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# NEWSLETTER

## TAX UPDATE

### 1. New Ministerial Regulation re Tax Exemptions for Health Insurance Premium for Employees and Taxpayer's Parents

The Minister of Finance prescribes the Ministerial Regulation No. 263 (B.E. 2549) by virtue of the Revenue Code Re Revenue Exemptions (the "Ministerial Regulation No. 263"). The Ministerial Regulation No. 263 exempts the personal income tax on the income that the employees receive from employers, in form of health insurance premium for the employees, their spouse, parents or descendants, who are dependent of the employee. This means the business will have more flexibility on providing healthcare benefits to the employees and their dependents.

The Minister Regulation No. 263 also exempts the personal income tax on the amount of income that an individual tax payer pays for the health insurance premium for the tax payer's parents according to the criteria and methods stipulated in the Notification of Revenue Department Director -General.

For more information, please contact us.

## 2. Amendment on Foreign Business Law

The Cabinet just approves the Foreign Business Bill. In an effort to prosecute the use of nominee shareholder and to prevent the exploitation of loopholes in the Foreign Business Act, the Foreign Business Bill, if enacted, will change the definition of a "Foreigner" by adding a voting right of a foreigner as additional criteria. In case of a juristic person registered in Thailand, the new definition of a "Foreigner" shall include a juristic person with a foreigner having half or more of the total voting rights of such juristic person.

The Bill also makes minor changes on the list three of the existing Foreign Business Act, B.E. 2542. The bill provides the transitional and grandfather provisions for the companies whose status is changed due to the redefinition in the bill.

For more information, please contact us.

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