

## **Thailand**

### *Summary*

1. The 2019 corporate income tax submission deadline has been extended from April to August
2. The March/April VAT and services tax submissions have been extended to June 1st
3. The reduced service tax deduction (withholding tax) has been lowered from 3% to 1.5% for the current year end
4. For social security, employees who lost their job in sectors required to shut down by the government (hotels, restaurants primarily), are entitled to 50% of their salary for up to 180 days (capped at 7,500 THB i.e. around USD 200)
5. The social security deductions on employees are reduced from 5% to 1% until the year end

### *Background & Details*

1. Eligible small and medium enterprises (SMEs) can claim a 150% deduction for interest expenses incurred on loans obtained under a funding initiative to provide THB 150 billion in soft loans to SMEs with an interest rate of 2% for the first two years
2. SMEs employers can deduct 300% of eligible salary costs paid to employees in the period from April 2020 to July 2020 for corporate income tax purposes
3. The Thai Government has reduced the withholding tax imposed on payment for services, hire of work, certain commissions, and professional fees from 3% to 1.5% for the payments made from April 1, 2020 to September 30, 2020. The withholding tax will subsequently be reduced to 2% from October 1, 2020 to December 31, 2021 if the payment is made electronically
4. The rate of withholding tax on payments of certain taxable income made from April 1, 2020 to September 30, 2020 will be reduced from 3% to 1.5%. The rate of withholding tax on payments of certain taxable income made from October 1, 2020 to December 31, 2021 will be reduced from 3% to 2% if the payment is made via the “e-Withholding Tax system.” The reduced rates will not apply with regard to payments made to charitable foundations and associations