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International Tax

Thailand Highlights 2025

Updated January 2025

Recent developments

For the latest tax developments relating to Thailand, see Deloitte tax@hand.

Investment basics

Currency: Thai Baht (THB)

Foreign exchange control: Repatriation payments may not be made in THB, but may be made in any other currency. An exception applies for the transfer of funds made for the purpose of investing in or lending to business entities in Thailand's neighboring countries (including Vietnam); such transfers may be made in THB and/or in another currency.

Most remittances may be made through commercial banks, and documentation evidencing the purpose of the remittance is required. The Bank of Thailand must approve the remittance of funds exceeding a specified ceiling.

Accounting principles/financial statements: Thai Accounting Standards apply. For areas not addressed by Thai Accounting Standards, IAS, IFRS, and US GAAP may be consulted. Financial statements that have been audited and signed off by a certified public accountant (CPA) must accompany an entity's annual income tax return.

Public and private limited companies incorporated under Thai law must electronically file audited financial statements with the Department of Business Development within one month from the date of the annual general shareholders' meeting (which must be held within four months of the company's year end). For a juristic person established under a foreign law, and for a joint venture as defined under the Revenue Code, the filing deadline is five months from the end of the accounting year. Failure to hold the annual general shareholders' meeting and/or file the audited financial statements on a timely basis may result in penalties for a company and its directors or representative.

Principal business entities: These include the public and private limited company; partnership; sole proprietorship; joint venture; mutual fund; and branch, representative office, or regional office of a foreign corporation.

Corporate taxation

Rates	
Corporate income tax rate	20% (in general)
Branch tax rate	20% (in general)
Capital gains tax rate	Applicable corporate income tax rate

Residence: A public or private limited company or a partnership is considered resident if it is incorporated in Thailand and registered with the Ministry of Commerce.

Basis: Residents are taxed on worldwide income; nonresidents are taxed only on Thai-source income. Foreign-source income derived by resident taxpayers is subject to corporate income tax in the same manner as Thai-source income. A registered foreign branch or partnership generally is taxed in the same way as a limited company. A 10% branch remittance tax is imposed on after-tax profits paid or deemed paid to a foreign head office.

Unregistered entities with a taxable presence in Thailand are taxed in the same manner as limited companies.

Taxable income: Corporate income tax is imposed on an entity's net taxable profits, which generally consist of business or trading income, passive income, and capital gains or losses. Expenses that relate specifically to generating profits for the business or to the business itself may be deducted in determining net taxable profits.

Rate

General

The corporate income tax rate is 20%, which may be reduced in certain cases. Certain small and medium-sized limited companies are subject to progressive rates of 0%, 15%, and 20%, based on the amount of net taxable profits.

Foreign companies that carry on the business of international transportation and that have an office in Thailand are taxed on their gross proceeds at a rate of 3%, rather than on net profits at the general corporate income tax rate and are exempt from the tax on profit remittances.

Surtax

There is no surtax.

Alternative minimum tax

There is no alternative minimum tax.

Global minimum tax (Pillar Two)

Thailand is in the process of implementing rules that generally are in line with the global anti-base erosion (GloBE) or "Pillar Two" model rules published by the OECD/G20 Inclusive Framework on BEPS that are designed to ensure a global minimum level of taxation of 15% for multinational enterprise groups with annual consolidated revenue of at least EUR 750 million (approximately THB 28 billion). The legislative framework for the implementation of Pillar Two rules ("Top-Up Tax Decree") has been enacted and is effective for fiscal years beginning on or after 1 January 2025. Detailed rules are expected to be outlined in secondary legislation under the Top-Up Tax Decree.

The Thailand Board of Investment (BOI) has also issued a notification outlining investment promotion policies for existing and new investment projects for entities subject to the Pillar Two requirements.

