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This translation is for the convenience of those unfamiliar with the Thai language. Please refer to the Thai text for the official version.

BANK OF THAILAND

13 January 2003

To: Managers

All commercial banks

All finance companies, finance & securities companies and credit
foncier companies

Special state financial institutions

No. SorNorSor. (21) Wor. 1/ 2546 Re: Sending of the Royal Decree
Issued by the Virtue of the Revenue Code regarding Revenue
Exemption (No. 410) B.E. 2545 and Notification of the Ministry of
Interior concerning Reduction of the Fee for Registration of Rights and
Juristic Acts in cases of Debt Restructuring and Compliance with
Bankruptcy Law

Whereas the Cabinet passed a resolution on 3 December 2002 to extend the period for granting tax and fee privilege in case of debt restructuring for one more year, from the expiry date previously fixed on 31 December 2002 to 31 December 2003.

For information, the Bank of Thailand (BOT) hereby sends the Royal Decree issued by the virtue of the Revenue Code regarding revenue exemption (No. 410) B.E. 2545 and Notification of the Ministry of Interior concerning the extension of period of time for granting privilege in reduction of the fee for registration of rights and juristic acts in cases of debt restructuring and compliance with bankruptcy law, numbering 4 copies. In addition, the laws supporting the granting of other relevant tax privilege such as ministerial regulations and orders of the Revenue Department are pending the consideration of the Revenue Department. Upon completion of such consideration by the Revenue Department, BOT shall send the said documents to financial institutions for further information.

Please be informed accordingly.

Regards,

-Signature-

(Mr. Samart Buranawatanachoke)
Senior Director, Financial Institutions Policy Group
for Governor

Risk Supervision Policy and Analysis Department
Tel 0-2283-5303-4

BOT Notification No. 1-2546 (13-01-03)

(Translation)

ROYAL DECREE
Issued under the Revenue Code
on Tax Exemption (No. 410)
B.E. 2545

BHUMIBOL ADULYADEJ, REX.
Given on the 31st Day of December 2002
Being the 57th Year of the Present Reign

His Majesty King Bhumibol Adulyadej has been graciously pleased to proclaim that:

Whereas it is deemed expedient to grant an exemption on income tax, value added tax, specific business tax, and stamp duty in certain cases.

His Majesty the King, by virtue of Section 221 of the Constitution of the Kingdom of Thailand and Section 3(1) of the Revenue Code as amended by the Revenue Code Amendment Act (No. 10) B.E. 2496, is therefore graciously pleased to enact a Royal Decree as follows:

Section 1. This Royal Decree shall be called the “Royal Decree Issued under the Revenue Code on Tax Exemption (No. 410) B.E. 2545.”

Section 2. This Royal Decree shall come into force on the 1st day of January 2003.

Section 3. In this Royal Decree:

“Financial Institutions” means:

- (1) Banks under the law governing commercial banking,
- (2) Government Savings Bank,
- (3) Asset Management Corporation under the law governing the Asset Management Corporation,
- (4) Finance companies, securities companies or credit foncier companies under the law governing finance, securities or credit foncier businesses,
- (5) Asset management companies under the law governing the asset management companies,
- (6) Financial institutions established by specific laws of Thailand for the purpose of providing loans to promote agriculture, commerce or industry,

(7) Other juristic persons as prescribed by a Notification of the Director-General with the approval of the Minister.

“Other Creditors” means creditors other than Financial Institutions which have negotiated with Financial Institutions to restructure the debt for the debtor and have concluded letters of agreement with the Financial Institution creditors.

“Debtor of Financial Institutions” shall include guarantors of the debtors.

“Debtor of Other Creditors” means debtors of Other Creditors which are also Debtors of Financial Institutions and also includes guarantors of debtors.

Section 4. A Debtor of Financial Institutions shall be exempt from income tax under Part 2 and Part 3 of Chapter 3, in Title 2 of the Revenue Code, for income derived from debts discharged by a Financial Institution where such a Financial Institution has complied with the rules for debt restructuring of Financial Institutions as prescribed and notified by the Bank of Thailand; provided that this section shall apply only to debts discharged between 1st January 2003 and 31st December 2003.

