

# ECONOMIC RELIEF MEASURES

Response to the COVID-19 outbreak

## Phase 1

The Thai government has approved Phase One of a series of financial and fiscal relief measures in order to alleviate the economic impact of the COVID-19 outbreak.

These measures are largely aimed at small and medium-sized businesses, which would be most affected by the economic effects of the outbreak. The measures, approved by the Cabinet on 10 March 2020, are as follows:

### 1. Monetary Measures

1.1 Low interest loans (at 2% interest for a period of two years, not over 20 million Baht per customer), up to a total amount of 150 billion baht;

1.2 Suspending the principal and reducing the interest rate for the debts of the Government Savings Bank and the Government Housing Bank;

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

1.4 The Social Security Fund will provide a credit line (at 3%, for a period of three years) in the 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-sized enterprises (SMEs), participating in low-interest credit measures having a single account, may receive 1.5 times deduction for interest expenses that occur between 1 April and 31 December 2020;

2.3 SMEs may receive a tax deduction of up to three times for salary expenses, for employees who are insured under the law on the Social Security Fund (SSF) and who

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.

### 3. Capital Market Measures

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

### 4. Other Measures

4.1 Refund the deposit for electricity use 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.