

INSTITUTIONAL OPTIONS For Micro-Credit Activities in Thailand

Area of Concern	Company Ltd.	Cooperative	Association	Foundation	Partnership
Ownership	Shareholders based on % shares - Foreigners 49% max - Thai 51%	Members with shares 1 member 1 vote No foreigner member	Members without shares 1 member 1 vote Foreigner can be a member	Foundation (formed by founders). No shareholders. - Interest on Trust Fund used for operations - Donation - Donor can be Thai or Foreigner	Shareholders - No limitation of investment for Thais and foreigners - Biggest investor is the Manager - Minimum no. of 2 individuals
Liability	Limited to equity	Limited to the shares	No liability because no shares	No liability because no shares/investments	Manager has no limit to liabilities Other shareholders have limited liabilities up to their shares
Taxation	30% of net profit Grant considered income, so is part of 30% tax. 3.3% Interest income from loan 15% tax on interest from fixed deposits.	No tax. Only investment, no grant. No tax on interest income from loans. 15% tax on interest from fixed deposits.	No income, no tax. Can receive donation for activity Can't do business 15% tax on interest from fixed deposits	No income, no tax. Grants for activities. Can't do business 15% tax on interest from savings. No tax for interest income from gov't bond/investment.	30% of net profit. Grant is considered income as well. 3.3% Interest income from loans 15% tax on interest from fixed deposits.
Savings Mobilization	No	Yes	No	No	No
Board Membership	Based on proportion of shares	Elected by general assembly	Elected by general assembly	Selected by Founder(s)	No Board. Just the Manager.
Audit	Private CPA (Tax Revenue – Ministry of Finance)	Co-op Auditing Department – Ministry of Agriculture & Cooperative	Private CPA Ministry of Interior National Cultural Office, Ministry of Education	Private CPA Ministry of Interior National Cultural Office, Ministry of Education	Private CPA (Tax Revenue Office – Ministry of Finance)