Section 5. A Debtor of Financial Institutions and the Financial Institutions shall be exempt from income tax under Part 2 and Part 3 of Chapter 3, value added tax under Chapter 4, specific business tax under Chapter 5 and stamp duty under Chapter 6, in Title 2 of the Revenue Code, for income derived from the transfer of properties, sale of goods or provision of services and for instruments made from the debt restructuring of Financial Institutions under the rules for debt restructuring of Financial Institutions as prescribed and notified by the Bank of Thailand; provided that this section shall apply only to the transfer of properties, sale of goods or provision of services, and instruments made between 1st January 2003 and 31st December 2003.

Section 6. A Debtor of Other Creditors shall be exempt from income tax under Part 2 and Part 3 of Chapter 3, in Title 2 of the Revenue Code, for income derived from debts restructured and discharged by Other Creditors under the rules for debt restructuring of Financial Institutions as prescribed and notified by the Bank of Thailand, which shall be applied *mutatis mutandis*; provided that this section shall apply only to debts discharged between 1st January 2003 and 31st December 2003.

Section 7. A Debtor of Other Creditors and Other Creditors shall be exempt from income tax under Part 2 and Part 3 of Chapter 3, value added tax under Chapter 4, specific business tax under Chapter 5, and stamp duty under Chapter 6, in Title 2 of the Revenue Code, for income derived from the transfer of properties, sales of goods or provision of services, and for debt instruments made for the purpose of the debt restructuring proceeded by Other Creditors under the rules for debt restructuring of Financial Institutions as prescribed and notified by the Bank of Thailand, which shall be applied *mutatis mutandis*; provided that this section shall apply only to the transfer of property, sales of goods or the provision of services, and debt instruments made between 1st January 2003 and 31st December 2003.

Section 8. A Debtor of Financial Institutions shall be exempt from income tax under Part 2 and Part 3 of Chapter 3, the specific business tax under Chapter 5, and stamp duty under Chapter 6, in Title 2 of the Revenue Code, for income derived from the transfer of an immovable property to a non-financial institution creditor, and for a debt instrument made for the purpose of transferring such an immovable property. The Debtor of Financial Institutions however must use such income to repay its debts to a Financial Institution creditor who has proceeded the debt restructuring under the rules for the debt restructuring of the Financial Institutions as prescribed and notified by the Bank of Thailand; provided that this section shall apply only to the portion of the income not exceeding the debt accrued with the Financial Institution or the obligation under the security agreements made in favour of the Financial Institution under the rules, procedures, and conditions as prescribed and notified by the Director-General.

The immovable property transferred and the debt instrument made under the first paragraph must be done between 1st January 2003 and 31st December 2003, and the immovable property shall be a debtor's immovable property mortgaged to secure its debts with the Financial Institution prior to 1st November 2000.

Section 9. The Minister of Finance shall have the care and charge of this Royal Decree.

Countersigned by

Pol. Lt. Col. Thaksin Shinawatra

Prime Minister

Remarks: *The reason why this Royal Decree is enacted is due to the fact that Thailand is facing economic crisis which negatively affects a private sector's ability in performing its debts. As a result, financial institutions and other creditors must restructure their debts to be consistent with the ability of their debtors in debt repayment and the Royal Decree issued under the Revenue Code on Tax Exemption (No. 399) B.E. 2545 was enacted to grant tax privileges to debtors and creditors, either financial institutions or other creditors, which will expire on 31st December 2002, for the purpose of supporting the debt restructuring. However, to date the debt restructurings of the financial institutions and other creditors are being implemented and it is necessary to extend the period for granting the tax privilege. Thus, to encourage and support the debt restructuring of the financial institutions and other creditors, it is deemed appropriate to extend the period for granting the said tax privileges to the debtors and creditors, both financial institutions and other creditors, to 31st December 2003. It is therefore necessary to enact this Royal Decree.*

(Government Gazette Vol. 119, Chap. 128 Gor., dated 31st December B.E. 2545)

(Garuda Emblem)

Notification of the Ministry of Interior
Re: Collection of the Fee for Registration of Rights and Juristic Acts
under Land Act
in case of Compliance with Bankruptcy Law

Whereas the Cabinet issued a resolution on 3 December 2002 to amend the rules on and extend the period of time for the collection of the fee for registration of rights and juristic acts under condominium law in case of compliance with bankruptcy law to 31 December 2003, for the sake of the stability of the economy of the country and for the purpose of completing (i) the process of release of obligations or (ii) debt compositions in accordance with applications for debt compositions or business rehabilitation plan of debtor as approved by the court in accordance with the bankruptcy law.

