



COVID-19 : Tax Relief Measures

17 April 2020

KPMG in Thailand

Extension of corporate income tax return submission

The extension does not apply to the companies listed on the Stock Exchange of Thailand

Tax return	Normal deadline	Extended deadline
<p>Annual corporate income tax return (form PND.50)</p> <p>Transfer pricing disclosure form</p> <p><i>Accounting period ended 3 November 2019 – 3 April 2020</i></p>	<p>April – August 2020</p> <p><i>Within 150 days from the end of the accounting period</i></p> <p>(8-day extension for e-filing)</p>	<p>31 August 2020</p> <p>(manual and e-filings)</p> <p><i>If the normal deadline for PND.50 submission is from 24 August 2020 to 31 August 2020, the 8-day extension for e-filing is still applicable.</i></p>
<p>Mid-year corporate income tax return (form PND.51)</p> <p><i>Accounting period ending August 2020 – January 2021</i></p>	<p>April – September 2020</p> <p><i>Within 2 months from the end of the half of the accounting period</i></p> <p>(8-day extension for e-filing)</p>	<p>30 September 2020</p> <p>(manual and e-filings)</p> <p><i>If the normal deadline is from 23 September 2020 to 30 September 2020, the 8-day extension for e-filing is still applicable.</i></p>

Source: Notification of Ministry of Finance regarding the Extension of Period of Corporate Income Tax Returns and Payments under Revenue Code (No. 2) dated 31 March 2020

The Government's relief measures

The Department of Business Development (DBD)

Measures	AGM can be held later than 4 months from the end of the accounting period.	
Who	<ul style="list-style-type: none"> Limited company Public limited company Chambers of commerce Trade associations 	
Reason	Entities that are affected by the outbreak of COVID-19 and cannot hold an AGM within the normal timeline.	
How	<i>Normal timeline</i>	<i>Extended timeline</i>
	AGM must be held within 4 months from end of the accounting period.	<p><u>AGM can be held later than 4 months from the end of the accounting period.</u> The timeline is not specified. Entities must submit the following documents to the DBD</p> <ul style="list-style-type: none"> Notification letter to clarify the reason* Updated list of shareholders (BOJ.5) (<i>within 14 days from the AGM date</i>) <ul style="list-style-type: none"> - <i>Public limited company (BMJ.006) – within 1 month from the AGM date</i> Audited financial statements (within 1 month from the AGM date)

Note: *Sample of the clarification letter,

Source: [The Notification of the Department of Business Development regarding to the measure the ease the corporate requirements due to Corona Virus Disease 2019 \(Covid-19\) dated 4 March 2020](#)

The Government's relief measures

The Department of Business Development (DBD)

Measures	Extension of audited financial statement submission for certain entities	
Who	<ul style="list-style-type: none"> • Foreign companies doing business in Thailand • Joint ventures • Registered partnerships 	
Reason	Entities that are affected by the outbreak of COVID-19.	
How	<i>Normal timeline</i>	<i>Extended timeline</i>
	Audited financial statements must be submitted to the DBD within 5 months from the end of accounting period.	For entities that have accounting period ending 31 October 2019 to 31 March 2020, the audited financial statement can be submitted within 31 August 2020. The letter to clarify the reason of late submission is not required.

Source: [The Notification of the Department of Business Development regarding the Extension of Audited Financial Statement Submission for Registered Partnerships, Foreign Companies Carrying on Business in Thailand and Join Ventures B.E. 2563 dated 25 March 2020](#)

Extension of tax return submission

The extension applies to all business operators

Tax return	Normal deadline		Extended deadline
<p>Withholding tax (form PND.1, PND.2, PND.3, PND.53 and PND.54)</p> <p>Self-assessed value added tax (form PP.36)</p>	March 2020	<p>7 April 2020</p> <p>15 April 2020 (e-filing)</p>	<p>15 May 2020 (manual and e-filings)</p>
	April 2020	<p>7 May 2020</p> <p>15 May 2020 (e-filing)</p>	
<p>Value added tax (form PP.30)</p> <p>Specific business tax (form PT.40)</p> <p><i>(excluding specific business tax on the sale of immovable property in a commercial or profitable manner according to Section 91/2 (6) of the Revenue Code)</i></p>	March 2020	<p>15 April 2020</p> <p>23 April 2020 (e-filing)</p>	<p>23 May 2020 (manual and e-filings)</p>
	April 2020	<p>15 May 2020</p> <p>23 May 2020 (e-filing)</p>	
<p>Stamp duty (form OS.4, OS.4 Gor and OS.4 Khor)</p> <p><i>(only payment by cash)</i></p>	1 April 2020 to 15 May 2020		15 May 2020

