

## Thai News Update: 10 August 2018

### **1. Cashless Microfinance Trend In India Offers Model For Helping Thailand's Poor**

**Source: The Nation ([Link](#))**

The integration of cashless technology in microfinance lending in Mumbai is being studied as a model for how the innovation's success in India's business hub can be applied to help the urban poor in Thailand. Microfinance operators in India have begun incorporating financial technology into their practices to cut operating costs and encourage poor people to open accounts with banks. "When we started to apply cashless lending and cashless repayment collection, we at first feared that there would be an objection from borrowers, but they did not object," said Satishkumar Rao, executive director of Hindusthan Microfinance Pvt. Ltd. Rao was speaking at the "Maharashtra-Thailand Roundtable Discussion on SMEs", co-hosted by the Minister of Industry and Mining of Maharashtra state, Subhash Desai, and Ekapol Poolpipat, consul-general of the Thai consulate in Mumbai, last week in the Indian mega-city.

### **2. Revised Thailand-RP Double Taxation Pact Coming Into Force**

**Source: The Nation ([Link](#))**

A Revised Double taxation agreement (Revised DTA) between Thailand and the Philippines will replace the existing 1983 treaty and will become effective on January 1, 2019. The major portions of the 1983 tax treaty were revised in order to make the treaty more relevant to the current tax laws and environment and in order to be in line with the OECD Model Tax Convention. The key highlights of the Revised DTA is the expansion of Permanent Establishment (PE) definition (Article 5). The Revised DTA expands the existence of a fixed place of business's PE by including (i) any other place of extraction or exploration of natural resources; (ii) a farm or plantation and (iii) a building site, a construction, installation or assembly projects or supervisory activities in connection with such projects where such site, project or activities continue for a period of more than three months (previously six months for building site and construction projects).

### **3. VAT Relief For Welfare Recipients Backed**

**Source: The Nation ([Link](#))**

A proposal to reimburse the holders of state welfare cards for the value-added tax (VAT) they make on purchases has won backing from a prominent think tank. The Thailand Development Research Institute (TDRI) said it vows to support the relief measure that would benefit the 11.4 million people who have been handed the welfare cards. Somchai Jitsuchon, the research director for TDRI's inclusive development, said that the initiative would help these low-income earners who would effectively receive back the 7 per cent VAT that they are charged on purchases made with the welfare cards. The proposal should be allowed to run for at least a year before an evaluation is made, Somchai said. An advantage for the government is that it could use such a period to gradually raise the VAT, he said.

### **4. Epac Sticking With LPG Price Limit Until 2019**

**Source: Bangkok Post ([Link](#))**

Energy policymakers are maintaining the cap on cooking gas prices at 13.08 baht per kilogramme, equal to 363 baht per 15kg cylinder, until the end of the year. August 9 meeting of the Energy Policy Administration Committee (Epac) approved the resolution despite Saudi Arabia's reference price rising by 4.5% to US\$587 a tonne in August from \$562.50 in July. Twarath Sutabutr, secretary-general of the Energy Policy and Planning Office (Eppo), said cooking gas prices are being subsidised by oil consumers because the state Oil Fund's cooking gas account has been depleted. Epac also approved borrowing cash from the oil user account for the cooking gas account in order to maintain the price at 363 baht. The cross-subsidy programme was previously terminated in 2014 after a decade, due to the massive debt that was accrued by the cooking gas account. In 2007, the debt was 93 billion baht.

### **5. PPP Panel Gives Nod To Two Projects**

**Source: Bangkok Post ([Link](#))**

The public-private partnership (PPP) committee has approved two more joint investment projects worth a combined 4 billion baht, says the head of the State Enterprise Policy Office (Sepa). The two projects are a border freight centre in Nakhon Phanom province worth 1.36 billion baht and a transport interchange centre in Chiang Rai province making up the rest, director-general Prapas

Kong-Ied said after the PPP committee meeting chaired by Deputy Prime Minister Somkid Jatusripitak. The government will take responsibility for supplying land and shoulder the costs for infrastructure development and civil works at the border freight hub, while the private sector will fund costs for building construction, equipment, and operations and maintenance throughout the 30-year period.