In compliance with the said resolution of the Cabinet, the Ministry of Interior hereby issues a notification as follows:

Clause 1 The Notification of the Interior Re: Collection of the Fee for Registration of Rights and Juristic Acts under Land Act in case of Compliance with Bankruptcy Law dated 5 September 2001 and the Notification of the Ministry of Interior Re: Collection of the Fee for Registration of Rights and Juristic Acts under Condominium Law in case of Compliance with Bankruptcy Law (No. 2) dated 27 December 2001 shall be repealed.

Clause 2 The fee for registration of immovable property transfer and mortgage shall be collected at the rate of 0.01 percent in the cases of compliance with bankruptcy law as follows:

(1) the registration of immovable property transfer between debtor and creditor in the process of (i) release of obligation or debt composition in accordance with applications for debt composition or business rehabilitation plan of debtor as approved by the court in accordance with the bankruptcy law;

(2) the registration of immovable property transfer from debtor to any person other than creditor in the process of (i) release of obligation or (ii) debt composition in accordance with applications for debt composition or business rehabilitation plan of debtor as approved by the court in accordance with the bankruptcy law;

(3) the registration of immovable property mortgage between debtor and creditor in the process of (i) release of obligation or (ii) debt composition in accordance with applications for debt composition or business rehabilitation plan of debtor as approved by the court in accordance with the bankruptcy law, irrespective of whether it is the mortgage of the immovable property being the existing collateral or of the immovable property being the new collateral.

Clause 3 This Notification shall be effective from the following date of its publication in the Government Gazette to 31 December 2003.

Notified on 26 December 2002

-Signature-
(Mr. Wan Muhamad Nor Matha)
Minister of Interior

(Government Gazette, General Version, Vol. 119, Special Part 130 Ngor, dated 27 December 2002)

(Garuda Emblem)

Notification of the Ministry of Interior
Re: Collection of the Fee for Registration of Rights and Juristic Acts
under Condominium Law in case of Debt Restructuring
in accordance with the Rules Specified by the Cabinet (No. 3)

Whereas the Cabinet issued a resolution on 3 December 2002 to amend the rules on and extend the period of time to 31 December 2003 for the collection of the fee for registration of rights and juristic acts under condominium law in case of debt restructuring in accordance with the rules specified by the Cabinet, for the sake of the stability of the economy of the country and for the purpose of completing the debt restructurings under the Notification of the Ministry of Interior Re: Collection of the Fee for Registration of Rights and Juristic Acts under Condominium Law in case of Debt Restructuring in accordance with the Rules Specified by the Cabinet dated 5 September 2001.

In compliance with the said Cabinet's resolution, the Ministry of Interior hereby issues a notification as follows:

Clause 1 Clause 3 (4) of the Notification of the Interior Re: Collection of the Fee for Registration of Rights and Juristic Acts under Condominium Law in case of Debt Restructuring in accordance with the Rules Specified by the Cabinet dated 5 September 2001 shall be repealed and replaced by the following:

“(4) In case the debtor of financial institution transfers its condominium to any person other than creditor being a financial institutional for the purpose of applying the proceeds from such transfer to make debt repayment to financial institutional creditor, the condominium transfer registration fee shall be collected at the rate of 0.01 percent of the appraised price of the condominium only for the amount applied for the debt repayment to financial institutional creditor; and shall be collected at the normal rate for the appraised price excess of the amount applied for debt repayment.”

Clause 2 Clause 4 of the Notification of the Interior Re: Collection of the Fee for Registration of Rights and Juristic Acts under Condominium Law in case of Debt Restructuring in accordance with the Rules Specified by the Cabinet dated 5 September B.E. 2544 as amended by the Notification of the Ministry of Interior Re: Collection of the Fee for Registration of Rights and Juristic Acts under Condominium Law in case of Debt Restructuring in accordance with the Rules Specified by the Cabinet (No. 2) dated 27 December 2001 shall be repealed and replaced by the following:

“Clause 4 This Notification shall be effective from the following date of its publication in the Government Gazette to 31 December 2003.”

