**Q&A SUMMARY**

**FTCC Online Roundtable Discussion on COVID-19**

**on 2nd April 2020, 10h00-11h30**

To download the FTCC powerpoint slides displayed at the FTCC Online Roundtable Discussion on COVID-19, please click [here](https://l.facebook.com/l.php?u=https%3A%2F%2Fdrive.google.com%2Ffile%2Fd%2F1zv1u2Dv4IiEiqskldafg04UQCFihM4SU%2Fview%3Fusp%3Dsharing%26fbclid%3DIwAR0jE8LuMGv5INfHEj_Bi0aWJ5wdJGZV46YwevMKI0PqyWI0z-TMWs1jiBo&h=AT35I4XOQHyY7CbcW-pvim2fjPlwmRDOVPOy8jWq9JHShHVNHIYqpTZ-XcoTmhrpEr9zpzWtm31jXYGxz00tXTkdAK4uoYRhDPTb0bHIMrwNviVOd_KwY2lSiYBTnbBtsj1kxjiDz3X_X2NXRXD5fnFk3N_LOijMvlMmqSZ4Eg4QIBj0uFP7CYg4Pnd3MMYVKuHt93ldAeZUyAeaVzGc2JwxWqYKI1G8p4qoG3UPaag5x972eNha76u_o3k54LCGJGz-t5So5gxipO3iwJaS27Dj_a4g5FwZ_8c3h80AWTscnUTRX51CChjjaZ38ZYvBMyW7Zb9s42mJrFvU4SrFSCitUIIdXmSzUtcA-183Gz--BsiAwElxplxs33yDm3radCsPotFop8e5CpN16iMexD8pwtdJMvdR5Bw-zxmyOE47mNAJDjVeqQqY5bcF4t1xM9IPBgbVuUM0wloXsN6OzziJI6LmNHY7vnseynFSrtxv5D6PKq5Pqu21yP03AaIF0oV7SvIWTeAddoLCP3cyG7yWJIKaXzfIX73P_nQBwrsArSez_DXREu6HElv_hO0gjG6_yScai6jQDfnfjDz7p3mDV9wAi6aFVtI21lpboGrOxlf_2rpUiDIIjUr7tgbnaw).

**Introduction by FTCC President, Thomas SANCHEZ**

Ms. Sanchez welcomed 50 participants (of which 15 FTCC staff) to the first online roundtable discussion and addressed that the FTCC is here with members to support and give updated information about COVID-19. The roundtable has objective to address members with information and advice on employees, tax measures, bank loans and work remotely with experts in the sectors; namely:

**Vovan Trocadelyo**

*Mr. Frédéric Favre f.favre@trocadelyo-group.com*

*Ms. Sansanee Perandus s.joyjaroen@trocadelyo-group.com*

**CIC Crédit Industrielet Commercial**

*Mr. Gabriel Lubeigt Hanchana gabriel.lubeigthanchana@cmcic.com*

**Mazars**

*Ms. Pongphan Narasin Pongphan.Narasin@mazars.co.th*

**Safecoms**

*Mr. Bernard Collin Bernard.Collin@safecoms.com*

Sukanya Uerchuchai, FTCC Executive Director, introduced topics of today’s discussion as well as presented briefly Thailand’s Emergency Decree effective from 26th March to 30th April 2020 which impacts companies in some sectors. She also invited Mr. Frédéric FAVRE and Ms. Sansanee PERANDUS from Vovan Trocadelyo to present the first topic:

1. **Employees/ Compensation & SSO Measures**

Mr. Frederic Favre explained that in Thailand, the labor Law framework is stable since 1998 since the “Tomyum Kung” crisis. The discussion is still on regarding the interpretation of the law under the current situation. The main issue for the ambiguity is what type of rule to follow and the concept of “Force Majeure”. There is no clear definition in the labour law. Force Majeure is hot topic in every country and must be used in case of natural disaster or the drastic measure from the government.

