

NEWSLETTER

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INSIDE THIS EDITION

- 1. Median Price of 1978 to 1981 Be Used for Assessment of Local Development Tax for 2009..... 1**
- 2. Amendment to the Definition of Property Lease in the Type of Leasing for Tax Purpose..... 2**

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1. Median Price of 1978 to 1981 Be Used for Assessment of Local Development Tax for 2009

Local development tax is property tax levied on land. Local development tax is administered and collected by a local government of the area where a land plot is located. A local government gets to keep local development tax revenue for itself to finance local government's operations.

The Royal Decree is enacted to use the median price of 1978 to 1981 for the purpose of assessment of local development tax for the year 2009. Computation of local development tax is based on the median price of the land plot. This Royal Decree is enacted because the adjustments of a structure, criteria for valuation of land and new rates of local development tax have not been fully completed yet. So it is appropriate to use the median price that was used for the assessment of local development tax in the year 1978 to the year 1981, which was used for the assessment of local development tax in the year 2008, to be used for the assessment of local development tax in the year 2009.

As the current administration is still pushing for a complete overhaul of Thailand's property tax system by repealing local development tax and house and land tax and introducing new land and structure tax, local development tax's median price of 1978 to 1981 is likely to be kept in the meantime until the administration can manage to put the new land and structure tax bill passed by Parliament.

For more details, please contact our lawyer for consultation.

REAL ESTATE UPDATE

2. Amendment to the Definition of Property Lease in the Type of Leasing for Tax Purpose

The Revenue Department recently amends the definition of "Property Lease in the Type of Leasing" for a withholding tax purpose. The term "Property Lease in the Type of Leasing" for the withholding tax purpose is redefined to a property lease agreement, in which a lessor is an owner of the property and leases it out with the promise that once the lease agreement expires, the lessee will have the option to purchase the leased property or to return the property to the lessor.

For more details, please contact our lawyer for consultation.

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COST SAVING

Outsourced general counsel services costs the company less than hiring a fulltime in-house legal counsel. The lower costs and the other benefits of in-house general counsel can be achieved without the need to add another (expensive) person to the company payroll with its associated concerns and overhead costs.

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

NARIT & ASSOCIATES

Attorneys at Law

LEGAL AND TAX SERVICES

B A N G K O K , T H A I L A N D

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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