



Thailand: Covid-19 Situation Update

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With the start of April, a third wave of Covid-19 began its destructive swell throughout Thailand. The cumulative number of confirmed cases recently exceeded 150,000, stirring grave concern among Thai residents. Thankfully, the Thai government has begun its mass inoculation program, with the goal of having 70% of the nation vaccinated by the end of the year.

Apart from the inoculation program, the Thai government has rolled out various laws and measures to relieve some of the pandemic's impact on businesses and investments; the most significant ones are discussed below.

- **New Rules for Electronic Meetings:** Private and public companies in Thailand are now permitted to hold shareholders' and board of directors' meetings through electronic means, allowing attendance from anywhere in the world, under the security measures imposed by the Ministry of Digital Economy and Society. To be certain, physical attendance is not required of any of the participants. Meeting notices and enclosures can also be distributed via electronic mail.
- **Postponement of Full Enforcement of the Personal Data Protection Act (the "PDPA"):** The PDPA was published in the Thai Government Royal Gazette on 27 May 2019, and originally was scheduled to come into full effect on 27 May 2020. However, with concerns from business operators about their ability to fully comply with requirements under the PDPA in the wake of the pandemic, the government decided to postpone its full enforcement until 31 May 2021 and recently extended the postponement until 31 May 2022. If there are no more extensions, the PDPA will come into full effect on 1 June 2022.
- **The Bank of Thailand's (the "BOT") Economic Relief Package for Businesses:** The BOT has issued its latest soft loan scheme to allow a larger pool of affected business operators to access funds more easily. Under this new scheme, operators with a credit line of no more than Baht 500 billion with financial institutions can seek loans of no more than 30% of the credit line as of 31 December 2019 or 28 Feb 2021, whichever is higher; however, the maximum allowable total is Baht 150 million. For operators with no credit line with any financial institution as of 28 Feb 2021, they can obtain loans of no more than Baht 20

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million at an annual interest rate not exceeding 2% during the first 2-year period of their contract, with an average rate of no more than 5% per annum after such period.

In addition, business operators can also join the asset warehousing program, which allows them to use their assets as collateral for loans, but have the right to buy back their assets at the agreed transferred price plus an additional carry cost at 1% per annum, as well as incurred asset maintenance costs and other relevant fees.

- **The Board of Investment of Thailand’s (the “BOI”) Measures to Ease Covid-19 Impact:** The BOI has approved the following measures to accelerate investments in the medical sector:
 - (1) Manufacturers of medical equipment who (1) applied for the BOI investment promotion between 1 January and 30 June 2020; (2) started production and generated income by 31 December 2020; and (3) distributed and/or donated at least 50% of their output in 2020 and 2021, will be eligible for a corporate income tax reduction of 50% for an additional 3 years.
 - (2) Any BOI-promoted business that changes its production line to include manufacturing of medical devices will be granted exemption from import duties on machinery if their application for production line adjustment was filed with the BOI within September 2020 and the machinery was imported within 2020.
 - (3) More tax benefits will be granted to projects that manufacture raw materials used in manufacturing medical products, e.g. an 8-year corporate income tax exemption for production of pharmaceutical grade alcohol, and an expansion of the corporate income tax exemption for the production of non-woven fabrics used as raw materials for the production of medical masks or medical devices from 3 years to 5 years.



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