

CHANDLER & THONG-EK LAW OFFICES LTD.

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The following important legislation was published in the Government Gazette:

Act, Account, Alien, Banking, Finance and Securities

1. Bank for Agriculture and Agricultural Cooperatives Act (No. 6), B.E. 2549 revising the objectives and the powers and duties as well as other operations of the Bank for Agriculture and Agricultural Cooperatives so that the Bank may act as a financial institution for the development of rural areas. (1403)
2. Notification of Ministry of Finance re direction of minister to authorized agents (No.2) re (1) affixing stamp on the documentary evidences, which shall be kept for not less than five years for examination by officer upon request (2) acceptance of baht into baht account of a non-resident, whereby an authorized agent must request a depositor to submit documentary evidences as prescribed by officer, and shall keep them for not less than five years for examination by officer upon request. (3107)
3. Notification of Bank of Thailand re holidays of commercial banks, finance companies and credit foncier companies for 2007. (0208)

Commerce, Communication, Customs, Export and Import, Tax and Duty

1. Notification of Ministry of Finance re exemption from excise tax (No. 78) for a sedan or passenger motorcar installed with NGV-retrofit equipment. Such exemption from excise tax shall be valid specifically for a motorcar whose liability to pay tax occurs during May 16, 2006 until November 15, 2008. (3107)
2. Notification of Director-General of Revenue Department (No. 51) re method of payment of duty in cash in lieu of affixing duty stamp for certain kinds of instruments under which the financial institution is the seller of property by hire-purchase agreement. (2707)
3. Notification of Ministry of Information and Communication Technology re regulating the use of top-up mobile phone. (0208)
4. Ministerial regulations No. 261 issued under Revenue Code governing write-off of bad debts of the creditor who is a financial institution in the part of debts the said creditor has discharged for the debtor who is victim of natural disaster during January 1, 2005 until December 31, 2006. (1108)

5. Ministerial regulations No. 262 issued under Revenue Code governing write-off of bad debts of the creditor who is a financial institution in the part of the debts discharged by said creditor for the farmer, without having to comply with the bases stipulated in Articles 4, 5 or 6 for the debts discharged from 1 February 2006 onwards. (2808)
6. Ministerial regulations No. 59 issued under Land Transport Act re bases on setting up of animal and/or goods transport terminal. (0808)
7. Notification of the National Telecommunication Commission re measures protecting rights of telecommunication service users concerning personal data, privacy rights and freedom of communication via telecommunications. (1608)
8. Royal Decree (No. 463) exempting tax and duties for persons under the obligations concluded prior to 29 August 2006 on collection of double taxes concluded by the Thai Economy and Trade Office with foreign agencies as approved by the Council of Ministers. (2808)
9. Royal Decree (No. 464) exempting value added tax on the importation of instruments and equipment by the Geo Information Technology and Space Technology Development Office (public organization) for use under the Remote Sensing Satellite Development Project of Thailand (THEOS Satellite) as from 19 July 2005 (3008)
10. Notice of the National Telecommunication Commission re permission to use the vehicle radar system at radio frequencies of 76 – 77 GHz. (3008)

Immigration, Industry, Insurance and Investment

1. Notification of Board of Investment No. 8/2549 re promotion policy for long-term continued investment projects with a high investment and of pioneer and priority status for electronics and electrical appliance industry. (0808)
2. Notification of Board of Investment No. Sor. 2/2549 re amendment of business category 6.2: chemicals production business. (0808)
3. Notification of Board of Investment No. Sor. 3/2549 re revision of business category 4.8: vehicle parts production business. (0808)
4. Notification of Ministry of Interior re exemption from fees concerning visa, application for extension of stay for temporary period and application for re-entry for friendly nations' military officers who attend classes at military academies of Ministry of Defense and their family members. (2508)
5. Orders of National Police Office dated 8 September 2006 to be effective on 1 October 2006 onwards:
 - 5.1 Order No. 606/2549 re bases and types of applicants and conditions for approval for a foreigner to temporarily stay in the Kingdom by considering necessary reasons and completion of required documents.

- 5.2 Order No.607/2549 re bases and conditions for approval for a foreigner whose status falls within Section 15 of the Immigration Act to temporarily stay in the Kingdom (holder of diplomatic or official/service/special passport, UN Laissez-passer and ordinary passport with non-immigrant visa category F).
- 5.3 Order No. 608/2549 re authorization to immigration officer to approve a foreigner who is exempted from visa endorsement with details as follows:
 - 5.3.1 Holder of passport of country whose government has made an agreement with Thai Government can stay for a period as agreed with Thai Government.
 - 5.3.2 Holder of passport who travels from a country where there is no Thai embassy or consulate can stay for not more than 30 days from the date of entry into the Kingdom.
 - 5.3.3 Holder of passport or traveling document who enters the Kingdom temporarily for tourism purposes can stay in the Kingdom for not more than 30 days each time. After that he/she may renew the visa several times but the total actual days of stay must not exceed 90 days within the 6-month period commencing from the first day of entry into the Kingdom.
 - 5.3.4 Holder of passport or traveling document who enters the Kingdom for a temporary period to attend international meeting or international sports competition can stay for not more than 30 days from the date of entry into the Kingdom.
 - 5.3.5 Holder of passport or traveling document of a member of Asia-Pacific Economic Corporation can stay for not more than 90 days from the date of entry into the Kingdom.

