

## **Phase One: Economic Relief Measures**

To alleviate the economic impact of the COVID-19 outbreak, the Royal Thai Government has approved Phase One of a series of financial and fiscal relief measures. These measures are largely aimed at small and medium-sized businesses which would be most affected by the economic impacts of the outbreak. The measures approved by the Thai cabinet on March 10, 2020 are as follows:

### **1. Monetary Measures**

1.1 Low interest soft loans at 2% interest for a period of 2 years, not over 20 million Baht per customer in the total amount of 150 billion Baht.

1.2 Pause in principal payments, reduce interest, and extend repayment period for the debtors affected by COVID-19 which will be operated by state-controlled Specialized Financial Institutions (SFIs) such as Government Savings Bank and Government Housing Bank.

1.3 The Bank of Thailand has eased the rules for granting commercial bank loans.

1.4 The Social Security Fund (SSF) will provide a credit line at 3%, for a period of 3 years in the total amount of 30 billion Baht.

### **2. Fiscal Measures**

2.1 Reducing withholding tax from 3% to 1.5% from April to September 2020.

2.2 Small and Medium Enterprises (SMEs), participating in low-interest credit measures and having a single account, can receive 1.5 times deduction for interest expenses that occur between 1 April and 31 December, 2020.

2.3 SMEs can receive tax deduction of up to 3 times for salary expenses, for employees who are insured under the law on the SSF and receive wages of not more than 15,000 Baht per person per month, paid from April to July 2020.

2.4 The expedition of VAT refunds to domestic entrepreneurs within 15 days after filing the online form and within 45 days for physical form submission at the Revenue Department.

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### **3. Capital Market Measures**

The general public can deduct the purchasing investment units in SSF, which has a policy to invest in securities listed on the Stock Exchange of Thailand at least 65% of the net asset value but not over 200,000 Baht.

### **4. Other Measures**

4.1 Refunding of electricity meter deposits for businesses affected by the outbreak.

4.2 Government agencies to reduce rental fees for state properties.

Overall, these measures are expected to create a circulation of 400,000 million Baht in the Thai economy. Additionally, the government has allocated 20,000 million Baht for an emergency fund to provide financial assistance to those who are impacted by the outbreak.

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## Phase Two: Economic Relief Measures

To mitigate the negative economic impacts on temporary and informal workers and business operators in the sectors most affected by the outbreak of COVID-19, the Royal Thai Government has approved Phase Two of a series of financial and fiscal relief measures. The measures approved by the Thai cabinet on March 24, 2020 are as follows:

### 1. Relief measures for temporary and informal workers

1.1 Cash handouts of 5,000 Baht per month for three months for some 3 million workers not covered by the Social Security Fund (SSF) while those under the SSF will get increased unemployment compensation to 50% of the salaries. The handouts are applicable to those working in businesses that were ordered to close due to the COVID-19 outbreak such as sporting venues, theatres, massage parlors, spas, and gyms.

1.2 Emergency loan of 10,000-Baht per person at 0.1% monthly interest with no collateral for loans of up to 2 years and 6 months. Individuals can file for the emergency loan until 30 December 2020. The Government Saving Bank and the Bank for Agriculture and Agricultural Cooperatives will provide a collective credit limit of 40,000 million Baht.

1.3 Special loan of 50,000-Baht per person at 0.35% monthly interest with collateral for loans of up to 3 years. Individuals can file for the special loan until 30 December 2020. The Government Saving Bank will provide a credit limit of 20,000 million Baht.

1.4 Lowering the interest rate of state-owned pawnshops of 0.125% a month for 2 years.

1.5 Training and skills enhancement activities for workers affected by the COVID-19 outbreak.

1.6 The extension of personal income tax filing deadline from 30 June 2020 to 31 August 2020.

1.7 Increase deduction of health insurance premiums from 15,000 Baht to 25,000 Baht starting from the 2020 tax year.

1.8 Tax exemption of risk allowances for medical professionals in the frontline of combating the COVID-19 outbreak.

### 2. Relief measures for business operators

2.1 A special credit line of up to 3 million Baht for SMEs at a 3% interest rate in the first 2 years for loans of up to 5 years. Businesses can file for loans until 30 December 2020. This measure is for businesses affected by the outbreak of COVID-19 particularly those in the tourism sector including buses, hotels, and restaurants.

