

General – COVID-19

Resurgence of COVID-19: New Measures

Introduction

As the COVID-19 pandemic re-emerged in Thailand in December 2020, the Thai government has announced the extension of the Emergency Decree which applies to all areas of Thailand ("**Emergency Decree**") until 28 February 2021. Under the Emergency Decree, the government has declared 28 provinces (including Bangkok) as "maximum COVID-19 control zones". The key restrictions and measures include the closure of places that are risk-prone to the transmission of the disease (i.e. entertainment establishments such as pubs, bars or karaoke lounges), prohibition of the assembly of persons and prescription of conditions for the opening for operation of certain businesses (e.g. social distancing measures for food outlets). Additionally, cross-provincial travel should be avoided or delayed except when there is a necessity (with evidence of necessity to be produced and screening to be conducted); specifically, in Chanthaburi, Chonburi, Trat, Rayong and Samut Sakhon provinces, more restrictive and stringent measures are in place regarding cross-provincial travel (including strict screening checkpoints and tracking by smart phone applications).

As the measures inevitably cause impact on businesses and individuals, the government has also introduced several relief measures intended to relieve the COVID-19 impact. This Update highlights some of these key measures.

Labour-Related Measures

The Ministry of Labour has introduced the following new regulations under the Social Security Act 1990:

- The employer and employee's contributions to the Social Security Fund are reduced to 3% of the employee's monthly wages (but not exceeding THB 450 per month) for each party, from 1 January 2021 until 31 March 2021.
- The Social Security Office will also pay compensation of 50% of the employee's daily wages (but not exceeding THB 250 per day) to an employee who:
 - (i) does not work or is not permitted by the employer to work as a result of being in quarantine or complying with the COVID-19 protective measures; or
 - (ii) is unable to work due to the temporary cessation of the employer's business operations, whether wholly or partially, resulting from the government's order for the temporary closure of businesses for the purpose of preventing the spread of COVID-19.

General – COVID-19

Compensation would be made to the affected employee for the whole period of the quarantine, the period of compliance with the protective measures or the period of business closure respectively, but not exceeding 90 days. In addition, payment of compensation will cease upon the employee's resignation or termination of employment or the expiration of the term in the employment contract.

Financial Aid to SMEs

In 2020, the Emergency Decree on the Provision of Financial Assistance for Entrepreneurs Affected by COVID-19 Pandemic 2020 ("**Emergency Decree on Financial Assistance**") was enacted, which provided for several measures to support SME entrepreneurs and alleviate the impact of COVID-19 , including the following (which remain in place in 2021):

- The interest rate on additional loans granted to SME entrepreneurs under the Emergency Decree on Financial Assistance is 2% per annum for the first 2 years and interest would not be collected from the SME entrepreneur (borrower) for the first 6 months from the date that the SME entrepreneur receives the additional credit.
- Financial institutions will be exempt from a registration fee for mortgages of immovable property and condominium units and the registration of business security which result from the granting of loans under the Emergency Decree on Financial Assistance.

More recently, on 22 December 2020, the Bank of Thailand ("**BOT**") has issued a notification to permit financial institutions, which have received loans from the BOT under the Emergency Decree on Financial Assistance, to grant credit not exceeding two additional loans on top of the amount of the existing debt to an SME entrepreneur (provided that the total credit limit granted to the SME entrepreneur must not exceed 20% of the outstanding debts owed to the financial institution on 31 December 2019).

Tax Measures

The Revenue Department ("**RD**") has provided several tax-relief measures, including:

- The rate of withholding tax on the payment of certain taxable income from 1 October 2020 to 31 December 2021 has been reduced from 3% to 2%, provided that the payment of assessable income must be made via the e-Withholding Tax system only.
- From January 2021, the deadlines for the filing of personal income tax, corporate income tax, withholding tax, VAT and specific business tax returns have been extended for 8 days from the relevant due date (provided that the filing of all such tax forms must be submitted via the online system only).

Client Update: Thailand

2021 JANUARY

General – COVID-19

As the current COVID-19 situation in Thailand is not yet stable, there are likely to be new or amended restrictions and relief measures in the future. We will keep you updated on these accordingly.

Visit our [COVID-19 Resource Centre](#) for views from our lawyers across the region on common issues and legal implications brought about by COVID-19. For specific inquiries, please reach out to your relationship partner or send an email to our [COVID-19 Legal Team](#).

