

NEWSLETTER

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TAX UPDATE

1. Deadlines for Tax Return and Financial Statement Filings are Extended

To help business operators who had been affected by the recent political unrest, the Ministry of Finance and the Revenue Department extends the deadline for tax return filing as detailed below:

1. The deadline for filing a corporate income tax return (Form P.N.D. 50) for the accounting year that ended on December 31, 2009 has been extended to September 30, 2010.
2. The deadline for filing a value added tax return (Form P.P. 30) is the 15th day of the next month and the deadline for filing the withholding income tax return (Form P.N.D. 1, Form P.N.D. 3 and Form P.N.D. 53) is the 7th day of the next month. All the deadlines will be extended for two months, counting from the day that the demonstration ended.

The affected business operators must file a request for extension of time at a local revenue office so the committee will consider granting the extension on the case-by-case basis.

Similarly the Department of Business Development extends the deadlines for filing a financial statement for a registered partnership, a limited company, a public limited company, a foreign company operating in Thailand and a joint venture with the head office located in Bangkok, Nonthaburi and Samuthprakarn that have been affected by the unrest until June 30, 2010.

For more details, please contact our lawyer for consultation.

TAX UPDATE

2. Tax Cut for Debt Restructure is Extended until End of 2010

In early 2009, the government introduced the tax cut for debt restructure to help facilitate the debt restructure of financial institutions. The previous tax measure for debt structure had ended since the end of 2009, but the debt restructures of financial institutions have not been completed yet. As a result, the government extends the tax cut for debt restructure until the end of 2010.

The tax privileges will be provided for the debt restructure in the private sector by exempting the income tax.

Tax Free Debt Release for Financial Institution's Debtor

The income tax exemption is granted to a debtor of a financial institution for a debt release made by a financial institution in accordance with the debt restructure criteria set out by the Bank of Thailand. A debt release must be made in 2010.

Tax Free Transaction for Financial Institution's Debtor and Financial Institution

The income tax, the value added tax, the specific business tax and the stamp duty are exempted for the incomes that a debtor of a financial institution and a financial institution derive from transfer of property, sale of good or performance of service and execution of instruments in accordance with the debt restructure of a financial institution according to the criteria set out by the Bank of Thailand for transfer of property, sale of good or performance of services or execution of instrument made in 2010.

Tax Free Debt Release for Non-Financial Institution's Debtor

The tax relief is also provided to a debtor of a non-financial institution creditor for a debt release made by a non-financial institution creditor, which applies the debt restructure criteria set out by the Bank of Thailand mutatis mutandis. A debt release must be made in 2010.

Tax Free Transaction for Non-Financial Institution's Debtor and Non-Financial Institution Creditor

The income tax, the value added tax, the specific business tax and the stamp duty are exempted for the incomes that a debtor of non-financial institution and a non-financial institution creditor derive from transfer of property, sale of good or performance of service and execution of instruments according the debt restructure, which applies the debt restructure criteria set out by the Bank of Thailand mutatis mutandis for transfer of property, sale of good or performance of services or execution of instrument made in 2010.

Tax Free Property Conveyance for Financial Institution's Debtor

The income tax, the specific business tax, and the stamp duty are exempted for the income that a debtor of a financial institution derives

from transferring debtor's immovable property that has been mortgaged as collateral with the financial institution to any third person who is not a financial institution and for the instruments related to conveyance of immovable property only to the extent that the debtor of the financial institution remits the proceeds to repay the debt to the financial institution creditor who restructures the debt according to the debt restructure criteria set out by the Bank of Thailand. Tax free property conveyance is only applicable in 2010.

For more details, please contact our lawyer for consultation.

TAX UPDATE

3. Tax Cut for Corporate Restructure is Extended until End of 2010

In early 2009 the government introduced the tax cut for corporate restructure to help facilitate the restructure in corporate Thailand. The previous tax measure for corporate restructure had ended since the end of 2009. Given Thailand is still facing the economical crisis, the government extends the tax cut for corporate restructure until the end of 2010. The value added tax, specific business tax and stamp duty exemptions will be offered for the limited companies and public limited companies that transfer the part of the business to each other, provided that such transfer must complete by 2010.

For more details, please contact our lawyer for consultation

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We structure our general counsel scheme based entirely on your particular needs. So your retainer scheme or project based scheme is tailor made to meet your particular needs.

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Please contact our attorney, should you require any legal assistance.

NARIT & ASSOCIATES

Attorneys at Law

LEGAL AND TAX SERVICES

BANGKOK, THAILAND

FIRM PROFILE

NARIT & ASSOCIATES is international law firm based in Bangkok, Thailand with principal areas of practice on Corporate & Commercial, Mergers & Acquisitions, Tax Planning, Litigation & Dispute Resolution, Business Contracts/Agreements, Real Estate & Construction, Insurance and Employment.

We have experiences in advising our clients, from publicly held companies, Thai subsidiaries of multinational corporations to foreign and private investors, across a broad range of matters, including acquisitions of local companies, formation of joint venture companies, international sales, investment/divestment, distributorship, commercial contract tax planning, cross border tax planning, transfer pricing, remittance of profit and tax dispute.

As we aspire to be a fast growing legal service provider in Thailand, we are pleased to offer our high quality legal services at a very competitive rate, as compared to those of other international law firms.

Contact our lawyer to find out how we can help you.

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