

CHANDLER & THONG-EK LAW OFFICES LTD.

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Bubhajit Building, 7<sup>th</sup>-9<sup>th</sup> Floors  
20 North Sathon Road  
Bangkok 10500, Thailand  
E-mail: library@ctlo.com

Phone: (662) 2666485  
Fax G3: (662)266-6483-4  
Fax G4: (662) 200-0140  
Website: www.ctlo.com

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**Legislation Progress**

1. A list of double tax treaties as of 30 April 2008 which Thailand has concluded with 52 countries is available in both English and Thai at the Library.

**The following important legislation was published in the Government Gazette:**

**Act, Account, Alien, Banking, Finance and Securities**

1. The Act Amending Civil and Commercial Code (No.17), B.E. 2550. This act is promulgated because there has been enacted a law governing trust for transactions in capital market, which allows the creation of a trust for use as a tool to make the transactions in the capital market more effective and to enable a rectification of certain problems in regard to fund mobilization and business operation in the capital market. (1401)
2. Notification of the Ministry of Finance re taking or bringing foreign currency which are bank notes or coins of a total value exceeding US\$ twenty thousand or equivalent out of or into the country must declare the particulars concerning said foreign currency to the Customs Officer at the time of passing all customs houses. (2501)
3. Ministerial regulations No. 26 issued under Exchange Control Act. It extends the period of bringing in foreign currency that any person has acquired for the exported goods or has acquired from other sources of income, and empowers the Minister of Finance to consider fixing the period of time for selling or depositing the said foreign currency in Thailand. (2801)
4. Public Limited Company Act (No.3), B.E. 2550. It prescribes that the Director-General of Department of Trade Affairs Development, or the person assigned by him, be empowered to impose a fine for offences punished by fine only so that the said offences be settled under the Criminal Procedure Code. (0502)
5. Land Traffic Act (No.8), B.E. 2550. It prohibits the driver from using mobile phone while driving, except in the case where a supplemental talking accessory is used. (0802)
6. Alcoholic Beverages Control Act, B.E. 2551. It prescribes various measures on the control of alcoholic beverages, including the treatment or rehabilitation of alcoholic beverage addicts. (1302)

7. Products Liability Act, B.E. 2551. It governs liability for injury occurred from unsafe goods, by applying the principle of strict liability, which renders an effect that the injured party needs not prove the unsafe goods and that the injured party will also receive a fair compensation. (2002)
8. Labor Protection Act (No. 2), B.E. 2551. It prohibits the employer to demand or to accept a security for working or damages from working, by empowering the court to order that the contract of employment, work regulations, regulations or orders of the employer may be enforced insofar as they are fair and appropriate to the circumstances. (2702)
9. Labor Protection Act (No. 3), B.E. 2551. It revises the definition of “wage rate according to skill standards”, the powers and duties of the Wage Committee. (2702)
10. Aliens’ Working Act, B.E. 2551. It repeals the Alien Working Act, B.E. 2521 and Amendment Act (No. 2), B.E. 2544. It consists of general provisions, work permit, alien deportation fund, Aliens’ Working Consideration Committee, Aliens’ Working Appeal Committee, supervision and penalty. (2202)

#### **Customs, Tax and Duty**

1. Royal decree (No. 469) reduces the rate of specific business tax on the revenue from the operation of business of financial institutions in certain cases for the operators of such business. (2801)
2. Royal decree (No. 470) exempts ordinary personal income tax on the net income from the computation of income tax under Section 48(1) of the Revenue Code, by prescribing the net income specifically the part not exceeding the first Baht one hundred and fifty thousand for the taxable year. (2803)
3. Royal decree (No. 471) reduces the rates of income tax and exempts income tax on the net profit of a company or a juristic partnership with paid-up capital on the last day of the accounting period not exceeding Baht five million. (2803)
4. Royal decree (No. 472) reduces the rate of specific business tax under Section 91/6(3) to be collected at the rate of nought point one percent on the revenue before deduction of any expenses from the business of sale of immovable property for trading purposes or for profits under Section 91/5(6) provided that the registration of such right and juristic act shall be executed within one year from the date of enforcement of this Royal Decree. (2803)

#### **Immigration, Industry, Insurance and Investment**

1. Notification of the Ministry of Industry re number, size and category or type of factory not allowed to establish or expand in all areas throughout the Kingdom. (2912)
2. Notifications of the Board of Investment: (1812)

- 2.1 No.6/2550 amended the measures promoting ISO certification.
- 2.2 No.7/2550 amended the conditions on full scale textiles industrial estate business.
- 2.3 No.8/2550 promoted the private motor car assembly business.
- 2.4 No.9/2550 promoted the large motorcycle assembly business.
- 2.5 No.Sor.10/2550 revised the category of industrial zone business.

