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NEWSLETTER

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TAX UPDATE

1. Revenue Ruling on Sale of Cash Cards for Cash Card Distributors

The Revenue Department issued the Revenue Ruling No. Kor Khor 0706/6895 on August 16, 2006. In this ruling it was held that the income from the sale of cash cards of the distributor company is not an income from the business that shall be included for corporate income tax computation of the distributor company under Section 65 of the Revenue Code. Only the consideration for distributing the cash cards that the distributor company receives from the issuer company is deemed an income from the business for the purpose of corporate income tax computation of the distributor company under Section 65.

The distributor company distributes cash cards and pays consideration to retailers for selling cash card. The consideration for selling cash cards that the card distributor company pays to retailers is deemed a service fee that is subject to the 3 % withholding tax. The cash card distributor has an obligation to deduct the tax accordingly. Cash card distribution/sale service is the service.

Therefore, the cash card distributor has to charge the VAT on the consideration it receives from the card issuer and the cash card retailers have to charge the VAT on the service fee they receive from the cash card distributor. For more information, please contact us.

TAX UPDATE

2. Deadline for Personal Income Tax Filing

The end of March is the deadline for personal income tax filing when personal income tax payers must file the tax report and pay the tax (if any) to the Revenue Department. If you have not done your filing this year and never tried the online filing, we would highly recommend the online filing at <http://www.rd.go.th>.

There are many benefits of online filing. First of all, you do not need to submit the hardcopy of withholding tax receipts unless a Revenue Department official specifically requires you to do so. In many cases where the official needs to check your document, it could be as easy as faxing your paper to the Revenue office. Second, you make the tax payment at the banks, post office, ATM and other services points of your convenience. Or in case you claim for tax refund you can check the status of your tax refund online. The Revenue Department also makes an effort to send you the tax refund check within 7 days. Third, the software will help you accurately compute your tax.

For more information, please contact us.

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Commercial Contract Tax Planning

- Use of tax exempted agreements/transactions
- Use of lowly taxed agreements/transactions
- Use of agreements that allow more expenses or depreciations
- Use of agreements that postpone tax payment
- Use of agreements that avoid advance payment of tax
- Separation of agreements
- Combination of agreements
- Use of double taxation treaties
- Structuring and use of least taxed entities

Tax Merger & Acquisitions

- Tax deal structuring
- Tax buy-side and sell-side due diligence
- Analysis on tax risks and opportunity

Thailand's Tax

- Corporate Income Tax
- Value Added Tax (VAT)
- Specific Business Tax
- Exercise Tax
- Custom Tax
- Individual Income Tax
- Property Tax

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