

Legal Update

New Rate of Minimum Wage

With effect from 1 August 2005, the new rate of daily minimum wage, as described below, approved by the Cabinet's meeting on 19 July 2005 shall apply:

Applied Province(s)		Rate of Minimum Wage (Baht / Day)
1.	Bangkok Metropolis, Nonthaburi, Nakhon Pathom, Pathumthani, Samut Prakan and Samut Sakhon	181
2.	Phuket	178
3.	Chonburi	163
4.	Saraburi	161
5.	Nakhon Ratchasima	156
6.	Chiang Mai, Phang Nga, Ranong and Rayong	153
7.	Phra Nakhon Si Ayutthaya	152
8.	Chachoengsao	150
9.	Kanchanaburi and Krabi	148
10.	Prachuap Khiri Khan, Phetchaburi, Ratchaburi and Samut Songkhram	147
11.	Chanthaburi, Lopburi and Ang Thong	146
12.	Chumphon, Trang, Trat, Prachinburi, Lamphun, Sakaeo, Singburi and Sukhothai	145
13.	Kalasin, Khon Kaen, Buriram, Pattani, Yala, Loei, Songkhla, Satun and Udon Thani	144
14.	Kamphaeng Phet, Tak, Nakhon Sawan, Phattalung, Phitsanulok, Phetchabun, Lampang, Suphanburi, Surat Thani and Uttaradit	143
15.	Chainat, Chaiyaphum, Chiang Rai, Nakhon Phanom, Nakhon Si Thammarat, Mukdahan, Yasothon, Roi Et, Sisaket, Sakhon Nakhon, Nong Khai, Nongbua Lamphu and Uthai Thani	142
13.	Nakhon Nayok, Phichit, Mae Hong Son, Surin, Ubon Ratchathani and Amnat Charoen.	141
14.	Nan, Phayao, Phrae, Maha Sarakham	140
15.	Narathiwat	139

Tax Breaks for Employee Training Encouragement and Salary Increase

The Cabinet, on 19 July 2005, approved in principal to give tax breaks to private companies that encourages training, as part of the current government's short-term economic package. Private companies shall be able to claim a 200 per cent tax deduction against their employee-training expenses - up from 150 per cent. While, companies which rise fringe benefits for their employees, who receive salary per month between Baht 7,000-10,000, shall be able to claim 150 per cent tax deduction. (*The Nation, July 20, 2005*)

SEC Rules On B/E Trading

The Office of Securities and Exchange Commission ("SEC") will enforce strengthen controls on underwriters and buyers of Bill of Exchange ("B/E") following the technical default by Picnic Corporation Plc. According to SEC's new measures, in order to minimize risks from below-investment-grade B/E, from January 1, an issue must attract at least 10 buyers, including at least 3 mutual fund companies. Such instruments must also be listed with Thai Bond Dealing Centre Co Ltd, which will monitor the statistics. Throughout the maturity, underwriters or arrangers must stand ready to offer a bid price, at the price they have to buy back the B/E, to show their responsibility for the issuance. The bid prices will also constitute a better price benchmark. (*The Nation, July 7, 2005*)

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New Laws and Regulations

Ministerial Regulation Prescribing Rules and Regulations in respect of Employee's Health Checking Up and Submission of the Report thereof to the Labor Competent Inspector B.E. 2547 (A.D. 2004)

Effective: 13 April 2005

Relevant Authority: The Ministry of Labor

Significant Issue: The Ministerial Regulation was issued in pursuance to Sections 6 and 107 of the Labor Protection Act B.E. 2541 (A.D. 1998), in order to specify the responsibility of the employer in respect of the provision of health checking up service to its employee who does work exposing to risk factor.

Follows are significant issues under this Ministerial Regulation.

1. Definition:

1.1 "Health Checking Up" means physical and mental checking by way of medical method in order to gain results on appropriateness and affection to employee's health which may be occurred from working.

1.2 "Work exposing to risk factor" means work so conducted by employee which is relevant to:

- i) hazardous chemical substance which shall be announced and described by the Minister
- ii) toxic microorganism which may be virus, bacteria, fungus or other bio-substances which shall be announced and described by the Minister
- iii) radioactivity
- iv) heat, coolness, vibration, atmosphere pressure, light, voice or other surrounding which may cause danger, provided that such shall be announced and described by the Minister

2. General Duty and Responsibility of Employer:

2.1 Procurement of health checking up service to its employee who does work exposing to risk factor through any first class - novel physician obtaining a professional license for medical treatment operation in professional medicine branch. For the first time, the health checking up has to be made within 30 days from the date of commencing of employment. Subsequently, the health checking up has to be made at least once every year.

In case the character or condition of work which is exposing to risk factor requires other period for health checking up, the employer shall provide employee's health checking at such period.

If there is any change of work, and the danger of the changed work is different from the previous one, the employer has to provide health checking up service to the employee for each change of work within 30 days from the date of changing of work.

New Laws and Regulations

2.2 Providing of personal health checking book for each employee who does work exposing to risk factor in accordance with the format to be prescribed by the Director General. The employer has to record the health checking result into such book in accuracy to the report of a physician every time of the employee's health checking up.

2.3 Keeping of health checking up report as well as other health information of each employee within the office of the employer, for a period of at least two (2) years from the date of employment termination, in order for being verified by the Labor Competent Inspector, except for the case that the employer has been complained that the employer violated the law or there is any court case related to disease of or any danger to the employee's health, the employer shall be responsible to retain such report and information until the final order or decision of the court has been made. Such report and information shall never be used, without reasonable ground, by the employer in any negative means against the employee.

2.4 Notifying an employee of the result of the health checking up as follows:

- i) In case a health checking up result shows the anomalous health of any employee, the employer shall have to notify such employee accordingly within three (3) days from the date of acknowledgement of the checking up result.

If there is any anomalous indication or illness of an employee occurring from working, the employer shall immediately provide medical treatment to the employee and shall investigate or seek for ground of such anomaly for finding preventive measure. In addition, the employee shall send the health checking up result of such employee to the Labor Competent Inspector within 30 days from the date of acknowledgement of the employee's anomaly or illness in accordance with the form to be announced and prescribed by the Director General.

- ii) In case a health checking up result shows normal health of any employee, the employer shall have to notify such employee accordingly within seven (7) days from the date of acknowledgement of the checking up result.

2.5 Others:

- i) If any employee has medical evidence from the governmental hospital or other officially acceptable hospital showing that he/she cannot do work for the current function, the employer shall change work function of such employee as it thinks fit, provided that health and safety of the employee shall be considered at most.
- ii) Upon termination of employment of any employee, the employer shall deliver the personal health checking book to the employee.

(Government Gazette, Legislation Issue, Vol. 122, Part 4 Kor., 13 January 2005)