

Thai Tax Refund Trend:
How can we be prepared?

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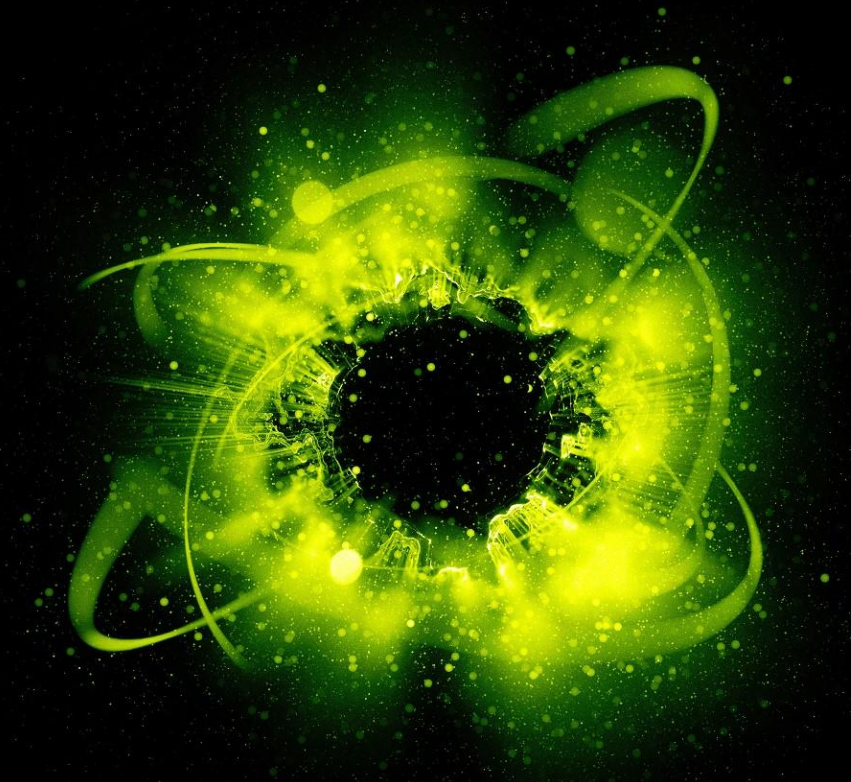
Thai Tax Refund Trend: How can we be prepared?



Nitin Modi
Director
Deloitte Thailand



Attaporn Pacharanan
Director
Deloitte Thailand



Tax refund – Recent Trends

- All tax refund requests are subject to tax audit
- Recently, local tax authorities find other tax issues to offset the refund amount
- Among others, local tax authorities normally inspect related party transactions (RPT) given that apart from Thai taxpayers, foreign parents may also be liable to Thai taxes due to RPT
- Sometimes, the additional tax liabilities are more than the refund amount



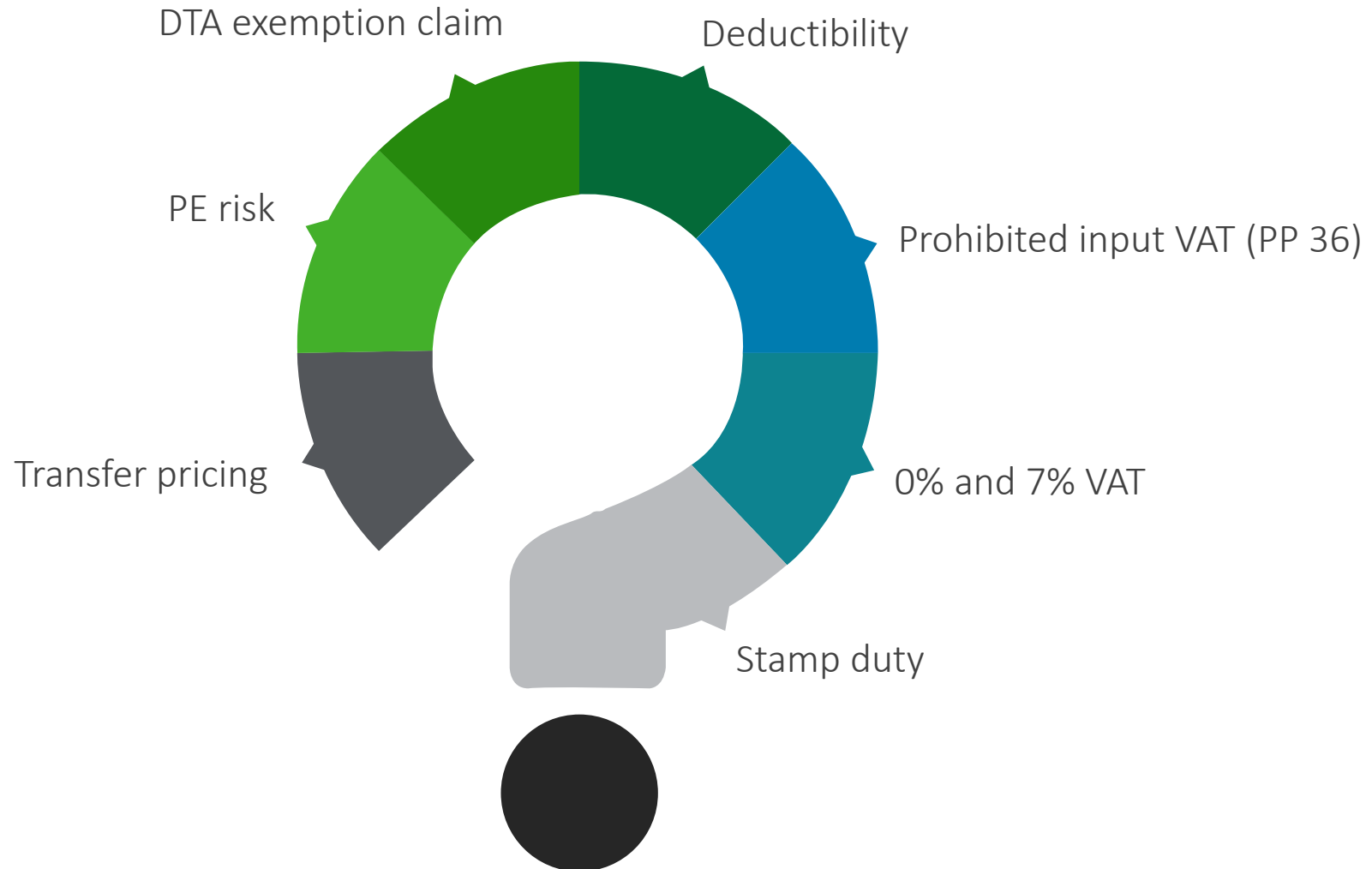
Some common Related Party Transactions (RPT) Challenges

