



Revenue Department News

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Subject : The Revenue Department supports businesses affected by Covid-19 through the government campaign “Asset Warehousing”

Mr. Arkhom Termpittayapaisith, Minister of Finance revealed that, “the cabinet has approved the principle of the tax policy regarding accepting the transfer of collateral assets to pay off debts (Asset Warehousing) by granting tax exemption and relieving the criteria for bad debt write-off from accounts receivable according to the Royal Act on providing help and rehabilitation for entrepreneurs affected by COVID-19, B.E.2564. The above tax policy helps entrepreneurs by lower tax burdens. According to the Royal Act, borrowers, who operate businesses affected by COVID-19, can transfer assets to financial institutions to pay off debts with conditions to repurchase at the transferred price and have the right to lease assets back to use for business operations in order to prevent the occurrence of liquidity shortages or default.”

Mr. Ekniti Nitithanprapas, Director-General of the Revenue Department revealed that, “The Cabinet has approved the draft of the Royal Decree issued under the Revenue Code on tax exemption (No...) B.E. and the draft of Ministerial Regulation No... (B.E.) issued under the Revenue Code on bad debt write-off from accounts receivable (Asset Warehousing) as proposed by the Ministry of Finance. The details are as follows:

1. The Royal Decree issued under the Revenue Code on tax exemption (No...) B.E.

1.1 Granting personal income tax and corporate income tax exemption to debtors of financial institutions for the income received from the debt relief of financial institutions due to the tax policy to support the transfer of collateral assets to pay off debts according to the Royal Act on providing help and rehabilitation for entrepreneurs affected by COVID-19, in accordance with the rules, procedures and conditions prescribed by the Director-General of the Revenue Department.

1.2 Granting personal income tax, corporate income tax, value-added tax, specific business tax and stamp duty exemption to debtors of financial institutions and financial institutions for the transfer of assets, sale of goods and instrument execution due to the tax policy to support the transfer of collateral assets to pay off debts according to the Royal Act on providing help and rehabilitation for entrepreneurs affected by COVID-19, in accordance with the rules, procedures and conditions prescribed by the Director-General of the Revenue Department.

2. Ministerial Regulation No... (B.E.) issued under the Revenue Code on the bad debts write-off from accounts receivable. It is prescribed that writing off bad debts from the accounts receivable of the financial institutions in the part of the debt that the financial institutions have released to the borrowers can be done without having to act in accordance with the normal rules according to the Royal Act on providing help and rehabilitation for entrepreneurs affected by COVID-19.”

Mr. Ekniti Nitithanprapas, Director-General of the Revenue Department concluded that, “Besides this tax policy to the transfer of collateral assets to pay off debts, the Revenue Department has the other tax policy to help debt restructuring of lenders who are non-financial institutions. These policies help to expedite the debt restructuring of those who are affected by COVID-19 by helping debtors to have more liquidity, be able to revive their businesses and continue operating. As for lenders and financial institutions, they have lower costs and are able to provide more loans to people and businesses.”

For more information, please contact the Revenue Offices nationwide or RD Intelligence Center Tel. 1161.

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