



Thailand Approves latest Relief Measures for Business in Thailand

The government intended to launch the SME co-payment project by mid-2021, which will help small and medium-sized businesses (SMEs) reduce costs while improving their competitiveness. On March 23, 2021, Thailand's government approved its latest economic relief package, valued at 350 billion baht, to support businesses in Thailand. Some 250 billion baht was allocated for soft loan facility for businesses, with the remaining 100 billion baht through an asset warehousing, whereby debtors can use their assets as loan collateral but will have the buy-back options within a fixed time frame.

To better help business recovery, the economic relief scheme has been extended to include both new and current borrowers, and the credit limit has been increased. In addition, the duration of the tenure was prolonged.

- **Loan Scheme:** Under the scheme, business owners with existing credit line to receive not exceeding 500 million baht as of 28 February 2021, financial institutions can apply for loans of up to 30 percent of the credit limit; this was previously at 20 percent and capped at 150 million baht. The loan tenure has also been extended to five years, whereas earlier it was two years. The loan guarantee period is 10 years and the compensation will not exceed 40 percent of the debts under the scheme. New borrowers with no existing credit line with financial institutions, as of February 28, 2021, are eligible to receive not exceeding 20 million baht.
- **Asset Warehousing scheme:** The asset warehousing scheme enables a business owner to use properties of the business owner as collateral for loans, with the Bank of Thailand tasked with screening debtors. Debtors will be able to buy back their properties after their financial situation improves. The Bank of Thailand will provide the loans to financial institutions, who will then extend them to debtors as part of this debt relief scheme. Other relevant government organizations will, simultaneously, also provide tax benefits either exemptions or reductions and relevant fees for both transfers and repurchase.