

***Economic Resurgence:  
Gearing up for the  
Future***

**12th Annual Conference:**

**Maximize Shareholder Value through  
Effective Tax Planning 2011**

**11-12 November 2010, Shangri-La Hotel**

## Synopsis

The past year has been tough for the world economy. Although we are now seeing signs of a rebound, the recovery has yet to fully take off and there are still potential troubles ahead, such as the threats of faltering growth and inflation. Until the recovery seems secure, the challenge of dealing with the effects of a lingering recession will continue to dominate every aspect of business and commerce.

While not everyone may share the optimistic view that the worst is over, there is no doubt that Asia will lead the path to recovery. The economies in the region may be seen as among the first to show signs of recovery from the global financial crisis; however, tax authorities in many of these regional jurisdictions are still on a mission to raise more tax revenue by hunting for abusive tax schemes.

Every crisis creates its own challenges and opportunities. Companies that are able to grow and develop their talent now will have a competitive edge when the business climate improves. Thus, businesses have to be prepared and well-equipped as we navigate a changing landscape. Corporations may have to take a serious look at their own long-term situation and announce measures geared towards achieving stronger and more sustainable economies.

This year our Conference will discuss how to help businesses create their own maps to successfully navigate the long-term strategies for a sustainable future, and provide insights and solutions to address the challenges faced.

We trust that you will find these sessions useful, and look forward to seeing you at the conference.

Remark: This seminar can count towards CPD hours for both accountants and CPA (subject to confirmation by the relevant authorities)

## Agenda

### Thursday 11 November 2010

08:00 – 08:30	Registration
08:30 – 08:45	Welcome note
08:45 – 09:15	Keynote Speech
09:15 – 10:30	PwC Tax Panel
10:30 – 11:00	Coffee Break
11:00 – 11:45	Update new laws and regulations
11:45 – 13:00	Lunch
13:15 – 14:45	<u>Breakout session 1</u> A. Innovation in Action – TAX planning techniques (T)* B. Gear up your status on the controversy with the Revenue Department (T)* C. Intangible Payment: Risk or Opportunity (E)**
14:45 – 15:15	Coffee break
15:15 – 16:45	<u>Breakout session 2</u> D. Ready for the Rebound: focus beyond the core (T)* E. Look through treasury management, exploring tax saving (T)* F. Taking a bird's eye view of your business activities (E)**

### Friday 12 November 2010

08:30 – 10:00	<u>Breakout session 3</u> G. Staying ahead of the game on Customs, Trade and Excise issues (T)* H. Managing tomorrow's people (T)* I. Strengthening the investigation (E)**
10:00 – 10:30	Coffee break
10:30 – 12:00	<u>Breakout session 4</u> J. Addressing VAT issues in Practice (T)* K. Intangible Payment: Risk or Opportunity (T)* L. Ready for the Rebound: focus beyond the core (E)**
12:00 – 13:00	Lunch
13:15 – 14:45	<u>Breakout session 5</u> M. Being Relevant in Time of Change (T)* N. Taking a stand: the next wave (T)* O. Innovation in Action - TAX planning techniques (E)**
14:45 – 15:15	Coffee break
15:15 – 16:45	<u>Breakout session 6</u> P. Strengthening the investigation (T)* Q. Taking a bird's eye view of your business activities (T)* R. Addressing VAT issues in Practice (E)**

\*(T) = Session conducted in Thai    \*\*(E) = Session conducted in English



This photo was taken by Suppaluk Sudsawang  
Manager, PwC International Assignment Services (Thailand) Ltd.

## ***PwC Tax Panel – Gearing up for the future***

Our panel of tax partners will provide an update on the challenges and opportunities in the coming year. The panel will discuss the potential impact on your business, provide insights on what can be expected during times of economic resurgence, and examine the tools you need as a business leader to manage taxation issues.

### ***It's your choice***

Each participant has the choice of attending sessions in either Thai or English, depending on their specific interests. Our topic experts will be in the following sessions to share their experience.