Ms. Sansanee introduced that there are 6 topics in Labor Protection Act 2541, relating to the current situation

1. *Termination of employment (Art. 17, 17/1)*

Both employer and employee can terminate employment by giving advance notice. If employer want to terminate, employer is liable to severance pay depending on duration of employment (see the [powerpoint](https://l.facebook.com/l.php?u=https%3A%2F%2Fdrive.google.com%2Ffile%2Fd%2F1zv1u2Dv4IiEiqskldafg04UQCFihM4SU%2Fview%3Fusp%3Dsharing%26fbclid%3DIwAR0jE8LuMGv5INfHEj_Bi0aWJ5wdJGZV46YwevMKI0PqyWI0z-TMWs1jiBo&h=AT35I4XOQHyY7CbcW-pvim2fjPlwmRDOVPOy8jWq9JHShHVNHIYqpTZ-XcoTmhrpEr9zpzWtm31jXYGxz00tXTkdAK4uoYRhDPTb0bHIMrwNviVOd_KwY2lSiYBTnbBtsj1kxjiDz3X_X2NXRXD5fnFk3N_LOijMvlMmqSZ4Eg4QIBj0uFP7CYg4Pnd3MMYVKuHt93ldAeZUyAeaVzGc2JwxWqYKI1G8p4qoG3UPaag5x972eNha76u_o3k54LCGJGz-t5So5gxipO3iwJaS27Dj_a4g5FwZ_8c3h80AWTscnUTRX51CChjjaZ38ZYvBMyW7Zb9s42mJrFvU4SrFSCitUIIdXmSzUtcA-183Gz--BsiAwElxplxs33yDm3radCsPotFop8e5CpN16iMexD8pwtdJMvdR5Bw-zxmyOE47mNAJDjVeqQqY5bcF4t1xM9IPBgbVuUM0wloXsN6OzziJI6LmNHY7vnseynFSrtxv5D6PKq5Pqu21yP03AaIF0oV7SvIWTeAddoLCP3cyG7yWJIKaXzfIX73P_nQBwrsArSez_DXREu6HElv_hO0gjG6_yScai6jQDfnfjDz7p3mDV9wAi6aFVtI21lpboGrOxlf_2rpUiDIIjUr7tgbnaw) for further information).

1. *Suspension of partial or whole activities/operations (Art. 75)*

Employee can suspend partly the production but they have to pay 75% of wage during the suspension period. However, in case of “Force majeure”, you do not have to pay 75% and then apply no work/ no pay (temporarily shut down, quarantine, etc).

1. *Liquidation (Art.118 para. 2)*

An employer is liable to severance pay even in case of bankruptcy

1. *Termination of employment as a result of reorganization of undertaking, production line* (Art.121)

Replace employee with technology / machine: employer is liable to severance pay

1. *Agreement to reduce working hours*

Mutual compromise + need consent from employees.

1. *Leave without pay*

No direct impact from the government announcement, you need consent from employees to apply leave without pay.

**Question 1:** If I (as employer) apply 75% wage to an employee, and finally want to terminate that employee, can I calculate severance pay based on 75% wage or the latest full salary that the person has got.

**Answer 1:** No, it must be calculated based on the latest full wage (before reduction)

**Question 2:** Force Majeure Vs No work-No pay

**Answer 2:** Factory is fully open so you can apply only 75% wage. Force majeure will be applied only in the case of natural disaster or impeached by the government or authority.

In case of companies entering in the categories as per the emergency decree on 25th March, it is clear that you can use it as force majeure (no work- no pay). But in case of a factory, it is not directly impacted by Force majeure (Government’s order), so you need to pay 75% wage. But if the government continues with more stringent measures, you may consider later.

You may negotiate with a representative to all staff, or each of them to sign the modification of employment contract.

Force majeure: any employee cannot work as they cannot come to work if impeached to come to work according to government’s order.

**Question 3:** 20% pay cut for an employee, do we need an agreement

**Answer 3:** Yes, strongly recommended to negotiate with employee and make an agreement to be signed between 2 parties, even temporarily.

If you company has more than 20 employees, when you change conditions of work in the company, must follow steps in labor relation act and regulations from Ministry of Labour.

We have to refer clearly to the employment and clear duration / deadline. For force majeure, need to have a short period: recommended 30 days for service not impacted/ 60 days for direct impact)

**Question 4:** 75% pay cut is to apply only for basic salary

Transportation/ WFH – so less time consuming on transport –have to justify why

Housing allowance – cannot be cut

Whatever in the contract, it is a compensation package. In the situation, you have to clarify in the contract modification.

**Question 5:** 75% pay for not impacted service, Art 75. You cannot ask for the same work objective if you work less/pay less.