Source: Notification of Ministry of Finance Re Extension of Period of Submission of Tax Returns, Remittance or Payment of Tax and Duty, for Person Liable to Remit Withholding Tax, Person Liable to Remit Corporate Income Tax, Remittance or Payment of Value Added Tax, Payment of Specific Business Tax, and Payment of Stamp Duty (No. 2) dated 3 April 2020

Reduction of withholding tax rates

*not include charitable foundations and associations

Type of income (based on Section 40 of the Thai Revenue Code)	Income recipient	Withholding tax rate for payments made during 1 Apr. 2020 to 30 Sep. 2020	Withholding tax rate for payments made during 1 Oct. 2020 to 31 Dec. 2021 via e-Withholding Tax system
Section 40(2) Income derived from a performance of work, meeting allowance, gratuity, etc.	Company and juristic partnership*	1.5%	2%
Section 40(3) <u>Only</u> income derived from goodwill, copyright and any other rights in a similar nature as royalty	Company and juristic partnership*	1.5%	2%
Section 40(6) Income derived from liberal professions i.e., laws, medical services, engineering, architecture, accounting and fine arts	Company and juristic partnership* /individual	1.5%	2%
Section 40(7) Income derived from a contract of work where the contractor has to provide essential materials besides tools e.g. turn-key contract	Company and juristic partnership* /individual	1.5%	2%
Section 40(8) <u>Only</u> income derived from a hire of work, prizes, discount or any benefits in connection with the sale promotion, and certain other services, <u>excluding</u> performance fee, advertising fee, transportation fee, service fees paid to hotels, restaurants and life and non-life insurance premium	Company and juristic partnership* /individual (excluding hire-of-work fee paid to foreign companies carrying on business in Thailand without a permanent branch)	1.5%	2%

Source: Ministerial Regulations No. 361 (B.E. 2563 (2020)) issued under Revenue Code Governing Income Tax dated 27 March 2020. Departmental Instruction Tax Por. 324/2020 regarding the payer of income of Section 40 of the Thai Revenue Code has duty to withhold the tax

Social security fund (employer and employee under Section 33)

Reduction of contribution rates for employer and employee for 3 months (March-May 2020)

Measure	The reduced rate and extended deadline
Reduce the contribution rate of the employer	4% of the salary
Reduce the contribution rate of the insured person (employee)	1% of the salary
Extension of deadlines for employers to submit compulsory social security forms and remit contributions	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;"> <p><i>Normal deadline</i></p> </div> <div style="text-align: center;"> <p><i>Extended deadline</i></p> </div> </div>

Source: Notification of the Ministry of Labour regarding the Reduction of Contribution Rates for Employers and Insured Persons dated 10 April 2020 and the Notification of the Ministry of Labour regarding the Extension of Social Security Form Submission and Contribution Remittance Deadline dated 9 April 2020

Draft tax relief measures for SMEs

SMEs can deduct 300% of eligible salary costs paid to employees for corporate income tax purposes	SMEs can claim a 150% deduction for interest expenses incurred on soft loans for corporate income tax purposes
<ul style="list-style-type: none"> • Employees must be insured under the Social Security Act • The salary does not exceed THB 15,000 per month per employee • Salary costs paid to employees in the period from April 2020 to July 2020 	<ul style="list-style-type: none"> • SMEs have to participate in the Government's funding initiative to provide soft loans to SMEs • For the interest paid between 1 April 2020 – 31 December 2020
<p>Condition:</p> <ul style="list-style-type: none"> • The SME's annual revenue does not exceed THB 500 million • The total number of employees does not exceed 200 persons • The latest accounting period ended on or before 30 September 2019 • Retain the employment status of the insured employees whose salary do not exceed THB 15,000 per month per employee • The number of insured employees in the said period should not be lower than the number of insured employees as at 31 December 2019 	<p>Condition:</p> <ul style="list-style-type: none"> • The SME's annual revenue must not exceed THB 500 million • The total number of employees does not exceed 200 persons • The latest accounting period ended on or before 30 September 2019 • The SME must maintain a single set of accounts only

