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NEWSLETTER

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UP COMING EVENT

Mr. Narit Direkwattanachai to give presentation on:

REAL ESTATE PURCHASE & SALES: STRUCTURING, NEGOTIATING & DOCUMENTING MAJOR PROPERTY SALES

17-18 December 2007
Centara Grand at
Central World, Bangkok

TAX UPDATE

1. Corporate Income Tax Reductions for Newly Listed Companies in SET and MAI

In an effort to encourage more companies to list the shares in the stock exchange in Thailand, the government grants the tax privileges to the companies that list their shares in either Stock Exchange of Thailand (SET) or Market for Alternative Investment (MAI) in 2007 and 2008.

The Royal Decree Re Reductions of Revenue Taxes (No. 467) is recently enacted to reduce the corporate income tax rate from 30% to 25% for the companies who list the shares in the Stock Exchange of Thailand (SET) in 2007 and 2008 and to reduce the corporate income tax rate to 20% for the companies who list the shares in the Market for Alternative Investment (MAI) in 2007 and 2008.

For more information, please contact us.

2. Tax Reductions for Special Development Zone in Deep South of Thailand

With a view of improving the economic conditions in the Deep South of Thailand, which have been deteriorated in the recent past, the government enacts the Royal Degree Re Reductions and Exemptions of Revenue Taxes (No. 466) by virtue of the Revenue Code to relieve the tax burdens for the persons and the companies operating businesses in the Special Development Zone in the Deep South of Thailand. The details of tax reduction can be summarized as follows.

1. The corporate income tax rate is reduced to 3% of the net profit for the manufacture of goods, the sale of goods and the rendering of services in the Special Development Zone;
2. The personal income tax rate is reduced to 0.1 % of the assessable income for the manufacture of goods, the sale of goods and the rendering of services in the Special Development Zone;
3. The personal income tax rate is reduced to 0.1 % of the assessable income for the sale of real estate in the Special Development Zone; and
4. The specific business tax rate is also reduced to 0.1% for the sale of real estate in the Special Development Zone.

For more information, please contact us.

REAL ESTATE UPDATE

3. Treasury Department's New Method for Land Valuation and its Impact on Capital Gain Tax

In the past, the Treasury Department used the land valuation price on block valuation basis which values groups of land plots along the plots on the main road and dead locked plots.

But in the next land valuation which will become effective on January 1 2008, the Treasury Department will use more details value land valuation method by separating the valuation price between the plots of land along the main road and the dead locked plots so that the official appraised price will better reflect the market value.

The land valuation of plots in main road is higher than the dead locked plots. This new valuation method will effect to people or developers who acquire the land as they have to pay more for the transfer fees and taxes because the price of land and the capital will be increased.

Normally, individual persons rather than the companies are structured to acquire the land to save the capital gain on the sale of the land because the individual persons pay the capital gain tax on the sale of the land based on the official appraise price, rather than the actual sale price. The official appraised price is lower than the market price for most of the time. The change in official land valuation method might bring an end to the capital gain tax saving.

For more information, please contact us.

This newsletter is also available online at www.naritlaw.com under **Resources** section.

We welcome any inquiry and value your feedback or comment. If you have any, please send them to enquiry@naritlaw.com

TAX UPDATE

4. Reductions of Import Duty for Products from Japan

According to the Japan-Thailand Economic Partnership Agreement ("JTEPA") between the Custom Department and the Japanese Customs, which effective on November 1, 2007, the Custom Department now reduces the import duty to 0% for more than 40% of products imported from Japan and will gradually reduce the import duty for the remaining of 55% of products to 0% by April 1, 2017.

Both sides will adopt a set of operation procedure which will provide detail regulations for importers/exporters to make full use of all the privileges under the JTEPA.

For more information, please contact us.

Mr. Narit Direkwattanachai, the principal of NARIT & Associates, is selected as one of **highly sought-after and distinguished attorneys** by **The Asia Business Forum** and is honored to be invited to give a presentation in the interactive 2-day conference:

**Negotiating, Drafting & Managing
COMMERCIAL CONTRACTS**

17-18 December 2007

Centara Grand, Central World, Bangkok

In particular, Mr. Narit Direkwattanachai's presentation will cover:

**REAL ESTATE PURCHASE & SALES:
STRUCTURING, NEGOTIATING & DOCUMENTING
MAJOR PROPERTY SALES**

- Advanced issues in purchase and sale agreements – legal complexities and drafting issues
- Key legal risks and considerations in sales of entity interests
- Due diligence requirements and liability issues
- Real estate taxes
- Enforcement for breach of sale & purchase agreements

For more details on the conference, please contact us.

This event is organized by:



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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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