

NEWSLETTER

No. 54
Edition July 2011

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1. Life Annuity Tax Deduction

The government has the policy to support an income earner to enter into a life insurance in the type of life annuity to increase a saving option. Savings lay a foundation for a security upon retirement. The Ministerial Regulation is enacted to offer individual taxpayers a life annuity tax deduction. On the top of a regular life insurance deduction of up to Baht 100,000 per year, the Ministerial Regulation offers an additional deduction of up to Baht 200,000 for the payment of a life annuity premium under the following conditions:

1. The amount claimed for this deduction must not exceed 15% of taxpayer's annual assessable income.
2. The sum of the life annuity premium and any contributed amount to the Pension Fund, or any contributed amount to the government pension fund, or any contributed amount to the welfare fund under the private school law and/or any investment in the retirement mutual fund (RMF) must not exceed Baht 500,000 in any calendar year.
3. In the event that a taxpayer does not fully claim a regular life insurance deduction up to the maximum of Baht 100,000, any remaining amount or the entire amount of Baht 100,000 (if a regular life insurance deduction is not claimed at all) can be claimed as a life annuity deduction. This means if a taxpayer does not purchase any regular life insurance at all, the taxpayer can pay for a life annuity premium and claim the deduction up to Baht 300,000 in total per year (Baht 200,000 for a life annuity deduction and Baht 100,000 for a regular life insurance deduction).

This life annuity deduction is applicable for any payment of a life annuity premium from 2010 and thereafter.

For more details, please contact our lawyer for consultation.

2. Tax Exemptions for Reductions in Greenhouse Gases Emission

The government has the policy to support the greenhouse gases emission reduction project in the country by offering a tax incentive measure to encourage the private sector to run the project in order to improve the quality of nation's environment, help the state obtain the data pertaining to the voluntary greenhouse gases emission reduction of the private sector and support the sale of carbon credits, which generate the income for the country. Therefore, the government introduces the tax exemption for corporate taxpayers that run the greenhouse gases emission reduction project for the portion that arises from the sale of carbon credits, either in Thailand or overseas, for three years.

In order to qualify for the tax exemption, tax law imposes some deadline. The clean development mechanisms project, which sells carbon credits in the type of Certified Emission Reductions (CERs), must be certified by the Greenhouse Gases Management Organization by 2012. The greenhouse gases emission reduction project, which sells carbon credits in the type of Voluntary Emission Reductions (VERs) must be registered with the Greenhouse Gases Management Organization by 2012.

For more details, please contact our lawyer for consultation.

DISPUTE RESOLUTION

DEBT COLLECTION

Debt collection seems to be one of the troubles many businesses face in Thailand. Our firm can assist clients on debt collection resulting from either trade debt or borrower's default on payment of the loan. If the lawyer's demand notice still yields no positive result, our firm is ready to represent client to take further legal action to the court or file the claim to the arbitration body.

After the completion of court or arbitration process, we can assist clients on debt recovery as follows:

- Asset search
- Asset recovery
- Enforcement of judgment or enforcement of arbitration award

SHAREHOLDER'S DISPUTES

Our firm has experience and expertise in representing both majority shareholder/partner and minority shareholder/partner in the shareholders' disputes/partnership disputes. Eventually, the shareholders' disputes/partnership disputes have to be resolved one way or another, either through a lengthy negotiation that yields a settlement satisfactory to both parties, pursuing any legal actions (courtroom) to revoke certain corporate actions, and even filing a criminal charge against the counterparty.

We also assist clients in the following matters:

- Corporate fraud
- Investment fraud
- Finance

BREACH OF CONTRACT/MISREPRESENTATION

In the business world, another area of disputes is breach of contract, misrepresentation and wrongful inducement. Our firm can advise and represent clients on these issues. Typically, a non-default party has two options either to enforce the default party to perform the obligations and claim any damage for a delay of performance or to exercise the right to terminate the contract and claim for any damage suffered by the non-default party. The non-default party may request the court to impose the injunction on the default party, requiring the default party to do or refrain from doing certain things.