* * *

Contacts



Surasak Vajisit
Managing Partner

D (66) 2656 1991
F (66) 2656 0833
surasak.v@rajahtann.com



Sui Lin Teoh
Partner

D (66) 2656 1991
F (66) 2656 0833
sui.lin.teoh@rajahtann.com



Melisa Uremovic
Partner

D (66) 2656 1991
F (66) 2656 0833
melisa.u@rajahtann.com



Pakpoom Suntornvipat
Partner

D (66) 2656 1991
F (66) 2656 0833
pakpoom.s@rajahtann.com



Krida Phoonwathu
Partner

D (66) 2656 1991
F (66) 2656 0833
krida.phoonwathu@rajahtann.com



Ittichai Prasongprasit
Partner

D (66) 2656 1991
F (66) 2656 0833
ittichai.prasongprasit@rajahtann.com



Supawat Srirungruang
Partner

D (66) 2656 1991
F (66) 2656 0833
supawat.s@rajahtann.com



Nattarat Boonyatap
Partner

D (66) 2656 1991
F (66) 2656 0833
nattarat.boonyatap@rajahtann.com



Saroj Jongsaritwang
Partner

D (66) 2656 1991
F (66) 2656 0833
saroj.jongsaritwang@rajahtann.com



Piroon Saengpakdee
Partner

D (66) 2656 1991
F (66) 2656 0833
piroon.s@rajahtann.com

Our Regional Contacts

RAJAH & TANN | *Singapore*

Rajah & Tann Singapore LLP

T +65 6535 3600
sg.rajahtannasia.com

R&T SOK & HENG | *Cambodia*

R&T Sok & Heng Law Office

T +855 23 963 112 / 113
F +855 23 963 116
kh.rajahtannasia.com

RAJAH & TANN 立杰上海

SHANGHAI REPRESENTATIVE OFFICE | *China*

Rajah & Tann Singapore LLP Shanghai Representative Office

T +86 21 6120 8818
F +86 21 6120 8820
cn.rajahtannasia.com

ASSEGAF HAMZAH & PARTNERS | *Indonesia*

Assegaf Hamzah & Partners

Jakarta Office

T +62 21 2555 7800
F +62 21 2555 7899

Surabaya Office

T +62 31 5116 4550
F +62 31 5116 4560
www.ahp.co.id

RAJAH & TANN | *Lao PDR*

Rajah & Tann (Laos) Co., Ltd.

T +856 21 454 239
F +856 21 285 261
la.rajahtannasia.com

CHRISTOPHER & LEE ONG | *Malaysia*

Christopher & Lee Ong

T +60 3 2273 1919
F +60 3 2273 8310
www.christopherleeong.com

RAJAH & TANN | *Myanmar*

Rajah & Tann Myanmar Company Limited

T +95 1 9345 343 / +95 1 9345 346
F +95 1 9345 348
mm.rajahtannasia.com

GATMAYTAN YAP PATACSIL

GUTIERREZ & PROTACIO (C&G LAW) | *Philippines*

Gatmaytan Yap Patacsil Gutierrez & Protacio (C&G Law)

T +632 8894 0377 to 79 / +632 8894 4931 to 32
F +632 8552 1977 to 78
www.cagatlaw.com

