

(Translation)

Skill Development Promotion Act B.E. 2545 and its Amendment Skill Development Promotion Act (No. 2) B.E. 2557 is intended to promote occupational knowledge and competence of employees, improve the efficiency of business establishments, protect public safety from hazards associated with work activities, and enhance labour productivity and national competitiveness. For these purposes, employers and business operators are offered privileges and benefits to incentivise their engagement in workforce skill and potential development processes that are designed to develop labours' knowledge, competence, skills and attitude to meet recognized skill standards as well as implementing the knowledge and competence assessment systems for specific positions or works that may cause hazards aiming to protect public safety hazards or works that must be handled by competent and certified persons.

Workplaces once having 100 employees or more are required to arrange skill development programmes for at least 50 percent of its total employees in each calendar year and submit a Skill Development Fund contribution form. Workplaces those do not arrange any skill development programmes or do not meet the minimum proportion must pay contributions to the Skill Development Fund.

Privileges and Benefits for Training Providers

• General Training Providers

1. Privileges of the special tax exemption from corporate income tax at 100 percent of the training expenses pursuant to the Royal Decree issued under the Revenue Code (No. 437) B.E. 2548.

2. Benefits of access to assistance offered by the Department of Skill Development in relation to personnel training, curriculum development training, training-aide materials development training, training for skill standard testing providers, supervisor training or other similar training programmes.

(Translation)

3. Benefits of access to consultation provided by the Department of Skill Development in relation to skill development processes.

- **Authorized Operators of Skill Training Centres**

Privileges to the exemption of import duty and value-added tax levied on tools, machinery and equipment imported into the Kingdom for the purpose of skill development training pursuant to the Notification of the Ministry of Finance on Tariff Reduction and Customs Duty Exemption.

Skill training programs are classified into 3 categories based on the following criteria:

1. **Pre-employment training** refers to skill training provided for people in general prior to employment to enable them to carry out works in accordance with the skill standards, including for students or people sent for training by government agencies.

- Details about training programmes must be submitted to the registrar for approval not less than 30 days prior to training date.

- Training period must be at least 30 hours and training participants must pass both theory and practical tests or other forms of examination with the average score of at least 60 percent.

2. **Skill upgrade training** refers to upskill training provided by employers for employees to enhance their knowledge, competence, and skills relevant to their usual job fields.

- Curricula are designed to improve knowledge, competence, skills and attitude in the usual job fields of employees.

- Contents must be relevant and beneficial to the businesses in the workplaces.

(Translation)

- Training period must be at least 6 hours and training participants must attend at least 80 percent of the total hours of such training courses.

Submission to approval for training curricula, relevant details, and expenses must be filed with the registrar within 60 days from the training completion date but no later than 15th January of the following year.

3. Training for job change refers to skill training provided by employers to train employees in another area different from regular jobs in order to enable them to perform well with another works.

- Training period must be at least 18 hours and training participants must attend at least 80 percent of the total hours of such training courses.

Submission to approval for training curricula, relevant details, and expenses must be filed with the registrar within 60 days from the training completion date but no later than 15th January of the following year.

Curricula of these 3 training categories must be relevant and beneficial to the businesses. Business operators may opt for arranging in-house training for their employees or alternatively enroll them in public training programmes facilitated by academic institutes or governmental training centres or other training centres approved by the registrar.

Assessment of Contribution to the Skill Development Fund

Business operators having 100 employees or more in all areas are required to provide skill development programmes by arranging skill training programmes, or having their employees take and pass the national skill standard tests, or having employees who pass skill certification programmes, or all of the aforesaid combined, at not less than 50 percent of the average number of their employees in each calendar year. They are also required to submit a Skill Development Fund contribution payment form (SorTor.2) by March of the following year for assessing the contribution to be made to the Skill

(Translation)

Development Fund. Business operators who do not arrange any skill development programmes or fail to meet the minimum proportion must pay contributions to the Skill Development Fund at 1 percent of the calculation-based wages. Failure to pay contributions in full within the due date will result in the surcharge equaling 1.5 percent of the outstanding due per month. The contributions to the Skill Development Fund are allocated to skill development activities.

Penalty

Business operators who do not arrange any skill development programmes for their employees and do not pay the statutory contributions required by laws, the registrar may enforce administrative measures against them pursuant to Section 57 of the Administrative Procedure Act B.E. 2539 to seize or garnish and sell their assets through public auction in order to secure the full payment.

Procedure Act B.E. 2539 to seize or garnish and sell their assets through public auction in order to secure the full payment.

According to Skill Development Promotion Act (No.2) amendment B.E. 2557, the Minister of labour has specified in 2015 the first occupation which may cause damage to public safety namely Electrical, Electronics and Computer focusing on the area of Building Electrical Wiring which should be carried out by those holding licenses. They will get occupational assessment provided by the Department of Skill Development before getting their licenses.