2.2 The extension of corporate income tax filing to 31 August 2020 (Por Ngor Dor 50) and 30 September 2020 (Por Ngor Dor 51).

2.3 The extension of filing of other taxes for affected operators.

2.4 The extension of filing of excise tax for oil products operators exte the 15th of the following month for three months (April – June 2020).

2.5 The extension of deadline for filing tax refunds and paying taxes for businesses in the service sector affected by orders to close business to prevent the spread of COVID-19 such as restaurants, bars, and nightclubs.

2.6 The exemption of import duty for products related to the prevention and treatment of COVID-19 until 30 September 2020.

2.7 The exemption of taxes and fee cuts for debt restructuring with non-financial institution creditors.

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# ECONOMIC RELIEF MEASURES

in Response to the COVID-19 Outbreak

## Phase 1 (Approved by Thai cabinet on 10 March 2020)

Target:  
SMEs which would be most affected  
by the economic impacts of the COVID-19 outbreak

### Monetary Measures



Low interest soft loans  
at 2% interest for a period  
of 2 years, not over 20 million  
Baht per customer in the total  
amount of 150 billion Baht

Pause in principal payments  
including reducing the interest  
rate for the debts of  
the Government Saving Bank &  
Government Housing Bank

Easing the rules (BOT)  
for granting  
commercial bank loans

Providing a credit line  
The Social Security Fund (SSF)  
will provide a credit line  
at 3%, for a period of 3 years  
in the amount of 30 billion Baht

### Fiscal Measures



Reducing withholding tax  
from 3% to 1.5% from  
Apr. to Sep. 2020

Tax deduction for interest  
expenses  
of up to 1.5 times for SMEs  
participating in low-interest  
credit measures, between  
1 Apr. and 31 Dec. 2020

Tax deduction allowances  
for salary expenses  
of up to 3 times for SMEs,  
between Apr. and Jul. 2020

Expediting VAT refunds  
to domestic entrepreneurs within  
15 days after filing the online  
form and within 45 days for  
physical form submission  
at the Revenue Department

### Capital Market Measures



Tax deduction on the purchase  
of investment units in SSF  
The general public can deduct  
the purchasing investment units in SSF,  
which has a policy to invest in securities  
listed on the SET at least 65% of the net  
asset value but not over 200,000 Baht

### Other Measures



Refunding of electricity  
meter deposits  
for businesses affected by  
the outbreak

Reducing rental fees  
for state properties of  
government agencies

## Phase 2 (Approved by Thai cabinet on 24 March 2020)

Targets:  
Temporary & informal workers and business operators  
affected by the economic impacts of the COVID-19 outbreak

### Measures for temporary and informal workers



Cash handouts  
of 5,000 Baht per month  
for three months for some  
3 million workers not  
covered by the SSF

Emergency loan  
of 10,000-Baht per person  
at 0.1% monthly interest  
with no collateral for  
loans of up to 2 years  
and 6 months

Special loan  
of 50,000-Baht per  
person at 0.35%  
monthly interest with  
collateral for loans of  
up to 3 years

Lowering the interest  
rate  
of state-owned  
pawnshops of 0.125%  
a month for 2 years

Training and  
skills enhancement  
for workers affected by the  
COVID-19 outbreak

Extension of  
personal income tax filing  
deadline from 30 Jun.  
to 31 Aug. 2020

Increasing deduction  
of health insurance  
from 15,000 Baht  
to 25,000 Baht starting  
from the 2020 tax year

Tax exemption of risk  
allowances for medical  
professionals  
in the frontline of combating  
the COVID-19 outbreak

### Measures for business operators



Tax filing deadline extension on the following:



1. Corporate income tax



3. Excise tax  
for oil products operators



2. Other taxes  
for affected operators



4. Tax refund and tax payment  
for affected operators

A special credit line  
of up to 3 million Baht for SMEs  
at a 3% interest rate in the first  
2 years for loans of up to 5 years

Exemption of import duty  
for products related to the  
prevention and treatment  
of COVID-19 until 30 Sep. 2020

Exemption of taxes and fees  
for debt restructuring with  
non-financial institutional  
creditors