Notified on 26 December 2002

-Signature-
(Mr. Wan Muhamad Nor Matha)
Minister of Interior

(Government Gazette, General Version, Vol. 119, Special Part 130 Ngor, dated 27 December 2002)

(Garuda Emblem)

Notification of the Ministry of Interior
Re: Collection of the Fee for Registration of Rights and Juristic Acts
under Land Act in case of Debt Restructuring
in accordance with the Rules Specified by the Cabinet (No. 3)

Whereas the Cabinet issued a resolution on 3 December 2002 to amend the rules on and extend the period of time to 31 December 2003 for the collection of the fee for registration of rights and juristic acts under Land Act in case of debt restructuring in accordance with the rules specified by the Cabinet, for the sake of the stability of the economy of the country and for the purpose of completing the debt restructuring under the Notification of the Ministry of Interior Re: Collection of the Fee for Registration of Rights and Juristic Acts under Land Act in case of Debt Restructuring in accordance with the Rules Specified by the Cabinet dated 5 September 2001.

In compliance with the said Cabinet's resolution, the Ministry of Interior hereby issues a notification as follows:

Clause 1 Clause 3 (4) of the Notification of the Interior Re: Collection of the Fee for Registration of Rights and Juristic Acts under Land Act in case of Debt Restructuring in accordance with the Rules Specified by the Cabinet dated 5 September 2001 shall be repealed and replaced by the following:

“(4) In case the debtor of financial institution transfers its immovable property to any person other than creditor being a financial institutional for the purpose of applying the proceeds from such transfer to make debt repayment to financial institutional creditor, the immovable property transfer registration fee shall be collected at the rate of 0.01 percent of the appraised price of the immovable property only for the amount applied for the debt repayment to financial institutional creditor; and shall be collected at the normal rate for the appraised price excess of the amount applied for debt repayment.”

Clause 2 Clause 4 of the Notification of the Interior Re: Collection of the Fee for Registration of Rights and Juristic Acts under Land Act in case of Debt Restructuring in accordance with the Rules Specified by the Cabinet dated 5 September B.E. 2544 as amended by the Notification of the Ministry of Interior Re: Collection of the Fee for Registration of Rights and Juristic Acts under Land Act in case of Debt Restructuring in accordance with the Rules Specified by the Cabinet (No. 2) dated 27 December 2001 shall be repealed and replaced by the following:

“Clause 4 This Notification shall be effective from the following date of its publication in the Government Gazette to 31 December 2003.”

Notified on 26 December 2002

-Signature-
(Mr. Wan Muhamad Nor Matha)
Minister of Interior

(Government Gazette, General Version, Vol. 119, Special Part 130 Ngor, dated 27 December 2002)

(Garuda Emblem)

Notification of the Ministry of Interior
Re: Collection of the Fee for Registration of Rights and Juristic Acts
under Condominium Law
in case of Compliance with Bankruptcy Law

Whereas the Cabinet issued a resolution on 3 December 2002 to amend the rules on and extend the period of time for the collection of the fee for registration of rights and juristic acts under condominium law in case of compliance with bankruptcy law to 31 December 2003, for the sake of the stability of the economy of the country and for the purpose of completing (i) the process of release of obligations or (ii) debt compositions in accordance with applications for debt compositions or business rehabilitation plan of debtor as approved by the court in accordance with the bankruptcy law.

In compliance with the said resolution of the Cabinet, the Ministry of Interior hereby issues a notification as follows:

Clause 1 The Notification of the Interior Re: Collection of the Fee for Registration of Rights and Juristic Acts under Condominium Law in case of Compliance with Bankruptcy Law dated 5 September 2001 and the Notification of the Ministry of Interior Re: Collection of the Fee for Registration of Rights and Juristic Acts under Condominium Law in case of Compliance with Bankruptcy Law (No. 2) dated 27 December 2001 shall be repealed.