Taxation of dividends: Dividends paid by one Thai limited company to another may be fully exempt or 50% exempt from corporate income tax if certain conditions are satisfied. Companies registered with the Stock Exchange of Thailand (listed companies) are fully exempt from Thai tax on dividends. Tax withheld on the payment of dividends (if applicable) may be used to offset the final corporate income tax due for the company in the relevant tax year. Companies qualifying for the

International Business Center (IBC) regime are exempt from corporate income tax on dividend income received from qualified associated enterprises (i.e., local and foreign affiliates) for 15 accounting periods.

Capital gains: Capital gains are subject to the applicable corporate income tax rate, with no restrictions on the use of capital losses to offset net taxable profits.

Losses: Net operating losses may be carried forward for up to five consecutive accounting periods. Net operating losses relating to a business promoted by the BOI that are incurred during a tax holiday period also may be used to offset net profits relating to a nonpromoted business during the tax holiday period, for up to five accounting periods. Once the tax holiday period expires, the remaining tax losses may be carried forward for up to five years after the expiration of the tax holiday period. The carryback of losses is not permitted.

Foreign tax relief: Foreign income tax paid on profits that are subject to corporate income tax in Thailand generally may be credited up to the amount of income tax paid in Thailand on such foreign income (subject to certain conditions).

Participation exemption: There is a participation exemption (subject to certain conditions).

Holding company regime: A tax exemption may be available for dividend income received from foreign affiliates (subject to certain conditions).

Incentives: Tax holidays from three to eight years are available for business activities promoted by the BOI. An additional tax exemption period may be granted for specific investment areas.

IBCs that derive income from qualifying services (i.e., management, technical support, and financial management services) and qualifying royalty income (royalties arising from research and development and technological innovation undertaken in Thailand) from associated enterprises are eligible for reduced corporate income tax rates as follows: 8% where the annual operating expenditure paid to recipients in Thailand is at least THB 60 million; 5% where the expenditure is at least THB 300 million; and 3% where the expenditure is at least THB 600 million. IBCs also benefit from an exemption from corporate income tax on dividend income received from associated enterprises and a specific business tax (SBT) exemption for income derived from the provision of treasury services to associated enterprises. Expatriate employees working for an IBC in Thailand benefit from a flat 15% personal income tax rate or an exemption from the tax in certain cases.

Compliance for corporations

Tax year: The tax year is 12 months (a shorter year is allowed only in the year of incorporation, when there is a change of accounting period, or in the year of dissolution).

Consolidated returns: Consolidated returns are not permitted for corporate income tax purposes; each company must file its own tax return.

Filing and payment: A taxpayer must self-assess and make an advance corporate income tax payment for the first six months of the tax year (half-year return). The half-year return must be filed within two months after the first six months of the tax year. The annual income tax return must be filed within 150 days from the company's year end. Extensions are not available except in the case of electronic filing, where the filing due date is extended for eight additional days. Corporate income tax paid with the half-year return is creditable against the total tax payable for the tax year.

Penalties: If an entity underestimates its profits for an entire year by more than 25%, a maximum 20% surcharge is imposed on the first half-year installment. In other circumstances, a surcharge of 1.5% per month on outstanding tax, up to the amount of outstanding tax payable, applies. A penalty of up to 100% of the tax due also will apply when the income tax liability is formally assessed by the tax authorities.

Rulings: A taxpayer may request a nonbinding private letter ruling. Bilateral advance pricing agreements (APAs) are available under the transfer pricing regime.

Individual taxation

Rates		
Individual income tax rate	**Taxable income (THB)**	**Rate**
	Up to 300,000	5%
	300,001–500,000	10%
	500,001–750,000	15%
	750,001–1,000,000	20%
	1,000,001–2,000,000	25%
	2,000,001–5,000,000	30%
	Over 5,000,000	35%
Capital gains tax rate		Applicable personal income tax rate

Residence: Individuals are resident in Thailand for personal income tax purposes if they are present in Thailand for 180 days or more in a (calendar) tax year.

Basis: Thai residents and nonresidents are taxed on their Thai-source income. Foreign-source income of Thai residents that is derived on or after 1 January 2024 is taxed in the calendar year such income is brought into Thailand, regardless of the calendar year such income is derived.

