

LEGAL ALERT

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New e-Payment Tax Law Becomes Effective in Thailand

On 20 March 2019, the Revenue Code Amendment Act No. 48, B.E. 2562 (2019) (the “[Revenue Code](#)”), commonly known as e-payment law, was published in the Royal Gazette. The law became effective the following day on 21 March 2019.

The amendments to the Revenue Code includes:

- Reporting obligations to the Revenue Department;
- Electronic filing and preparation of tax-related documents;
- Remittance of withheld tax; and
- Remittance of VAT.

Reporting Obligations to the Revenue Department

After the Revenue Code becomes effective, financial institutions, state financial institutions, and e-money service providers are obliged to make reports of specific transactions which are in their possession to the Revenue Department by the end of March every year.

The transactions of their clients that are required to be reported to the Revenue Department are:

- 3,000 deposits or receipts of money transfer or more; or
- at least 400 deposits or receipts of money transfer or more that are worth at least THB2 million.

The entities having such reporting obligations are required to submit the first report to the Revenue Department by 31 March 2020. If such entities fail to comply with the reporting obligations, they will encounter a maximum administrative fine of THB100,000 and fine of THB10,000 per day until they fulfill the reporting obligations.

This change to the Revenue Code directly impacts e-commerce players as their flow of money can be more easily tracked by the Revenue Department.

Electronic filing and preparation of tax-related documents

After the Revenue Code becomes effective, filing and preparation of tax-related documents and other documents required by the Revenue Code will become more convenient as taxpayers can undertake filing and preparation of tax-related documents through electronic means.

Remittance of withheld tax

Persons who are liable to withhold tax from the following payments will be capable of remitting the withheld tax to the Revenue Department through methods that will be issued under ministerial regulations:

- Payments to individuals;
- Foreign corporations not operating business in Thailand, but receiving some income derived from Thailand; and
- Profit remittance.



Remittance of VAT

VAT from sale by auction and reverse charge VAT must be remitted to the Revenue Department through methods that will be issued under ministerial regulations.

All in all, the Revenue Code is considered as a tool of the Revenue Department for tax collection and tracking transactions of taxpayers and facilitation to tax payers for paying tax to the Revenue Department. The Revenue Department is campaigning for awareness to the general public and e-commerce entrepreneurs that the government has good intentions to facilitate tax payments for all taxpayers alike and that the changes are not designed and meant to catch all tax evasion activities. The Revenue Department also emphasises that eventually, it will be able to trace all transactions one way or another by new technology and collaborative databases so taxpayers should consider this opportunity to work with the government and make things right rather than trying to find a new way to avoid detection.

If you have any questions or require any additional information, please contact [Threenuch Bunruangthaworn](#) and [Archaree Suppakrucha](#) of ZICO Law Thailand or the partner you usually deal with.

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