



Tax Alert

June 2021

Reduction of withholding tax rate to 2%

The Ministry of Finance has issued the Ministerial Regulation No.373 (published in the Government Gazette on 11 June 2021) to reduce the withholding tax rate to 2% for payment of assessable income via the e-withholding tax system from 1 October 2020 to 31 December 2022. Such reduction is applicable to the assessable income as listed below.

1. Payments of assessable income under section 40(2) of the Thai Revenue Code (“TRC”) to companies and juristic partnerships.
2. Payments of assessable income under section 40(3) of the TRC only in relation to income from goodwill, copyrights, or other rights under section 40(3) of the TRC, to companies and juristic partnerships.
3. Payment of assessable income under section 40(5)(a) of the TRC to the personal income taxpayer or corporate income taxpayer, excluding payments of assessable income under section 40(5)(a) of the TRC which is fees paid for a ship rental under the Maritime Promotion Act for the international shipping.
4. Payments of assessable income under section 40(6) and (7) of the TRC to companies and juristic partnerships.
5. Payments of assessable income under section 40(8) of the TRC only in relation to income paid as prizes from a contest, competition, lucky draw, or other benefits of similar characteristics to personal income taxpayer and corporate income taxpayer.
6. Payment of assessable income under section 40(8) of the TRC only in relation to assessable income paid to public performers, being personal income taxpayers with tax residency in Thailand.
7. Payment of assessable income under section 40(8) of the TRC only in relation to income from hire of work, prizes, discounts and other benefits from sales promotion and other services in addition to what

prescribed under Clause 2 (3) (15) (16) and (17) of Ministerial Regulation No. 144, but shall not exclude payments for hotel and restaurant services, or of life insurance premiums to personal income taxpayer and corporate income taxpayer.

No reduction applies to payments made to foundations or associations with income from business operation, or to foundations or associations in the list published by the Minister of Finance under Section 47(7)(b) of the Revenue Code.

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