- Using global template contract with unnecessary work for Thai subsidiary
- Weak deliverable evidence
- Improper intercompany charge calculation method
- Tax treaty (DTA) interpretation and benefit claim
- Permanent establishment (PE) exposure
- Applying incorrect tax rates



Related party transactions

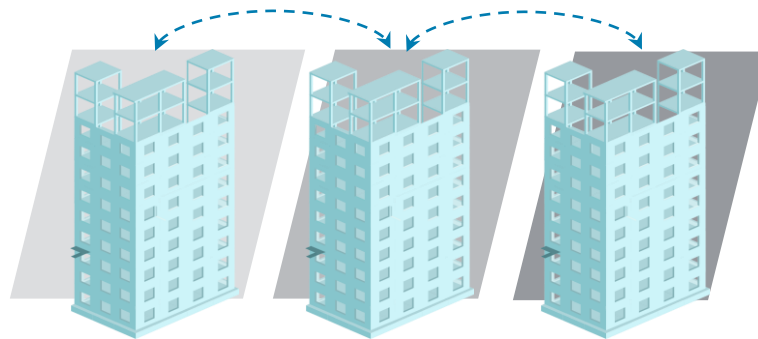
Some common Thai tax risks



How Deloitte can help clients?

Our assistance

- ❑ Tax health check to prepare for a tax refund request
- ❑ Particularly for RPT, we can also assist with transfer pricing documentation preparation including:
 - Meetings with clients and their regional teams to identify Thai tax risks
 - Providing recommendations to mitigate Thai tax risks
 - Advising on RPT supporting documents and information for Thai tax purpose
 - Reviewing and revising the related agreements and other related documents for Thai tax purposes



Tax Transformation Trends 2023 – Why Now?

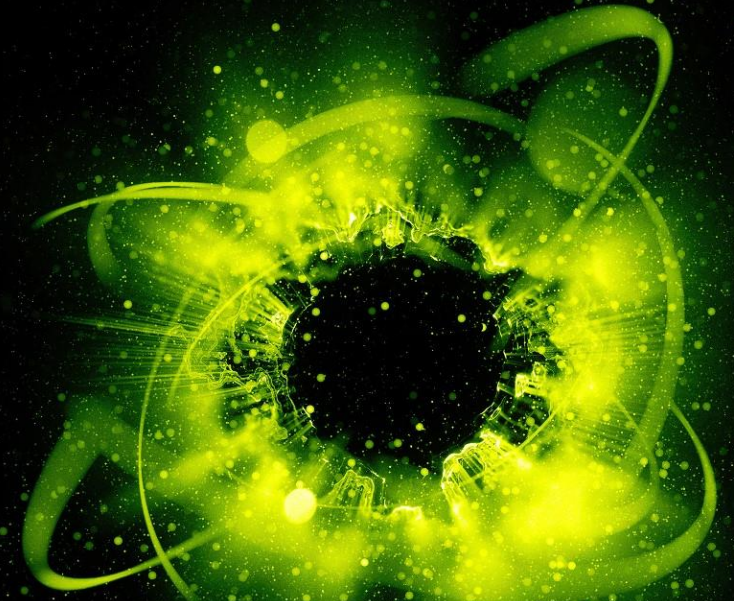
1) Continued Regulatory challenges:

- E-Invoicing
- Country-by-Country Reporting (CbCR)
- BEPS 2.0
- Pillar Two (Global Minimum Tax)

2) Increased Pressures to adopt ESG Reporting, fueling the “Trust” imperative

3) Supply Chains becoming more Complex

4) Workforce in Transition > “Future of Work”





Insight-driven compliance Tax Transformation Trends 2023

Tax departments are undergoing fundamental transformation to respond to a significantly altered tax and regulatory landscape, including Pillar Two and ESG measures. Tax departments need access to accurate and timely tax-related data across their company’s global operations, combined with tax teams that have data management and technology expertise. Deloitte can help you adopt an insight-driven approach to tax compliance.

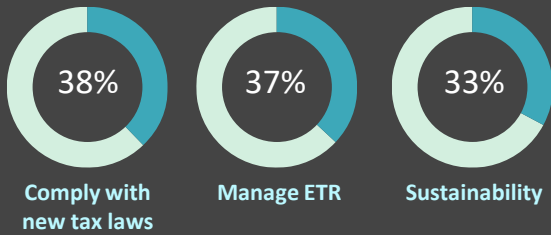
Top Tax Trends:

1. Holistic data management and integrated systems
2. Cost and efficiency still matter
3. Outsourcing is a primary strategy
4. Tax isn’t just done in tax departments anymore
5. Demand for hybrid tax professionals is on the rise

Outsourcing is the primary strategy for many tax activities

74% of Tax leaders in [Deloitte’s 2023 Tax Transformation Trends survey](#) currently rely on an outsourcing model for one or more tax activities. Top benefits from outsourcing are **flexibility** and **access to technology capabilities**.

OPERATIONS PRIORITIES



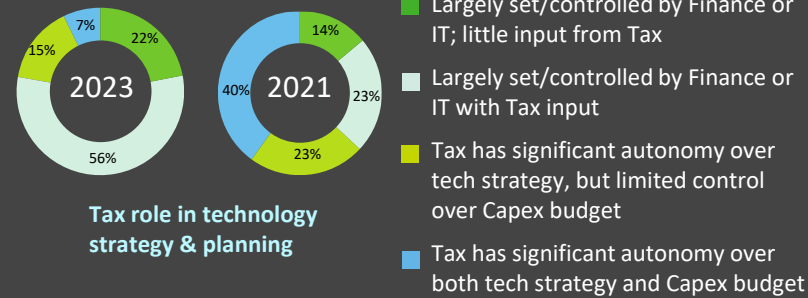
Complying with new tax law and regulatory changes and their impact on ETR are top priorities. (% indicating a top 3 priority)

Areas to explore:

- Accelerate adoption of advanced technologies
- Enable your teams to give deeper advisory support on digital business models
- Maintain quality while reducing costs
- Address resource constraints

TECHNOLOGY TRENDS

Technology strategy and planning are often led by Finance



Tax role in technology strategy & planning

Areas to explore:

- Transform tax processes and technology
- Streamline and automate compliance and reporting work and improve controls
- Leverage Deloitte’s Intela platform to drive value through data visualizations and analytics

TALENT NEEDS



The need for data management and analysis skills is even greater than the need for tax technical skills

Areas to explore:

- Address the tax/tech gap; develop hybrid tax/tech professionals
- Leverage lower-cost resource models for routine compliance work
- Upskill and diversify the makeup of teams to meet increasing advisory demands

Embracing an insight-driven mindset

An insight-driven mindset helps you see talent, technology and process as levers for adding agility into everything you do. Take the first step toward increasing agility and seeing your tax function as dynamic, fluid, and influential.

PROCESS

More consistency, more agility, less effort

PEOPLE

More skills, more capacity, less stress

TECHNOLOGY

More automation, more insight, less time

Deloitte can help you with ...

Tax department assessment

We can analyze your current department using our in-depth methodology. We will:

- ▶ Conduct a current-state review of your tax department
- ▶ Share leading practices and benchmarks
- ▶ Identify potential gaps and prioritize improvement opportunities

Operating model design

Our specialists will help you:

- ▶ Explore the 'Art of the Possible' and the continuum of operating model options
- ▶ Design your customized future-state operating model
- ▶ Define transformation and technology roadmaps to help achieve your future-state model

We can do these sessions in one of our Greenhouse Labs or in your office.

Talent considerations

We will work closely with you to determine the right path for your talent objectives— providing support and guidance for activities such as:

- ▶ Assessing the impacts of remote and hybrid work regimes
- ▶ Developing talent transition/retention workplans and training programs
- ▶ Guiding change management and communication activities related to talent transitions



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