1. **Tax Measures**

Sukanya presented the tax measures as per the [slide](https://l.facebook.com/l.php?u=https%3A%2F%2Fdrive.google.com%2Ffile%2Fd%2F1zv1u2Dv4IiEiqskldafg04UQCFihM4SU%2Fview%3Fusp%3Dsharing%26fbclid%3DIwAR0jE8LuMGv5INfHEj_Bi0aWJ5wdJGZV46YwevMKI0PqyWI0z-TMWs1jiBo&h=AT35I4XOQHyY7CbcW-pvim2fjPlwmRDOVPOy8jWq9JHShHVNHIYqpTZ-XcoTmhrpEr9zpzWtm31jXYGxz00tXTkdAK4uoYRhDPTb0bHIMrwNviVOd_KwY2lSiYBTnbBtsj1kxjiDz3X_X2NXRXD5fnFk3N_LOijMvlMmqSZ4Eg4QIBj0uFP7CYg4Pnd3MMYVKuHt93ldAeZUyAeaVzGc2JwxWqYKI1G8p4qoG3UPaag5x972eNha76u_o3k54LCGJGz-t5So5gxipO3iwJaS27Dj_a4g5FwZ_8c3h80AWTscnUTRX51CChjjaZ38ZYvBMyW7Zb9s42mJrFvU4SrFSCitUIIdXmSzUtcA-183Gz--BsiAwElxplxs33yDm3radCsPotFop8e5CpN16iMexD8pwtdJMvdR5Bw-zxmyOE47mNAJDjVeqQqY5bcF4t1xM9IPBgbVuUM0wloXsN6OzziJI6LmNHY7vnseynFSrtxv5D6PKq5Pqu21yP03AaIF0oV7SvIWTeAddoLCP3cyG7yWJIKaXzfIX73P_nQBwrsArSez_DXREu6HElv_hO0gjG6_yScai6jQDfnfjDz7p3mDV9wAi6aFVtI21lpboGrOxlf_2rpUiDIIjUr7tgbnaw) and introduced the expert by Mazars, Ms. Pongphan NARASIN.

Extension of PND file has already been announced as a law two days ago (on 31st March)

For PND50/51 is now applied to all companies

For monthly tax return ex withholding tax, VAT, is applied only to companies which are closed by government’s order, or in the impacted area only.

**Question 1:**  Though the measure was announced but the line agencies in charge are not always aware of the process. Do we have to wait a little longer or do we have to contact other persons? What will be your suggestion?

**Answer 1:** The benefits should be applied automatically. The line agencies should issue internal guidelines for tax agencies or related authorities.

**Question 2:** Vat Refund to get within 15 or 45 days seems to him, very difficult.

Another company shared the same comment; big companies need a few years to get the VAT refund.

**Answer 2:** This is applied only to Good Exporters, registered with the Ministry of Commerce

Sukanya suggested that we should raise the issue through JFCCT to give more weight. She will also raise the issue to the Board of Investment, via Khun Duangjai, Secretary General.

Sukanya mentioned that JFCCT can also raise the issue directly through Khun Kobsak (Guillotine process – without passing through line agencies). The FTCC can also organize a meeting with Revenue Department, should see if we have any connection.

Thomas suggested that we will gather and raise comments to JFCCT (30 foreign chambers + 9000 company members).

**Question 3:** Can you clarify about wages expenses?

**Answer 3:** Wages expenses include regular wages paid to employee each month (salary & other allowance), not sure if bonus included

**Question 4:** If the crisis last, can we expect more measures to support business

**Answer 4:** It can be additional measures such as

* + for companies with accounting period ended in December, you may file accounting estimation at the very low rate. In normal situation, if you underestimated the net profit, you are subjected to penalty and surcharge. However, with the current situation, we expect that the Revenue Dept should issue a relaxed condition with no penalty nor surcharge
  + for IBC that has condition about amount of expenditures. We expect more relaxed conditions for expenditures from the government.

