



Tax & Legal Services Newsletter

[VAT taxation of overseas e-service providers](#)

On 9 June 2020, the Thai cabinet approved a draft amendment to the Revenue Code that would levy VAT on an overseas service provider that provides electronic services to customers in Thailand. In cases where the overseas service provider provides electronic services to a non-VAT registrant in Thailand, and the services are used in Thailand, the overseas service provider would be required to register for VAT in Thailand and would be subject to VAT if its income from such services in Thailand exceeds THB 1.8 million per year. In cases where the overseas service provider provides the electronic service to a recipient in Thailand through a foreign digital platform, the owner of the foreign digital platform would be required to register for VAT in Thailand and would be subject to VAT if the income generated by the foreign digital platform in Thailand exceeds THB 1.8 million per year. The draft amendment aims to support fair competition and VAT treatment of domestic and overseas services providers. Under the draft amendment's rules, for example, the VAT paid by the overseas service provider would be an output tax without deduction of input tax, and the overseas service provider would be prohibited from issuing tax invoices.

[Reduction of land and building tax by 90%](#)

On 2 June 2020, the Thai cabinet approved a measure that would reduce the land and building tax for the 2020 tax year by 90% for land and buildings that are utilized for agriculture, habitation, or for certain other purposes, and for unused land and buildings.

[Tax measure for encouraging education](#)

Royal decree No. 681, issued on 31 May 2019, exempted donations of money or property to state educational institutions and qualifying private schools from income tax, value added tax, specific business tax, and stamp duty. The exemption did not apply,

however, to donations made to non-formal schools under the law governing private schools or to educational institutions established in Thailand under a convention or an agreement made between the Government of Thailand and the United Nations specialized agency. Further, the exemption applied only to donations via the electronic platform of the Revenue Department (e-Donation platform), and the exemption expired on 31 December 2019. Therefore, to encourage donations to support education, the Thai cabinet approved a new measure on 2 June 2020 that retroactively extends the tax benefit to the abovementioned donations made via the e-Donation platform from 1 January 2020 to 31 December 2021.

[Extension of deadline for submission of annual disclosure form for related companies and juristic partnerships](#)

On 29 May 2020, the Ministry of Finance issued a notification to extend the deadline for submitting the annual disclosure form for reporting the value of transactions between related companies or juristic partnerships via the electronic platform of the Revenue Department. Normally, the disclosure form must be submitted within 150 days from the last day of the accounting period. However, for submissions due during the period from 1 January 2020 to 31 January 2021, the notification extends the deadline for an additional eight days for submissions made via the electronic platform. This extension applies only to disclosure forms and any amendments thereof that are submitted via the electronic platform.

[Criteria for land used for agricultural purposes](#)

On 30 January 2020, the Ministry of Interior and Ministry of Finance issued a notification related to the Land and Building Tax Act B.E. 2562. The notification sets forth the minimum requirement that the owner of the land is required to fulfill for the land to be classified as "land used for agriculture," such as the minimum required amount of farming, planting, and livestock farming.

[Personal income tax deduction for investments in super savings funds](#)

Notification of the Director-General of the Revenue Department No. 376, issued on 11 June 2020, provides the rules for personal income tax deductions for investments in super savings funds. To benefit from the tax deduction, the notification requires that the purchased investment unit be in a fund that has as its investment policy to invest not less than 65% of the fund's net asset value in securities listed on the Stock Exchange of Thailand. The total amount of the investment for which a tax deduction is allowed may not exceed THB 200,000. In addition, the investment unit must be purchased between 1 April 2020 and 30 June 2020 and be held by the taxpayer for at least 10 years from the date of purchase, with exceptions provided in cases of a withdrawal of the investment due to a disability or death.

[Rules for tax return filings and tax payments via electronic platform](#)

According to a notification of the Director-General of the Revenue Department (DGR) dated 10 February 2015, if a tax return is submitted via the electronic platform of the Revenue Department, the corresponding tax payment may be made only at a Revenue Department office. However, on 17 June 2020, the DGR issued a new notification (No.17) to now provide that if there is a submission of a tax return via the electronic platform of the Revenue Department, the tax payment may be made only via electronic payment.

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