthen Business During COVID-19 Pandemic

World Intellectual Property Organization (WIPO) raises awareness on how copyrights, patents, trademarks, and designs contribute to economic growth and innovation. Intellectual Property (I.P.) rights can help accelerate private sector innovation and break-through technologies, as well as dissemination of existing technologies. Currently, the economy has been devastated from COVID-19 pandemic. Businesses try to survive within this situation.

The investment in real estate or stocks has been paused, but the demand for medicines and medical supplies has been increasing. Therefore, the importance of I.P. rights in protecting against the manufacturing and dissemination of counterfeit essential medical supplies, such as medical equipment, face masks and medicines has been enlarging.

The Department of Intellectual Property of Thailand (DIP) will be allowing an applicant or an owner to file a request for a grace period to extend the deadline. This grace period is preliminarily provided for the applicant or the owner who is directly affected by COVID-19. This grace period shall apply to all I.P. processes, such as application deadline, registration deadline, opposition deadline, office action deadline and payment deadline. However, it is advised that the applicant or the owner shall maintain the formal deadline and prepare in advance for benefits in protection of the I.P.

The Notification of the Ministry of Finance on Specification of Business Type, Duration, and Conditions for Employees or Employers to Cease or Postpone Remittance of Contributions to the Provident Fund in the Area that has an Economic Crisis, Disasters or Events which Affect the Economic Situation.

In order to decrease the suffering to employees and employers who are affected from the outbreak of COVID-19, which affects economic situation, the Ministry of Finance issued its Notification which is composed of main points as follow:

1. Employees or employers can cease or postpone remittance of contribution to the provident fund or the fund due to COVID-19 situation for a temporary period. This postponement starts from May to December 2020, and the status of both employees and employers who do not remit contribution to the fund in this period are maintained.
2. Temporary postponement has to receive approval from a general meeting of Members. The votes required for the resolution of the general meeting must be as stipulated in fund's regulation, or not less than half of the number of members who attended the general meeting.

3. Employers or the Fund Committee shall inform the postponement of the contribution to the registrar and provide the documents as follows:
 - 1) Confirmation Letter prepared by the employer about financial difficulties due to COVID-19; and
 - 2) Minutes of a general meeting or Minutes of the Fund Committee with the following statements:
 - 2.1) The employer's business struggles with financial difficulties due to COVID-19; and
 - 2.2) The meeting resolved the temporary period for postponement of remitting contribution to the fund.

Should you have any question, please do not hesitate to contact us via info@bglballaw.com