Labor and Land

1. Ministerial regulations issued under Labor Protection Act prescribing standards on administration and management of safety, occupational health and working environments. (2106)
2. Notification of Ministry of Interior re collection of fee for registration of rights and juristic acts under the law governing apartment buildings and land in case of debt restructuring of debtors sustaining damages from natural disaster according to bases prescribed by the Council of Ministers (0208)

Miscellaneous

1. Regulations of Office of the Prime Minister governing barter trade B.E. 2549 specifying the definitions of barter trade, setting up a committee called "Barter Trade Committee", prescribing powers and duties of the committee, and projects to be proceeded by barter trade method. (0808)

2. Notification of Ministry of Public Health (No. 34) re medical devices prohibited from being imported or sold. (0109)

Summary of laws and general matters approved by the resolutions of the Cabinet during August-September 2006

1. The following bills have been approved by the Cabinet:
 - 1.1 Personal Data Protection Bill, B.E..., specifying rights of owner of personal data, provisions of civil and criminal offence, bases, conditions and procedures for collection of personal data, and personal data protection committee. (0108)
 - 1.2 Bill Amending Revenue Code (No....), B.E...re expenses which can be deducted from assessable income, with details as follows: (0108)
 - 1.2.1 A standard deduction of 60% (previously 40%) shall be allowed as expenses, provided that the total deducted amount shall not exceed Baht 100,000 (previously 60,000) for assessable income derived from hire of service, post, office of employment or of service rendered, which is income under Section 40(1) and (2) of the Revenue Code.
 - 1.2.2 A standard deduction of 60% (previously 40%) shall be allowed as expenses, provided that the deducted total amount shall not exceed Baht 100,000 (previously 60,000) for assessable income received from copyrights and patents.
 - 1.2.3 A value of sale of goods or provision of services which a VAT registrant carrying on business in a small-scale transaction is not required to issue a tax invoice from not exceeding Baht 1,000 to 5,000.
 - 1.2.4 The definitions of “instrument”, “paper”, “stamp”, “execute”, “stamping”, “cancellation” and “duty stamp” shall be amended.
 - 1.2.5 The amount of money received or price from sale of goods or provision of service made by a VAT registrant and specific business tax which requires an issuance of receipt shall not exceed Baht 5,000 (previously 1,000).
 - 1.2.6 The existing provision that an instrument must be executed in the presence of, signed, acknowledged or recorded by a government or municipal official is amended to the effect that it shall be an instrument executed in the presence of, signed, acknowledged or recorded by government or local administration organization.
 - 1.2.7 Extension of the period for refund of an overpaid duty or surcharge from within 6 months to 3 years from the date of payment.
 - 1.2.8 Increase in the penalty for whoever fails or refuses to pay duty or cancel stamp from not exceeding Baht 500 to 2,000.

- 1.2.9 Revision of the list of stamp duty.
2. The following ministerial regulations have been approved by the Cabinet:
 - 2.1 Ministerial regulations issued under Land Transport Act revising the equipment and accessories, sizes and technical details of motor cars. (0808)
 - 2.2 Ministerial regulations issued under Navigation in Thai Water Act revising the insurance policy for passengers. (0808)
 - 2.3 Two ministerial regulations relating to (1) Equipment and components of vehicles used for transport of natural gas, and (2) Components and equipment of sedans which use natural gas.(0108)
 - 2.4 Ministerial regulations issued under Customs Act specifying bases, procedures and conditions for using the prices fixed by the Customs Department. (2208)
3. Draft Royal Decree issued under Revenue Code, amending that a standard deduction of 50% shall be allowed as expenses for the assessable income under Section 40(8), which is derived from the business of organizing gambling, contest, games and prize received from the horse racing; and 60% for the assessable income from making goods and acceptance of hire of work. (0108)
4. Approval of (1) Mass Rapid Transit Authority of Thailand's project (MRTA) of the blue route from Hua Lum Pong – Bangkae, Bangsue – Thapa and the purple route from Bangyai – Bangsue; (2) MRTA's process of hire of work on a lump-sum-turnkey basis and (3) MRTA's process to hire public work and train system in the total construction cost of Baht 103,136 million for the blue and purple routes (0108)
5. Acknowledgement of the bilateral meeting between Thailand and Laos held on 26 July 2006 attended by Mr. Viset Choopibal, Minister of Energy of Thailand, and Minister Borsaikum Wongdara, Minister of Energy of Laos, with details as follows: (0108)
 - 5.1 Laos requested Thailand to increase the electricity purchased from Laos, from 3,000 MW as previously required by the MOU to 5,000 MW within 2006. PPA has been signed in 1,848 MW. Laos has potential capacity to sell approx 4,000 MW to Thailand.
 - 5.2 Laos requested Thailand to support the Electricity Authority of Thailand (EGAT) to jointly invest with the Laos Electricity Authority to construct Ban Na Bong Station and transit cable of 500 KV from Ban Na Bong to Thailand's border in the distance of 27 kilometers.
 - 5.3 Thailand agreed to support EGAT's investment as this transit cable system will support other hydropower projects to supply electricity to Thailand in the future, such as Nam Ngum2 and 3, Nam Thern 1 and Nam Jiab.