BANKRUPTCY & BUSINESS REORGANIZATION

Whenever the court has order the debtor to be under an absolute receivership or a business reorganization, the creditor may ask for repayment of his debt only by complying with the procedure prescribed in the bankruptcy law even though the creditor may be a judgment creditor, or a creditor who has filed a civil action which is, however, still under trial.

The creditor must take an action within the deadline otherwise the claim for repayment of debt will be invalidated by the bankruptcy law. Once any counterparty is on the verge of bankruptcy, the creditor is recommended to have an eye on debtor's possible financial demise.

We can assist the creditor file the claim for repayment of debt to preserve creditor's right.

LABOR DISPUTES

We can advise and represent clients on the labor disputes which typically arise in the following circumstances.

- Employee's fraud and misappropriation of employer's assets
- Employee's unauthorized use of employer's assets, information and trade secret
- Termination, layoff, restructuring (downsizing), severance pay and notice payment
- Lawful termination and unfair termination

TAX DISPUTES

We advise and represent clients on a variety of tax disputes from the Revenue Department to the Customs Department. Our services cover:

1. Making representations on behalf of clients to tax a relevant tax authority in the pre-assessment stage;
2. Providing advice concerning the legality of tax assessment made by a relevant tax authority;
3. Preparation of notice of objection to tax assessments and request for re-determination to the tax appellate body; and
4. Representation in the tax court.

CONSTRUCTION & REAL ESTATE DISPUTES

The problem between the contractor and the owner seems to happen all the times. Some disputes could be settled right away, while other unavoidably may have to make their way to courtroom or arbitration. Our firm can assist either contractor or owner (hirer) in the construction dispute arising from below situations:

- Contractor's delay in completion of work according the milestones
- Delivered work is different from the agreed specifications
- Delivered work fails to meet the agreed standards
- Owner's delay in payment of the construction price to the contractor for no good reason
- Owner's delay in delivery of the construction site to the contractor
- Owner's insisting to use the unusable designs despite the protest by the contractor
- Use of the engineering consultant who is less than neutral and fair
- Owner's refusal to accept the delivery of work from the contractor on the ground of small defects
- An effort by the owner to bargain the contraction price long after the contract has been sealed
- Parties' disagreement over the price increase and the additional time for the additional scope of work

With respect to the real estate disputes, a real estate developer might fall behind the construction schedule, the problem between a property buyer and a developer may arise from time to time.

OTHER BUSINESS DISPUTES

In addition to the above matters, we can advise and represent client on other business disputes, i.e. unfair business practice, business tort claim, trade secret and intellectual property, corporate fraud, investment fraud, finance, and international sales disputes.

Contact our lawyers without delay if you have or about to have any dispute before the dispute (likely) goes bad and gets worse.



NARIT & ASSOCIATES

Attorneys at Law

CORPORATE & COMMERCIAL,
DISPUTE RESOLUTION & TAX
B A N G K O K , T H A I L A N D

THE FIRM

NARIT & Associates is a Bangkok-based international law firm serving both Thai and foreign companies by combining international perspectives with profound local expertise, in the areas of corporate & commercial, mergers & acquisitions, tax, real estate & construction, commercial dispute and general practice.

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.



OFFICE ADDRESS

65/31 Chamnan Phenjati Business Center
2nd Floor, Rama IX Road,
Huay Khwang, Huay Khwang,
Bangkok 10320, THAILAND

TEL +66 86 785 0793
+66 2248 2872

FAX +66 2248 2873

EMAIL enquiry@naritlaw.com

WEBSITE www.naritlaw.com

NARIT & ASSOCIATES

Attorneys at Law

CORPORATE & COMMERCIAL,
DISPUTE RESOLUTION & TAX
BANGKOK, THAILAND

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