#### ***Innovation in Action – Tax planning techniques***

When structuring complex transactions, such as acquisitions and investments, overlooking tax issues can lead to a disastrous outcome. In some cases, it can reduce the value of the company. However, reducing your tax liabilities can be accomplished with proper planning. This session will take a practical look at tax planning ideas which work for various circumstances. In this session, you will learn about issues to consider and tax planning ideas in relation to:

- Business acquisitions
- Contract structure
- Capital gains
- Remittance planning
- Outbound investment

#### ***Strengthening the investigation***

Recently, the Revenue Department has increased its budget to reflect the economic expansion after the recovery following the global financial crisis. In order to meet its budget, new techniques and methodologies have been introduced to help Revenue officers collect more tax. One of these techniques is to issue a summons letter. As taxpayers are now less likely to voluntarily resubmit their tax returns, a summons is used as a tool to speed up the tax collection process.

This session will provide guidelines for the summons investigation carried out by the Revenue Department and how it will impact a company's tax compliance. It will also direct you on how to deal with the tools implemented by the officers and help you effectively manage the risks that may arise during and after the investigation.

#### ***Intangible Payment: Risk or Opportunity***

One of the ways that multinational enterprises use to repatriate profits out of their Thailand subsidiaries is through intangible payments. The typical forms of intangible payment are royalties and management service fees. Local management is often requested by the headquarters to pay huge sums of money for the use of or the right to use intellectual property and/or for management services. In this session, we will provide an update of the Revenue Department's transfer pricing audit activity as well as go through the transfer pricing issues surrounding these intangible payments.

#### ***Taking a bird's eye view of your business activities***

The Foreign Business Act, B.E. 2542 (1999) was launched 12 years ago to govern the activities of foreign companies. There are many unclear provisions associated with the legislation and the Ministry of Commerce enforces its own interpretations. One of these interpretations has been submitted to the Council of the State and it has provided its official conclusion, while others are in the process of discussion between the Ministry of Commerce and relevant government agencies.

The current interpretations may have a material adverse effect on business operators. The competent official may even challenge the company's right to operate its business if it does not comply with the official interpretation.

Widely-publicised internal control breakdowns have brought a renewed focus on the importance of implementation and monitoring. The company, directors and its accountants are responsible for company and financial affairs. The Ministry of Commerce currently strictly monitors whether or not companies comply with company and accounting laws.

This session will provide an update on the interpretations and their impact on businesses. The changes are subtle but many businesses will require assistance when transitioning to the new standards. We will provide guidance on how you may manage your organisation to enable it to carry on its business in compliance with the law.

#### ***Managing tomorrow's people***

Attracting, securing and retaining key talent will become critical for organisations in a recovering economy. Designing and delivering competitive compensation packages for international mobile assignees and ensuring that you have the most up-to-date people management policies in place are fundamental to achieving this. The session will provide you with valuable information to enhance competitive benefits.

1. How to design a competitive compensation programme
  - Review of the components of a compensation package (salary and employee compensation trends, fixed and variable pay together with tax implications)
  - Design of executive and employee equity programmes (types, objectives, advantages and disadvantages, effect on cash outlays, tax consequences, legal requirements, administrative burden)
2. How to design and implement a mobility programme
  - Review of existing mobility programme policies, tax costs, legal regulations, talent and manpower requirements planning
  - Design of mobility programmes to enhance and support company growth

#### ***Staying ahead of the game on Customs, Trade and Excise issues***

Customs and trade issues affect every company importing or exporting goods. The reduced duty rates offered by Free Trade Agreements are a double edged sword: competitors may be taking better advantage than you, and Customs audit activity is increasing as there is a shortfall in their collection budget. Listen to two critical areas for your business: what are the FTA updates, and how can you properly prepare for a customs audit.

An increasing focus for Thai Customs is related party pricing, and whether the transfer price is an acceptable basis for customs duty purposes. The Customs rules are different from the Revenue rules, so passing a Revenue audit is of limited help for Customs purposes. The session will help you understand the new approaches taken by Customs, and what you can to prepare, or to defend a challenge by Customs.

Customs are still preparing for the most comprehensive update to Customs law in almost 100 years. The main changes proposed relate to the penalty and rewards regimes. Updates on the status of the legislation will be provided, as well as an examination of the likely impact that the new laws will have. The Excise law is also being revised. Updates on the current position and potential impact will be discussed.



### ***Taking a stand: the next wave***

Many companies lack the resources and experience to meet today's tax accounting challenges, especially considering the mounting pressure to increase accuracy within increasingly tight deadlines. Growing competition has transformed the outsourcing industry into a global race for market share. The financial crisis of 2009 reemphasised the importance of cost savings and efficiency improvements as the top strategic reasons for outsourcing. The rationale for outsourcing is thus changing dramatically; a growing number of organisations see it as a means of obtaining strategic advantages, not just as a cost-cutting measure. This session will share with you the overall value of outsourcing initiatives and enable you to focus on the more strategic aspects of your business.