- 5.4 Thailand requested Laos to support the construction of electrical cable of 500 KV connecting China, Laos and Thailand, whereby Thailand will purchase of 3,000 MW electricity from China. Laos agreed to support the project as it will be useful to the hydropower project in the north, which can supply electricity for sale to Thailand.
- 5.5 The Minister of Energy of Thailand informed Laos that Thai government will support EGAT to invest abroad as well as PTT Public Co., Ltd. and requested Laos to support EGAT's investment in all electricity projects.
6. Acknowledgement of the meeting of ASEAN Energy Ministers No. 24 with the following details: (0108)
 - 6.1 The meeting acknowledged the importance of procurement of sufficient energy by reduction of fuel from outside the region and agreed to select other optional means to procure energy, such as coal and renewable energy (hydropower, biomass power and bio-fuel) including to promote the purchase and sale of electricity within the region.
 - 6.2 MOU on ASEAN Petroleum Security Agreement and MOU on ASEAN Power Grid shall be reconsidered at the special meeting of senior officials to be held from November 14 – 16, 2006 in Laos.
7. Acknowledgement of National Economic & Social Development Plan No. 10 (B.E. 2550 – 2554). (1209)
8. Approval of draft of double tax treaty made between Thailand – Republic of Chile (2908)
9. Relaxation of shareholdings in the commercial bank as follows: (2208)
 - 9.1 Relaxation granted to Bank of Ayudhaya to have GE Capital International Holdings Corporation hold shares exceeding 5% but not exceeding 29.5% of the total shares sold.
 - 9.2 Relaxation granted to a foreigner to hold shares exceeding 1/4 under Section 5 quinqué.
 - 9.3. Relaxation granted to a person to hold shares in the commercial bank exceeding 5% under Section 5 bis.
10. Approval of 500 KV Project for purchase of Nam Ngum 2 Hydropower Plant of the Electricity Generating Authority of Thailand (EGAT) in the amount of Baht 3,215 million as proposed by Ministry of Energy with major substance as follows: (2208)
 - 10.1 Objective: Purchase of electricity from Nam Ngum 2 Hydropower Plant.
 - 10.2 Duration of Construction: 4 years (2006 - 2010) with the scope of construction of cable 500 KV connecting between Ban Na Bong Nai Electricity Station in Laos and EGAT's system at Udon Thani Electricity

Station 3 in Thailand. The initial distribution of electricity will be made by 230 KV System.

- 10.3 Investment amount and source: Total investment is approximately Baht 3,215 million. EGAT will consider from several investment sources, i.e., income of EGAT and loans from one or several sources.
- 10.4 Return on investment: The rate of profit return of the project (Project IRR) will be 15.12% and the present value of the net profit will be Baht 838 million.
- 10.5 Interest derived from the operation of the project: To support the increased demand from electricity in the northeast region and maintain the stability of electricity distribution up to the standard and to reduce loss rate of electricity distribution and promote economic relation and cooperation between Thailand and Laos.

This project is part of the purchase and sale of electricity agreement, which EGAT has signed with SEAN Company on 26 May 2006. In such agreement, EGAT shall accelerate the construction of electricity cable in Thailand's area to be completed within September 2010 to support the project of Nam Ngum 2 Hydropower Plant. EGAT shall pay a fine to SEAN Company in case of delay in construction. EGAT shall spend time for searching new electricity wire area in Thailand for the distance of 80 kilometers.

11. Approval of making of 1,500,000 smart cards by the Ministry of Information and Communication Technology in special case to be ready within one week, for forwarding to Ministry of Interior. In case of inability to do so, the Ministry of Interior is permitted to make the ID card by computer system. (2208)
12. Approval of increase of 726 customs officials to support work performance in Suvarnabhumi Airport (2208)
13. Appointment of 6 members of the Petroleum Committee to replace the ones retired on 12 August 2006, to be effective from 5 September 2006:
 1. Mr. Prasit Kovilaikool
 2. Mr. Suchart Thadathamrongvech
 3. Khunying Thongtip Ratanarat
 4. Mr. Virachai Tantikul
 5. Mr. Nopadon Mantajit
 6. Mr. Chatri Chuyprasit
14. Approval of 2nd stage of electricity system project and stage 8, part 2 of the development of transmission system and electricity station project as proposed by the Ministry of Interior. (1209)
15. Acknowledgement of work progress of contract farming project under Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy (ACMESC). (1209)