

Call in for a Coffee – Tax News

Introduction

Welcome to the latest edition of "Call in for a Coffee" from the RSM Nelson Wheeler Corporate Asia Group ("RSM").

RSM is proud to announce the exciting news that as part of its ongoing expansion plans, it has entered into a joint venture with the reputable and highly respected Dhurakij Pundit University in Bangkok, and of course, Dr. Parporn Akathaporn, the author of many Thai Accounting & Auditing Textbooks, as well as Thai Accounting Standards.

Through this relationship, we are pleased to be able to focus on the importance of continuing education, training and fostering the interest of employees' professional development and career growth in the work place.

In addition, we have provided the details of an Accounting course in the coming weeks, which we recommend highly and believe may be beneficial for the Thai-speaking Accounting staff of our readers, who have during the past few years continually asked us for advice as to which technical Accounting courses would be of benefit to them.

To complement this, Steven Herring, our International Tax Consultant, has also provided valuable information for companies who plan for their employees to undertake training and the associated tax benefits and deductions involved.

Double deduction for training and education expenses

On 23 November 2005, the Minister of Finance issued a Ministerial Notification prescribing the rules for allowance of double taxation deductions for expenses incurred on the training and education of staff members:

Status of the training institution

1. The training institution must be an association, foundation or Thai company that is established under the special laws for training institutions; and
2. the training courses must be those that are offered to the public or courses also designed for the employees of inter-related businesses, e.g. distributors, service centres.

Status of the educational institution

1. The education institution must be a private school or a private university;
2. The curriculum must be approved by the Minister of Education or conform to the Ministry of Education's requirements; and

3. The training courses must be those that are offered to the public or courses also designed for the employees of affiliated companies.

Provision of training and education

The provision of the training and education must take place in Thailand for the purpose of developing the quality, the knowledge and skills of employees for the purposes of the employer's business.

Expenses allowable

The expenses allowed for double tax deduction are the tuition or training fees and the course registration fees. Expenses incurred on food, accommodation and travel to the institutions and travel abroad for study are also allowable.

Documentation requirements

The employer must maintain all receipts for the expenses incurred in relation to training and education costs, which may have been issued in the name of the employee. The employer must complete a report on the expenses incurred in the prescribed form together with details of the employee's training and education schedule.

Resumption of work

As a condition for the allowance of double tax deductions, the employer must require the employees to resume work with the employer after the completion of the program of education or training.

Steven Herring CA
Corporate Tax Consultant

SPECIAL ANNOUNCEMENT!

RSM will be sponsoring the next Australian Chamber Sundowners Event which takes place this coming week.

Date: Wednesday, 5 July at 6pm (till late)
Venue: New Millenium Hilton Hotel

Stunning views from a fantastic location, this is an event you can't afford to miss!

We look forward to seeing you all there!

Continuing Development Course

Certified by the Ministry of Commerce

“Financial Statements Analysis – How to Evaluate Business Performance”

Sunday, 23 July, 2006
8:30am – 4.30pm

Dhurakij Pundit University

Exclusive price for RSM's clients 1,620 baht
Regular price 1,800 baht per person

Note: Certified Accountants will gain 6 credits on this course

Course Objectives

- Gain a comprehensive understanding of how to use financial statements in evaluating a company's performance
- Understand a company's liquidity, profitability, growth potential and capital structure
- Know how to analyse accounting information accurately
- Understand how to utilise significant financial ratios in decision making

For further information, please contact:

Parpatr Dhurakijpundit Institute

Tel. (02) 954 9722

(02) 954-7300 ext. 616 - 618

Fax. (02) 954 9721

RSM Nelson Wheeler (Thailand) Limited

RSM Nelson Wheeler (Thailand) Limited and in particular its International Tax Consulting Division provides advice to clients on taxation arrangements and planning and are not promoters of any tax exploitation schemes within the meaning of those terms in the new legislation.

RSM Nelson Wheeler (Thailand) Limited is a member office of RSM International, a leading worldwide professional services firm.

The RSM Thai Office service line leaders are:

Gareth.Hughes@rsmnw.com Corporate Advisory
Mark.Butters@rsmnw.com Accounting & Tax Compliance
Mike.Holloway@rsmnw.com Recruitment
Pardorn.Suchiva@rsmnw.com Business Services & Legal
Prawit.Wipusirikup@rsmnw.com Audit & Assurance
Steven.Herring@rsmnw.com Taxation Consulting
Surachai.Damnoenwong@rsmnw.com Audit & Assurance

Contact Details

RSM Nelson Wheeler (Thailand) Limited

26th Floor, Sathorn City Tower,

175 South Sathorn Road,

Bangkok 10120, Thailand

Telephone: 66 (0) 2670-9002-6

Facsimile: 66 (0) 2670-9027-8

Website: www.rsmnelsonwheeler.co.th

Email Address: askus.bangkok@rsmnw.com