Taxable income: Gains or benefits derived by individuals are subject to personal income tax, e.g., employment income including employment-related benefits (unless exempt), profits derived by an individual from the carrying on of a trade or profession, passive income, etc.

Rates: Assessable income is subject to progressive rates, up to a maximum rate of 35% on income over THB 5 million. Expatriate employees of an IBC may be entitled to a flat income tax rate of 15% or an exemption from the tax in certain cases.

Capital gains: Capital gains are considered taxable income and are subject to the applicable progressive personal income tax rates. Capital gains from the sale of shares of a public company registered on the Stock Exchange of Thailand are exempt from personal income tax.

Deductions and allowances: Subject to certain restrictions, deductions are granted for payments of insurance premiums and mortgage interest, contributions to retirement funds and other qualified funds, contributions to Super Saving Funds, qualified charitable donations, etc. Personal allowances are available to taxpayers, their spouse, children, and parents in certain cases.

Foreign tax relief: Foreign income tax paid may be credited in Thailand under applicable tax treaties (subject to certain conditions).

Compliance for individuals

Tax year: The tax year is the calendar year.

Filing status: Each taxable person is individually responsible for filing a tax return. A married couple may opt for joint or separate filing on all types of personal income. The spouses also may agree to file tax returns separately with respect to employment income and to file tax returns jointly for other types of personal income.

Filing and payment: Tax on employment income is withheld by the employer and remitted to the tax authorities, generally monthly. An individual must file an annual personal income tax return on or before 31 March of the following year and pay any additional income tax due at that time. Extensions are not available except in the case of electronic filing, where the filing due date is extended for eight additional days.

Penalties: A monthly surcharge of 1.5% applies to underpayments of tax, up to the amount of outstanding tax payable. A penalty of up to 100% of the tax due also will apply when the income tax liability is formally assessed by the tax authorities.

Rulings: A taxpayer may request a nonbinding private letter ruling.

Withholding tax

Rates

Type of payment	Residents		Nonresidents	
	Company	Individual	Company	Individual
Dividends	0%/10%	10%	10%	10%
Interest	1%	15%	15%	15%
Royalties	3%	5%-35%	15%	15%

Dividends: Dividends paid to another Thai company are subject to a 10% withholding tax, or are exempt from withholding tax if certain conditions are satisfied under the Revenue Code or the investment promotion law. Dividends paid to a resident individual are subject to a 10% withholding tax. Dividends paid to a nonresident are subject to a 10% withholding tax, unless the rate is reduced or an exemption applies under an applicable tax treaty.

Interest: A 1% advance withholding tax applies to interest payments made by a Thai company to a company carrying on business in Thailand, or by a company to a financial institution for interest on debentures or bonds, except for interest on deposits or negotiable instruments paid between banks or finance companies.

Interest paid to a resident individual is subject to a 15% withholding tax that can be considered either as a final tax or as an advance tax payment to be used as a credit against the personal income tax due for a tax year.

Interest paid to a nonresident is subject to a 15% withholding tax, unless the rate is reduced or an exemption applies under an applicable tax treaty.

Royalties: Royalties paid to another Thai company are subject to a 3% advance withholding tax, which may be credited against the final corporate income tax due for the accounting period.

Royalties paid to a resident individual are subject to withholding tax at the progressive personal income tax rates (advance tax).

Royalties paid to a nonresident are subject to a 15% final withholding tax, unless the rate is reduced or an exemption applies under an applicable tax treaty.

Fees for technical services: Technical service fees paid to another Thai company are subject to a 3% advance withholding tax, which may be used as a credit against the final corporate income tax due for the accounting period.

Technical service fees paid to a resident individual are subject to withholding tax at the progressive personal income tax rates or a 3% tax rate, depending on the circumstances.

Technical service fees paid to a nonresident are subject to a 15% final withholding tax, unless the rate is reduced or an exemption applies under an applicable tax treaty.

Branch remittance tax: A 10% branch remittance tax is imposed on after-tax profits paid or deemed paid to a foreign head office.