Clause 2 The fee for registration of condominium transfer and mortgage shall be collected at the rate of 0.01 percent in the cases of compliance with bankruptcy law as follows:

(1) the registration of condominium transfer between debtor and creditor in the process of (i) release of obligation or debt composition in accordance with applications for debt composition or business rehabilitation plan of debtor as approved by the court in accordance with the bankruptcy law;

(2) the registration of condominium transfer from debtor to any person other than creditor in the process of (i) release of obligation or (ii) debt composition in accordance with applications for debt composition or business rehabilitation plan of debtor as approved by the court in accordance with the bankruptcy law;

(3) the registration of condominium mortgage between debtor and creditor in the process of (i) release of obligation or (ii) debt composition in accordance with applications for debt composition or business rehabilitation plan of debtor as approved by the court in accordance with the bankruptcy law, irrespective of whether it is the mortgage of the condominium being the existing collateral or of the condominium being the new collateral.

Clause 3 This Notification shall be effective from the following date of its publication in the Government Gazette to 31 December 2003.

Notified on 26 December 2002

-Signature-
(Mr. Wan Muhamad Nor Matha)
Minister of Interior

(Government Gazette, General Version, Vol. 119, Special Part 130 Ngor, dated 27 December 2002)

Example of Computation of the Fee for Registration of Transferring Immovable Property or Condominium in case of Debt Restructuring in accordance with Clause 3(4) of the Notification of the Ministry of Interior Re: Collection of the Fee for Registration of Rights and Juristic Acts under the Land Code (and Condominium Law) in case of Debt Restructuring in accordance with the Rules Specified by the Cabinet dated 5 September 2001 as amended by the Notification of the Ministry of Interior dated 26 December 2002.

Example 1 In case an immovable property/ condominium is sold at the price lower than the appraised price of such immovable property or condominium, and the whole proceeds gained from such sale are subsequently applied for debt repayment e.g. the immovable property/ condominium is sold at Baht 800,000, the amount applied for making debt repayment to creditor is Baht 800,000 whilst the appraised price of such immovable property or condominium is Baht 1,000,000; then the registration fee for such sale shall be as follows:

- (1) 0.01 percent, for the amount applied for debt repayment which is Baht 800,000;
- (2) 2 percent, for the appraised price of such immovable property or condominium excess the amount applied for debt repayment $(1,000,000 - 800,000) = \text{Baht } 200,000$.

Example 2 In case an immovable property/ condominium is sold at the price lower than the appraised price of such immovable property or condominium, and the part of proceeds gained from such sale is subsequently applied for debt repayment e.g. the immovable property/ condominium is sold at Baht 800,000, the amount applied for making debt repayment to creditor is Baht 800,000 whilst the appraised price amount of such immovable property or condominium is Baht 1,000,000; then the registration fee for such sale shall be as follows:

- (1) 0.01 percent, for the amount applied for debt repayment which is Baht 800,000;
- (2) 2 percent, for the appraised price of such immovable property or condominium excess the amount applied for debt repayment $(1,000,000 - 800,000) = \text{Baht } 200,000$.

Example 3 In case an immovable property/ condominium is sold at the price higher than the appraised price of such immovable property or condominium, and the whole proceeds gained from such sales are subsequently applied for debt repayment e.g. the immovable property/ condominium is sold at Baht 1,500,000, the amount applied for making debt repayment to creditor is Baht 1,500,000 whilst the appraised price of such immovable property or condominium is Baht 1,000,000; then the registration fee for such sale shall be at the rate of 0.01 percent of the appraised price of such immovable property or condominium.

Example 4 In case an immovable property/ condominium is sold at the price higher than the appraised price of such immovable property or condominium, and the part of proceeds gained from such sales is applied for debt repayment e.g. the immovable property/ condominium is sold at Baht 1,500,000, the amount applied for

making debt repayment to creditor is Baht 800,000 whilst the appraised price of such immovable property or condominium is Baht 1,000,000; then the registration fee for such sale shall be as follows:

- (1) 0.01 percent, for the amount applied for debt repayment which is Baht 800,000;
- (2) 2 percent, for the appraised price of such immovable property or condominium excess the amount applied for debt repayment $(1,000,000 - 800,000) = \text{Baht } 200,000$.