1. **Bank Loans**

By CIC Crédit Industriel et Commercial, *Mr. Gabriel LUBEIGT HANCHANA*

Please refer to his [presentation](https://l.facebook.com/l.php?u=https%3A%2F%2Fdrive.google.com%2Ffile%2Fd%2F1zv1u2Dv4IiEiqskldafg04UQCFihM4SU%2Fview%3Fusp%3Dsharing%26fbclid%3DIwAR0jE8LuMGv5INfHEj_Bi0aWJ5wdJGZV46YwevMKI0PqyWI0z-TMWs1jiBo&h=AT35I4XOQHyY7CbcW-pvim2fjPlwmRDOVPOy8jWq9JHShHVNHIYqpTZ-XcoTmhrpEr9zpzWtm31jXYGxz00tXTkdAK4uoYRhDPTb0bHIMrwNviVOd_KwY2lSiYBTnbBtsj1kxjiDz3X_X2NXRXD5fnFk3N_LOijMvlMmqSZ4Eg4QIBj0uFP7CYg4Pnd3MMYVKuHt93ldAeZUyAeaVzGc2JwxWqYKI1G8p4qoG3UPaag5x972eNha76u_o3k54LCGJGz-t5So5gxipO3iwJaS27Dj_a4g5FwZ_8c3h80AWTscnUTRX51CChjjaZ38ZYvBMyW7Zb9s42mJrFvU4SrFSCitUIIdXmSzUtcA-183Gz--BsiAwElxplxs33yDm3radCsPotFop8e5CpN16iMexD8pwtdJMvdR5Bw-zxmyOE47mNAJDjVeqQqY5bcF4t1xM9IPBgbVuUM0wloXsN6OzziJI6LmNHY7vnseynFSrtxv5D6PKq5Pqu21yP03AaIF0oV7SvIWTeAddoLCP3cyG7yWJIKaXzfIX73P_nQBwrsArSez_DXREu6HElv_hO0gjG6_yScai6jQDfnfjDz7p3mDV9wAi6aFVtI21lpboGrOxlf_2rpUiDIIjUr7tgbnaw) here.

**Question 1:** Collaterals to be submitted to get low interest loan

**Answer 1:** there are standard collaterals to be asked. But for soft loans, there is a special guaranteed programme by the Thai government so it is a specific guarantee

Another person shared experiences that some banks seem to be proactive. Banks call customers to offer loans, to renegotiate payment schedule,… willing to help clients … this is based on your relations with your banker. So please do not hesitate to contact your banker for discussion.

1. **WFH–Tools, Process, Cyberattacks etc.**

By Safecoms, *Mr. Bernard COLLIN*

Work remotely may mean work in the café, and use public WIFI but it is risky for data stolen

Process:

- you need daily huddles to get clear objectives/tasks/missions

- you need weekly review to wrap up and move forward

**Question 1:** what do you think of Google Chrome Remote, Team Viewer or VPN? What is the different

**Answer 1:** VPN is more secured as you need door entry system (firewall) to create encrypted code. You are therefore part of the network.

For teamviewer, you may access your computer in the office. It is less secured; you might need strong password.

**Question 2:** Internet speed scale up 10Gb to facilitate WFH

**Answer 2**: it seems that only apply to Thai citizen starting from 10 April as you need your ID. The FTCC will get more details and will post online. Most people WFH have smart phone, hot spot from mobile is totally secured.

1. **Other Topics**

**Visa Extension**: very recent information since 1st April. As far as we know, only tourist visa arriving after 1st March can get visa extension automatically for 3 months (until 30 June). The FTCC will check information and update you all.

There are additional questions that we will keep for next session:

* As the loss of revenue would not probably be covered under Business Interruption insurance policy, what is the best practice or option to mitigate the commercial risk and the loss of revenue for this period (or for the next one)?
* As there are speculations that Covid-19 pandemic situation may expand further and social distancing and self-quarantine may continue beyond 12/04, what is FTCC long term plan should that happen?
* What is the potential evolution on protection measures against COVID19 that could force us to shut down our factories?
* What are the subsidies or support that we can expect from Thai government during COVID crisis?

**FTCC support to FTCC Members**

* + Updated information
  + Voice to Thai government/ Lobbying through JFCCT
  + Promotion of products and services under **TOGETHER we are STRONGER**: campaign to promote FTCC members’ products and services
  + Delay/Split membership fees /
  + Insurance on COVID-19 for foreigners to be communicated soon

The FTCC will propose roundtable discussions or webinars regularly dedicated to a specific topic.

Stay tuned for further information, or contact [events@francothaicc.com](mailto:events@francothaicc.com)