Anti-avoidance rules

Transfer pricing: Under Thailand's transfer pricing rules, a taxpayer must declare in its annual corporate income tax return whether revenue and expense transactions are based on market prices and, if this is not the case, the tax authorities may make adjustments to reflect a market price. Documentation requirements apply to certain companies (subject to certain conditions; see "Disclosure requirements," below).

Interest deduction limitations: Thailand does not have specific interest deduction limitation rules. However, a deduction for interest expense may be partially or entirely disallowed if the interest is not charged at an arm's length rate, is not incurred for profit-seeking purposes, does not relate to a business operation in Thailand, etc.

Controlled foreign companies: There are no controlled foreign company rules.

Anti-hybrid rules: There are no anti-hybrid rules.

Economic substance requirements: Thailand does not have specific economic substance requirements under its domestic law. The Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (BEPS MLI) provides for a principal purpose test, under which benefits may be denied under one of Thailand's tax treaties whose application is modified by the BEPS MLI if it is reasonable to conclude that one of the principal purposes of actions taken is to obtain a benefit under the treaty and certain other conditions are fulfilled.

Disclosure requirements: Taxpayers are required to report related party transactions in a report (disclosure form), which provides information on the relationship between entities and the value of intercompany transactions. The report generally must be filed with the annual corporate income tax return. Completion of the disclosure form is not required by taxpayers whose annual revenue is less than THB 200 million.

Transfer pricing documentation also must be presented to tax officers within stipulated deadlines upon request. The disclosure form and transfer pricing documentation requirements do not apply to taxpayers with annual revenue less than a threshold stipulated in regulations; the threshold will not be less than THB 200 million.

Failure to file the disclosure form or transfer pricing documentation by the due date will result in a fine of up to THB 200,000.

Certain multinational enterprise groups are required to prepare and submit country-by-country (CbC) reports and notifications through hard copy and/or electronic filing (subject to certain conditions) using the OECD's CbC reporting XML schema. The submission deadline for CbC reports is within 12 months after the end of the relevant accounting period.

Exit tax: There is no Thai regulation in relation to exit tax.

General anti-avoidance rule: There is no general anti-avoidance rule.

Value added tax

Rates	
Standard rate	10% (reduced to 7% until 30 September 2025)
Reduced rate	0%

Taxable transactions: VAT is imposed on the sale of goods and the provision of services. A VAT exemption applies to certain business activities, such as the sale of raw agricultural products, the sale of newspapers, domestic transportation, qualified transfers of cryptocurrencies or utility tokens, etc.

Electronic service ("e-service") providers that are not Thai VAT registrants and that provide e-services from abroad (including supplies of intangible property delivered over the internet or another electronic network) to non-VAT-registered customers in Thailand are required to register for VAT and remit VAT on the e-services to the Revenue Department if they derive revenue from such transactions that exceeds a prescribed threshold (see "Registration," below). Electronic platform operators located abroad that operate a platform through which service providers supply e-services from abroad to be used in Thailand by non-VAT-registered users also may be required to register for VAT and remit VAT on the e-services.

Rates: The standard VAT rate is 10%, which is reduced to 7% (inclusive of local tax of 0.3%) until 30 September 2025. A 0% rate applies to exported goods and services.

Registration: The general registration threshold for VAT is turnover exceeding THB 1.8 million for any given annual tax period. Nonresident suppliers that carry on business in Thailand on more than a temporary basis must register.

E-service providers and electronic platform operators are required to register for VAT and remit the VAT on e-services to the Revenue Department if they derive gross revenue of more than THB 1.8 million per annual accounting period from e-services that are rendered to be used in Thailand by non-VAT-registered customers.

Filing and payment: VAT (other than the VAT on e-services) is payable by the 15th day of the month following the month in which the VAT liability arises. Self-assessment of VAT is required on the payment of certain types of income to overseas suppliers (primarily services or royalties on rights used in Thailand); where self-assessment is required, the VAT is payable by the seventh day of the month following the month in which the VAT liability arises (i.e., the month in which the payment is made). Extensions are not available except in the case of electronic filing, where the filing due date is extended for eight additional days.

