



Revenue Department News

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Subject : The Revenue Department arranges a seminar for the drugstore business to recommend for registering as juristic persons and make them ready for the National e-Payment System

The Revenue Department invited almost 20,000 drugstores throughout the country to enter the formal tax system by recommending and encouraging them to transform their individual persons status to juristic persons by giving tax benefits to relieve tax burdens, suggesting them to prepare a single financial account, as well as educating them to be prepared for the National e-Payment System.

The Director-General of the Revenue Department, Mr. Prasong Poontaneat, was the chairman of the “Business Progress: Drugstores move towards International” seminar, which was held by the Revenue Department on 7th September 2016 at the Revenue Department headquarters building; there were about 400 attendees. The main purpose of this seminar was to educate drugstore entrepreneurs who are members of the Federation for the Development of Accrediting Pharmacy (FDAP) of the Revenue Department’s policies, which encourage the individual persons to register as juristic persons, and inform taxation practices of how to correctly prepare single financial accounts. Moreover, the Revenue Department organized “Clinic for solving the juristic person registration problems” activity to educate practices and guidelines to the attendees thoroughly.

Mr. Prasong Poontaneat revealed that “For this year, the Revenue Department has accelerated the tax base expansion to align with the policies of the Government and the Ministry of Finance by inviting the individual persons to register their businesses in the form of juristic persons, encouraging preparation of a single financial account, and supporting more knowledge and understanding of the upcoming National e-Payment system. So far, the Revenue Department has invited members of the FDAP, including the Thai Pharmacies Association, the Community Pharmacy Association (Thailand), and the Drugstore Club, to register as companies or juristic partnerships. There are about 21,318 drugstores nationwide, of which 90% of are individual persons and 10% are chain stores. The Revenue Department has already met with the FDAP to make guidelines for resolving possible issues of the drugstore businesses in changing into juristic persons as follows:

1. In collaboration with the Food and Drug Administration (FDA), the Revenue Department will arrange a meeting with the FDA at the end of September 2016 to discuss solutions in transferring business licenses from the individual persons to the juristic persons and the development of an e-Signature system to support the receiving of e-filing form data regarding the control report on the list of medicines, in which pharmacists' signatures are needed on every report. Other issues for discussion include the identification of drug code standard for control and report generation purposes and coordination with the FDA to arrange seminars for drugstores throughout the country.

2. The Revenue Department will arrange a meeting with the Software House developers and the Community Pharmacy Association to define user requirements to develop software that can record drug sales and a single set of program for financial accounting. The program should also have an alert system to keep track of drug expiration and a warning system for the drugs that cannot be dispensed together.

Recently, the Government has release tax measure to promote business transforming from individual persons status to juristic persons. Those who register as juristic persons within 31st December 2017 will be eligible for tax benefits such as a direct and indirect tax exemption for transferring real estates and any property, double expenses deduction for juristic person registration, accounting and auditing fees (only for juristic persons with registered capital not exceeding 5 million baht and revenue of no more than 30 million baht/within one accounting period). Moreover, fees for transfer registration of immovable property and condominiums have been cut from 2% to 0.01%; transferring license of doing business from individual persons to new juristic persons and fee exemption for changing approved loan amount are also allowed.

The Director-General of the Revenue Department further stated that “With respect to the tax base expansion of the gold shop businesses, the Revenue Department has already arranged the meeting with the Gold Traders Association, the Gold Business Association, the Thailand Gold Retailers Club (TGRC) and the accounting software developers; all parties encourage gold shop businesses throughout the country who are individual persons to register as juristic persons and organize seminars on the proper practices for all nationwide members. Meanwhile, the Revenue Department has already informed all Revenue Area offices to give priority and coordinate with the TGRC in order to provide the speakers for upcoming events as requested as well as arrange seminars for other business groups.”

The Director-General of the Revenue Department announced at the end of the seminar that “For the plan of tax base expansion, the Revenue Department will focus on tourism and related businesses such as tourism, hotels, restaurants, food shops, accommodations reservation agencies, car rentals, souvenir shops, recreation and entertainment businesses. At present, the Revenue Department has already collaborated with the Thailand Tourism Authority.”

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