- What are the realistic benefits from outsourcing and the global trend of outsourcing
- Considerations and benefits from payroll outsourcing including best practice of payroll function
- Common mistakes and caveats of payroll processing
- Considerations and benefits from accounting and tax outsourcing
- Common mistakes and caveats of accounting compliance

### ***Ready for the Rebound: focus beyond the core***

On the one hand, your company seeks growth for its business operations. On the other hand, the demand to reduce costs, including tax costs, never goes away. Corporate income tax return submission is mandatory for all companies along with gearing up their business to the next chapter. Updating yourself with new tax laws for corporate income tax return preparation is worthwhile to utilise tax saving incentives and deductions of timing and permanent differences. In this Tax Compliance Session, we will update you with the latest interpretations of the Revenue Department in relation to practical tax computation issues including common pitfalls. It is essential to revisit your current tax practice and seek opportunities to mitigate tax risks that may arise from corporate tax return submission.

### ***Gear up your status on the controversy with the Revenue Department***

The controversy between the Board of Investment and the Revenue Department on utilization of BOI losses remains unresolved. Although litigation on the issue is pending, the Revenue Department still continues to assess BOI companies which do not comply with its view. The senior executive advisor of BOI and our legal partner involved in this issue will provide an update on where the issue stands and what a company should do to evaluate its position from legal and financial perspectives. In addition, in this session we will also be sharing with the participants the new initiatives being considered by the Board of Investment to enhance the attractiveness of Thailand as an investment location which will help guide the participants on issues to keep in mind when making short term as well as long term plans for their company.

### ***How to register***

Fax enrolment to +66 (0) 2286 2666

### ***For more information***

Please call +66 (0) 2286 9999 or (0) 2344 1000 and speak to Khun Boriboon at ext. 4200; Khun Kanphassorn at ext. 4206; or Khun Phornthip at ext. 4202

### ***Being Relevant in Time of Change***

Creating a flexible map for your company to capture the opportunities offered by the recovery expected in Asia as well as protect it from the risks that accompany opportunities requires well structured legal contracts that balance the legal edge without jeopardizing its tax effectiveness.

This session will address:

- How to structure wholesale, retail or distributor contracts from a legal and tax perspective
- How to structure manufacturing contracts from a legal and tax perspective
- What is a contract "without a name" from a legal and tax perspective
- How to reconcile the legal and tax objectives of forming a joint venture or consortium

### ***Addressing VAT issues in Practice***

The Revenue Department is increasingly aggressive when it comes to value added tax investigation. Unless you manage risk properly, your profitability will decrease while working capital requirement (cash flow) and risks increase. Problematic issues faced by many taxpayers in practice will be discussed in this session so that lessons learnt by others can be shared to help you prepare and formulate a strategy that manages the impact of unclear/problematic issues on your organization. Examples of those issues are incorrect issuance of tax invoices and credit notes claimed by the tax authority to be issuance without the right to do so, the unclear criteria used to determine where a service is used and whether the service is subject to 0% or 7%, etc. The Revenue Department's point of view as well as precedent cases available in the public domain on popular, yet unclear, issues should be examined by any organisation to mitigate value added tax costs and risks where possible.

### ***Look through treasury management, exploring tax saving***

Treasury management might be viewed as business strategies for monitoring the Company cash flow and risk hedging. In fact, it could be an effective tool for tax saving depending upon the company circumstance.

We will review treasury strategies and explore how they could be used as tax planning alternatives. These include but not limited to:

- Treasury products, debt and equity financing
- Relevant tax implications and regulation
- Planning ideas

### ***Event Details:***

**Date:** 11 - 12 November 2010

**Venue:** The Grand Ballroom, Shangri-La Hotel

**Who should attend:** Managing Directors; Chief Executive Officers; Finance Directors; Chief Financial Officers; Financial Controllers; Chief Accountants; Tax Managers and Tax Lawyers

**Language:** The sessions in the morning of Day One will be conducted in Thai, with simultaneous English Translation. The breakout session in the afternoon of Day One and Day Two will be conducted in Thai and English

**Dress Code:** Business