Returns for the VAT on e-services must be filed electronically and are due by the 23rd day of the month following the month in which the VAT liability arises.

Other taxes on corporations and individuals

Unless otherwise stated, the taxes in this section apply both to companies and individuals and are imposed at the national level.

Social security: The employer and the employee are required to contribute 5% of an employee's monthly compensation, up to a specified monthly cap. The contribution rate may be reduced, based on economic conditions.

Payroll tax: There is no specific payroll tax, but tax on employment income is withheld by the employer and remitted monthly to the tax authorities.

Capital duty: There is no capital duty, but fees apply for registration of a company.

Real property tax: The Land and Construction Tax Act imposes various progressive tax rates based on the nature of the assets. The maximum tax rate depends on the type of land/building and the appraisal value:

- For land used for agricultural purposes, the progressive tax rates range from 0.01% on land valued up to THB 75 million to 0.1% on land valued over THB 1 billion.
- For land used for residential purposes, the progressive tax rates range from 0.02% on land valued up to THB 50 million to 0.1% on land valued over THB 100 million.
- For land used for commercial purposes, the progressive tax rates range from 0.3% on land valued up to THB 50 million to 0.7% on land valued over THB 5 billion.
- For wasteland (i.e., land that is left unattended or that is not being used to the extent appropriate for its nature), the progressive tax rates range from 0.3% to 3% (the tax rate will increase by 0.3% annually if the land is not used).

The Land and Construction Tax Act also grants various tax exemptions and tax reliefs (subject to certain conditions).

Transfer tax: SBT applies to the gross proceeds from the transfer of immovable property (see "Other," below), in addition to a withholding tax of 1% of the gross proceeds from the transfer if the seller is a company; withholding tax at progressive rates applies on net taxable income if the seller is an individual. A transfer fee of 2% of the appraisal value also applies.

Stamp duty: Stamp duty applies on certain instruments specified under the Revenue Code at various rates depending on the type of instrument, e.g., 0.1% on leases, hire of work agreements, transfers of shares/debentures, and loans, and 0.05% (capped at THB 10,000) on loan agreements, etc.

Net wealth/net worth tax: There is no net wealth tax or net worth tax.

Inheritance/estate tax: A 10% tax is generally imposed on the beneficiary's portion of an inheritance exceeding THB 100 million (a 0% or 5% rate may apply in certain circumstances).

A 5% gift tax is imposed on the beneficiary's portion of assets exceeding THB 20 million (THB 10 million in the case of persons that are not ascendants, descendants, or spouses).

Other: SBT applies to banking or similar transactions (regardless of whether the operator of the business is an individual or a company), to the sale of immovable property in a profit-seeking manner, and to certain other businesses.

SBT applies to the gross proceeds from the transfer of immovable property at a rate of 3%. An exemption from the tax is available in certain cases involving the transfer of a business. A 2.5% rate applies to life insurers and pawnbrokers. A 3% rate applies to financial institutions and businesses of a similar nature; however, some transactions (e.g., interest income on debt instruments) are taxed at a rate of 0.1%. The applicable SBT is increased by a municipal tax, which is imposed at a 10% rate on the amount of SBT payable.

A person or entity subject to SBT generally must register within 30 days from the date of commencing business.

SBT is payable by the 15th day of the following month. Extensions are not available except in the case of electronic filing, where the filing due date is extended for eight additional days.

Tax treaties: Thailand has concluded more than 60 income tax treaties. The Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (BEPS MLI) entered into force for Thailand on 1 July 2022.

Thailand officially expressed its intent to sign the Multilateral Convention to Facilitate the Implementation of the Pillar Two Subject to Tax Rule (STTR MLI) on 19 September 2024.

For further information on Thailand's tax treaty network, visit Deloitte International Tax Source.

Tax authorities: Thai Revenue Department

Contact us:

Wanna Suteerapornchai
wsuteeraporncha i@deloitte.com

Pharatorn Vichiennet
pvichiennet@deloitte.com