### **Miscellaneous**

1. Ministerial regulations fixing fees for license to use vessels and exempting fees thereof. (2712)
2. Ministerial regulations No. 17 issued under Firearms, Ammunitions, Explosives, Fireworks and Firearms Imitation Act re details concerning the bases, procedures and conditions in respect of application for license and the issuance of license. (2712)

### **Summary of laws and general matters approved by the resolutions of the Cabinet during February – April 2008**

1. Approved the draft MOU on cooperation for development of power energy made between Thai Government and the Laos PDR government as proposed by the Ministry of Foreign Affairs. The objectives of said MOU are to confirm the will of the Thai-Lao PDR governments to support the feasibility study in detail of development of hydropower project in the area of Ban Thalang, Huaypai, Khongjiam, Ubonratchathani, called "Fai Ban Kham Hydropower Project". (1103)
2. Approved the guidelines for lessening impact of surging oil prices, promotion of using natural gas for vehicle (NGV), solving LPG prices, promotion and development of bio-fuels, promotion and development of ethanol and bio-diesel, and the establishment of Bio-Fuels Development and Promotion Committee. (1803)
3. Acknowledged the Third summit of the Greater Mekong Sub-region-GMS countries and the Synopsis of the Environment Ministers' Meeting of the Greater Mekong Sub-region (GMS) countries. (1803)
4. Approved the royal decree for extension of time for reduction of VAT rate to remain unchanged at 7 percent (local tax inclusive) for another two years until September 30, 2010 as proposed by the Minister of Finance. (2503)
5. Approved the agreement on the rail service link between Thai-Lao Government. (2503)
6. Approved the draft Memorandum of Understanding on the Road Map for Implementing the Greater Mekong Sub-region Cross Border Power Trading (2503)

7. Approved 9 draft notifications re cancellation, addition, and amendment to the import tariff in Part II of the Customs Tariff Decree B.E. 2530 so that certain import tariffs will be in line with the amended ASEAN Harmonized Tariff Nomenclature (AHTN 2007/1) (0104)
8. Approved the draft ministerial regulation fixing rates of medical fee payable by employer with details as follows: (0104)
  - 8.1 Amendment to the basic medical fee actually paid as necessary from Baht 35,000 to not exceeding Baht 45,000 and the additional basic medical fee from Baht 50,000 to not exceeding Baht 65,000 if such basic fee is insufficient in case of danger or serious illness suffered by the employee;
  - 8.3 Increase in medical fee to not exceeding Baht 300,000 in case the employee suffers serious or chronic illness if the fee from actual payment already exceeds Baht 200,000;
  - 8.4 Amendment to the rates of room and food expenses from original actual payment not exceeding Baht 700/day to not exceeding Baht 1,300/day.
9. Approved draft notification of the Ministry of Commerce prescribing the marble, marble block and granite as the goods required import license. (0104)
10. Approved the budget of 2,000,000 baht proposed by the Food and Drug Administration for the Intergovernmental Forum on Chemical Safety to support and assist developing countries and Oceania and other non profit organizations to attend and participate. (0804)
11. Approved draft ministerial regulation re rules, procedures and conditions for application for, issuance of a license, prescription of other particulars in the school charter, application for, permission for change in particulars in the school charter and prescription of land size of formal school. (2204)
14. Approved the appointment of members of the Metropolitan Electricity Authority Committee to be effective from 29 April 2008: Mr. Cherdphan Na Songkhla, President, Board members: Prof. Bandit Eua-Aporn, Pol. Lt. Gen. Chalor Choowong, Mr. Kriangkrai Thiennukul, Mr. Somchai Kuvijitsuwan, Mr. Somchai Sajjapongse, Lt. Gen. Prin Suwannathat, Mr. Wanchai Um-puengart, Asst.Prof. Boonchai Sovannavanichkul, Mrs. Rungsima Charoensiri and Mr. Pornthep Tanyapongchai. (2904)