

NEWSLETTER

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1. New International Roads Transport Law

The International Roads Transport Act, B.E. 2556 (2013) (the "Act") is enacted and becomes effective on March 17, 2014. The Act is applicable to:

- (i) a transport on the roads from Thailand to a destination in a foreign country;
- (ii) a transport on the roads from a foreign country to a destination in Thailand;
- (iii) a transport on the road from a foreign country through Thailand to a destination in another foreign country; and
- (iv) a international road transport, which one party is a Thai citizen or a company incorporated in Thailand, unless the parties agree to use the law of the foreign country or international law.

The Act regulates many aspect of the international road transport between a carrier and a sender/consignee in greater details than those of the Civil and Commercial Code as explained here below. As far transport/logistic companies and companies using international roads transport are concerned, it is a time to review their existing transport contracts in light of the new legal developments.

1. Carrier's Liability for Loss, Damage or Delay

The Act explicitly holds a carrier liable for loss, damage or delay.

2. Presumed Loss of Goods

When a scheduled delivery date passes without any delivery for the period not less than 30 days or when the time that the goods should be delivered passes without any delivery for the period not less than 60 days from the date that a carrier picks up the goods, the goods shall be presumed to be completely lost, which entitles a sender or a consignee to claim for a compensation if as the goods were completely lost, unless the evidence indicates otherwise.

3. Circumstances Exempt from Liability

The Act provides that a carrier is not liable for any loss, damage or delay if it is proved that any loss, damage or delay arises from:

- (i) the force majeure;
- (ii) the nature of goods;
- (iii) any willful or negligent act of a sender or a consignee;
- (iv) any act in accordance with an instruction of a sender or a consignee unless it arises from an unlawful act or omission or negligence of a carrier or a carrier's employee/agent/sub-carrier; or
- (v) the nature of the special risk as prescribed by the Act.

4. Computation of the Compensation for Loss or Damage

The computation for loss or damage shall be based on the future price of goods. If the future price is not available, then the computation shall be based on the spot price of the goods. If both future price and spot price are not available, the computation shall be based on the regular price at the place and the time that a carrier picks up the goods.

A carrier is also liable for the transport fee for lost/damaged goods.

5. Carrier's Limited Liability

The Act explicitly limits the liability for loss or damage of a carrier up to 8.3 units of the special drawing right ("SDR") as announced by the Bank of Thailand per one kilogram of the total weight of the goods that are lost or damaged. The SDR shall be converted into Thai Baht using the exchange rate announced by the Bank of Thailand. The Act also limits the liability for delay of a carrier up to a transport fee.

These limitations of liability do not apply in any of these circumstances:

- (i) a sender notifies the price of goods prior to carrier's picking up the goods and pays an additional fee as agreed with the carrier by indicating the price in a consignment note, then the carrier shall be liable up to the amount specified in the consignment note;

- (ii) a sender notifies the amount of the special interest that may incur in case of loss, damage or delay prior to carrier's picking up the goods and pays an additional fee as agreed with the carrier by indicating the amount of the special interest in a consignment note, the carrier shall be liable up to the amount of the special interest to the extent that it is provable; and
- (iii) any loss, damage or delay arises from any willful or negligent act of a carrier, his employee or agent or sub-carrier even with the awareness that such loss, damage or delay may occur, the carrier shall be liable to a sender or a consignee for the actual damage.

6. Statutory Limitation on Time

The Act sets forth a statutory limitation on time for any claim under the international road transport to be one year.

For more information, please contact our lawyers for consultation.

TAX UPDATE

2. Tax Cut for Individual Taxpayers Become Effective for Two Years

The Royal Decree issued virtue of the Revenue Code Regarding Reduction of Revenue Tax (No. 575), B.E. 2556 (2013) is now published in the Royal Gazette and becomes effective. The bad news is this tax cut is a temporary measure as the Royal Decree reduces the personal income tax rates for 2013 and 2014 only. Unless there is a renewal of the measure or an amendment to the Revenue Code, the statutory (existing) rates will be reintroduced in 2015.

Existing Personal Income Tax Schedule

Net Income (Baht)	Tax Rate (%)
Not exceeding 150,000	0
Exceeding 150,000 to 500,000	10
Exceeding 500,000 to 1,000,000	20
Exceeding 1,000,000 to 4,000,000	30
Exceeding 4,000,000	37

New Personal Income Tax Schedule

Net Income (Baht)	Tax Rate (%)
Not exceeding 150,000	0
Exceeding 150,000 to 300,000	5
Exceeding 300,000 to 500,000	10
Exceeding 500,000 to 750,000	15
Exceeding 750,000 to 1,000,000	20
Exceeding 1,000,000 to 2,000,000	25
Exceeding 2,000,000 to 4,000,000	30
Exceeding 4,000,000	35

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