Source: [The Ministry of Finance's news No. 22/2563 dated 10 March 2020 regarding the Relief Measures for Those Affected by the Coronavirus Phase 1](#)

Tax relief measures to support donations (1/3)

Type of donation	Tax benefits
<p>General donation Donation of cash and asset can be a tax deduction</p> <ul style="list-style-type: none"> • Donation must be made to charitable organizations, medical institutions or educational institutions as prescribed by the Ministry of Finance including the Thai Red Cross Society and temples. • Donations made to Government's agencies are <u>not</u> qualified. 	<ul style="list-style-type: none"> • Companies or juristic partnerships: Money or asset donated for public charity or for public benefit according to Section 65 Ter (3)(b) can be deducted at the amount not exceeding 2% of the net profits. • VAT operators donated asset is exempt from VAT.
<p>Donation made to the Government's medical institutions Donation of cash and asset can be deducted for 200% of the donation amount.</p> <ul style="list-style-type: none"> • Donation must be made to the Government's medical institutions including medical institutions under the Government's educational institutions, medical institutions of public organizations under the law governing public organizations, medical institutions of state enterprises which is a government organization or a business agencies owned by the Government, medical institutions of local administrative organizations, medical institutions of other government agencies and medical institutions of the Thai Red Cross Society. 	<ul style="list-style-type: none"> • Companies or juristic partnerships: Money or assets donated for the Government's medical institutions can be deducted for 200% of the donation amount (but not exceeding 10% of the net profits when combined with expenses for public charity or for public benefit and expenses for sports or education).

Source: Section 65 Ter (3) of the Thai Revenue Code, [Notification of Ministry of Finance on Income Tax and Value Added Tax \(No.2\) regarding the Public Charitable Organizations, Medical Institutions and Educational Institutions, Royal Decree Issued under Revenue Code Governing Exemption of Taxes and Duties \(No. 663\) B.E. 2561 \(2018\)](#), [Notification of the Director-General of the Revenue Department \(No.10\) regarding Rules, Procedures and Conditions for the Exemption of Income Tax, Value Added tax, Specific Business Tax and Stamp Duty for Donation made to the Government's Medical Institutions](#)

Tax relief measures to support donations (2/3)

Type of donation	Tax benefits
<p><u>Draft</u> tax relief measure on VAT exemption of the importation of medicines, medical supplies, medical tools for donation</p> <ul style="list-style-type: none"> • For the importation for the purpose of donation to the Government's medical institutions, government agencies and public charitable organizations. • The importation and donation must be made from 1 March 2020 to 28 February 2021 	<ul style="list-style-type: none"> • Company or juristic partnerships: Import VAT exemption is provided on the import of medicines, medical supplies, medical tools aimed to be donated for public charity.
<p><u>Draft</u> tax relief measures regarding donations to support COVID-19 measures</p> <p>Donations can be deducted at cost</p> <ul style="list-style-type: none"> • For donations made via e-Donation system into <u>the Office of the Secretary of the Office of the Prime Minister's bank account for the purpose of supporting COVID-19 taskforces</u> • Donations must be made from 5 March 2020 to 5 March 2021 	<ul style="list-style-type: none"> • Company or juristic partnerships: Money or asset donated can be deducted at the donation amount (but not exceeding 2% of the net profits when combined with expenses for public charity or for public benefit and expenses for sports or education according to Section 65 Ter (3)). • VAT registrant operators donated asset is exempt from VAT.

Source: [The Revenue Department News No. PorChorSor 26/2563 dated 31 March 2020 subject: VAT Exemption for importation of medicines, medical supplies, medical tools to be donated for COVID-19 taskforces, the Cabinet Resolution dated 10 March 2020](#)

Tax relief measures to support donations (3/3)

Type of donation	Tax benefits
<p><u>Draft</u> tax relief measure on donation made to the Thai Red Cross Society</p> <p>Donation of cash and asset can be deducted for 200% of the donation amount.</p> <ul style="list-style-type: none">• Donation must be made via e-Donation system of the Thai Revenue Department• Donation must be made from 1 January 2020 to 31 December 2022	<ul style="list-style-type: none">• Companies or juristic partnerships: Money or assets donated for the Thai Red Cross Society can be deducted for 200% of the donation amount (but not exceeding 10% of the net profits when combined with expenses for public charity or for public benefit and expenses for sports or education).

Source: [the Cabinet's resolution dated 15 April 2020](#)



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