RAJAH & TANN | *Thailand*

R&T Asia (Thailand) Limited

T +66 2 656 1991
F +66 2 656 0833
th.rajahtannasia.com

RAJAH & TANN LCT LAWYERS | *Vietnam*

Rajah & Tann LCT Lawyers

Ho Chi Minh City Office

T +84 28 3821 2382 / +84 28 3821 2673
F +84 28 3520 8206

Hanoi Office

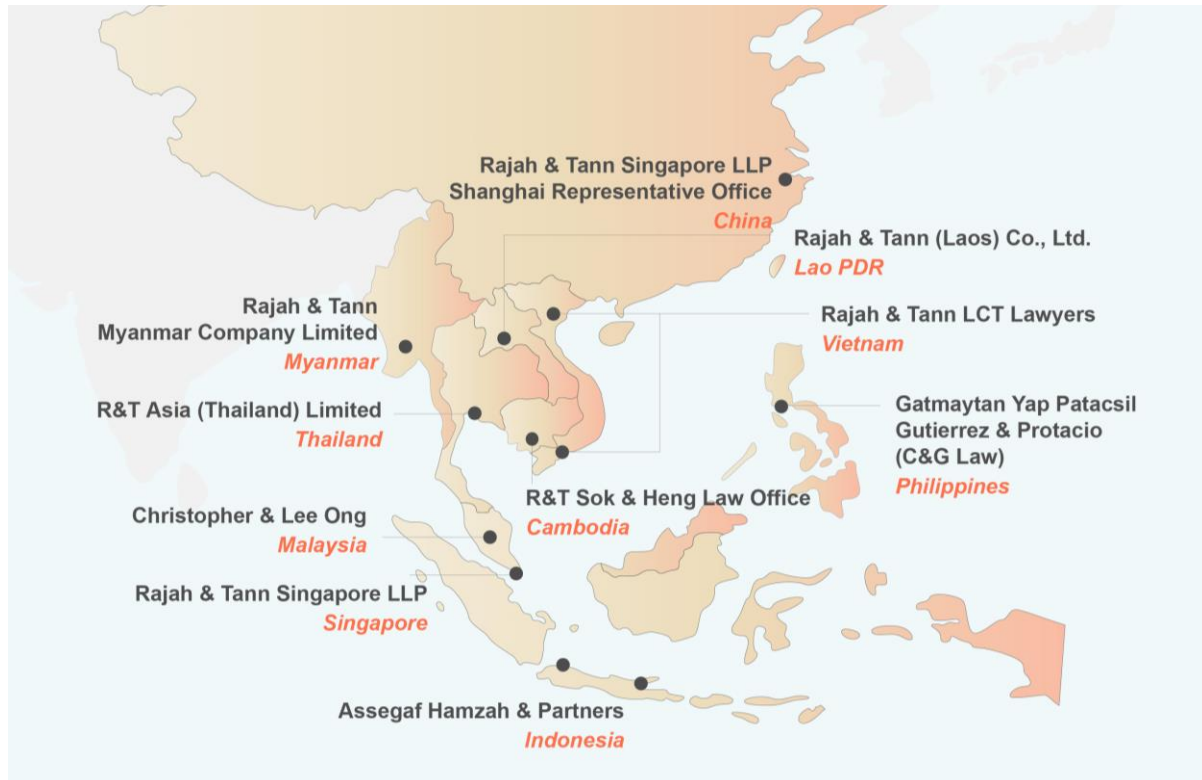
T +84 24 3267 6127
F +84 24 3267 6128
www.rajahtannlct.com

Rajah & Tann Asia is a network of legal practices based in Asia.

Member firms are independently constituted and regulated in accordance with relevant local legal requirements. Services provided by a member firm are governed by the terms of engagement between the member firm and the client.

This update is solely intended to provide general information and does not provide any advice or create any relationship, whether legally binding or otherwise. Rajah & Tann Asia and its member firms do not accept, and fully disclaim, responsibility for any loss or damage which may result from accessing or relying on this update.

Our Regional Presence



Rajah & Tann Singapore LLP is one of the largest full-service law firms in Singapore, providing high quality advice to an impressive list of clients. We place strong emphasis on promptness, accessibility and reliability in dealing with clients. At the same time, the firm strives towards a practical yet creative approach in dealing with business and commercial problems. As the Singapore member firm of the Lex Mundi Network, we are able to offer access to excellent legal expertise in more than 100 countries.

Rajah & Tann Singapore LLP is part of Rajah & Tann Asia, a network of local law firms in Singapore, Cambodia, China, Indonesia, Lao PDR, Malaysia, Myanmar, the Philippines, Thailand and Vietnam. Our Asian network also includes regional desks focused on Brunei, Japan and South Asia.

The contents of this Update are owned by Rajah & Tann Singapore LLP and subject to copyright protection under the laws of Singapore and, through international treaties, other countries. No part of this Update may be reproduced, licensed, sold, published, transmitted, modified, adapted, publicly displayed, broadcast (including storage in any medium by electronic means whether or not transiently for any purpose save as permitted herein) without the prior written permission of Rajah & Tann Singapore LLP.

Please note also that whilst the information in this Update is correct to the best of our knowledge and belief at the time of writing, it is only intended to provide a general guide to the subject matter and should not be treated as a substitute for specific professional advice for any particular course of action as such information may not suit your specific business and operational requirements. It is to your advantage to seek legal advice for your specific situation. In this regard, you may call the lawyer you normally deal with in Rajah & Tann Singapore LLP or email Knowledge & Risk Management at eOASIS@rajahtann.com.