



Revenue Department News

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Subject : The Revenue Department signed a memorandum of understanding with the Department of Agricultural Extension and the Department of Business Development, emphasizing on strengthening the potential of Community Enterprises and supporting them to operate as companies

The Revenue Department cooperates with other organizations: the Department of Agricultural Extension and the Department of Business Development to integrate the inter-department cooperation to promote and support the development of community enterprises' potential in terms of business administration and to strengthen their businesses. This is an important part for the development of community's economy which is a fundamental for Thailand economy development.

Today (19th September 2019) **Mrs. Siriwan Kaewmulniem, Principal Advisor on Tax Base Management**, signed a memorandum of understanding among three organizations on **"Enhancing the potential of community enterprises' operation to administer their businesses as companies"**. Their intentions are to improve the potential of community enterprises to be more concrete and to promote and support them to run their businesses as companies in a proper manner that is compatible with their businesses' type and capability.

Mrs. Siriwan Kaewmulniem, Principal Advisor on Tax Base Management, revealed that from the past till now the government has announced policies for promoting and supporting community enterprises, which are fundamental economic groups for local society, so that they can grow strongly, be independent, produce more jobs and income, and become business agencies that are developed sustainably and have high potential to expand in the future. The Revenue Department has issued **tax measures to support and promote community enterprises** to grow in a stable and sustainable manner by recommending them to do single set financial statements to be used as their information for making their decision on business planning precisely and **giving tax exemption for the community enterprises' income according to the Community Enterprise Promotion Act**, only for ordinary partnership or committee who is not juristic person, having income not exceeding 1.8 million baht per year, starting from tax year 2009 up to now. **This tax year 2019 will be the last tax year** for this measure.

In the case of the community enterprises registered as companies having their registered capital not exceeding 5 million bath and their income not exceeding 30 million baht, they will get their tax exemption only for their first 300,000 baht of their net profit

and get higher credibility so that they can easily access their financial loans with low interest rates.

Over the years, **the Revenue Department has focused on promoting and supporting entrepreneurs running their businesses as companies** and continuously issued tax measures to support this notion. Operating their businesses as companies can help them manage their businesses systematically, increase their credibility and fully acquire financial support from financial institutions. In any case, the entrepreneurs must have **their financial statements complying with the accounting standard** to reflect authentic conditions of their businesses (**the Single Set of Financial Statements**). The Single Set of Financial Statements policy is an important issue that the entrepreneurs must realize since they have started their businesses. This will have an impact on their credit loan request from financial institutions that require the entrepreneurs to use the same financial statements submitted to the Revenue Department as the documents for their credit approval.

To provide information and make the community enterprises understand how to operate their businesses as companies, prepare single set financial statements, perform their tax duty correctly, and get their tax incentives, this memorandum of understanding describes the Revenue Department's responsibilities as follows:

1. Cooperating with the Department of Agricultural Extension and other related organization to train or educate the community enterprises how to comply with their tax obligations.
2. Educating the community enterprises' accountants so that they can efficiently work and support the community enterprises how to comply with tax obligations when they operate their businesses as companies.
3. Developing and pooling together all projects' activities among various departments to promote the community enterprises.
4. Assigning the authorized officers to coordinate with the Revenue Department's central offices and regional offices in order to promote and support the community enterprises.

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