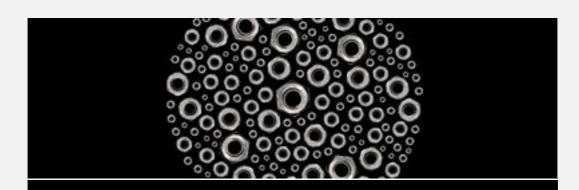


Thailand | Tax & Legal | July 2023



Tax & Legal Newsletter July 2023

Corporate income tax incentives provided for certain asset management companies

Thai Royal Decree No. 765, which was issued on 1 June 2023 and applies retroactively to accounting periods commencing on or after 1 January 2022, amends a previous royal decree (No. 362) by expanding certain corporate income tax incentives for asset management companies to be available to certain asset management companies in which the Ministry of Finance is a direct or indirect shareholder.

Royal Decree No. 765 provides a corporate income tax exemption to asset management companies for net profits derived from the management of non-performing loans (NPLs) purchased or transferred from financial institutions. To qualify for the exemption, at least 95% of the asset management company's voting shares must be directly or indirectly held by the Rehabilitation and Development Fund for Financial Institutions or the Ministry of Finance.

The royal decree also allows a corporate income tax deduction for asset management companies if at least 50% of their voting shares are directly or indirectly held by financial institutions, the Rehabilitation and Development Fund for Financial Institutions, or the Ministry of Finance; the amount of the deduction is equal to the portion of the provision for bad debts or the allowance for doubtful debts that the asset management company recorded in its balance sheet for the prior accounting period, pursuant to the Bank of Thailand's policies.

Rules provided for issuance, delivery, and storage of tax invoices and receipts with digital certificate authentication

On 7 June 2023, the Thai Revenue Department issued a notification that is effective as from the same date regarding the issuance, delivery, and storage of tax invoices and receipts with digital certificate authentication. The notification revises relevant rules and practices to ensure conformity with Ministerial Regulation No. 384, which was issued in July 2022 in relation to the electronic document submission standard under the Thai Revenue Code. The salient features of the notification are as follows:

- Rules are set forth for VAT registrants or persons responsible for issuing receipts that wish to issue tax invoices and/or receipts electronically. The VAT registrant or person responsible for issuing receipts must submit an application to become a qualified issuer of tax invoices and receipts through electronic means (Form Bor.Or.O1). Hardware and software security standard requirements for this purpose also are set forth.
- VAT registrants are allowed to issue tax invoices under section 86/4 of the
 Thai Revenue Code upon a request from a purchaser of goods or a recipient
 of services to replace an abbreviated tax invoice previously issued to the
 purchaser of goods or the recipient of services, without the need to recall
 the previously issued abbreviated tax invoice.
- Where the purchaser of goods or the recipient of services does not wish to receive tax invoices or receipts through electronic means, the VAT registrant or person responsible for issuing receipts must deliver a printed-out version of the tax invoice or receipt including the statement "This document was issued and delivered to the Revenue Department electronically" and the tax invoice or receipt will be used as a substitute for the original document issued electronically.
- Where a tax invoice or receipt issued by a VAT registrant or person responsible for issuing receipts is requested to be cancelled because it contains incorrect particulars in a matter of substance, the procedures relating to an electronic signature integrated with the document are deemed unreliable, or for any other reason, if such invoice or receipt already has been delivered to the purchaser of goods or the recipient of services, the VAT registrant or person responsible for issuing receipts must issue and deliver a new tax invoice or receipt including the particulars required by the law (as applicable), without the need to recall the previously issued tax invoice or receipt.
- In a case where a tax invoice or receipt issued with digital certificate authentication to a purchaser of goods or a recipient of services is lost, damaged, destroyed, or rendered unusable for any reason, upon receiving a request from the purchaser of goods or the recipient of services, the VAT registrant or person responsible for issuing receipts must send a copy of the same tax invoice or receipt to the purchaser of goods or the recipient of services, without the need to issue a substitute tax invoice or receipt (as would be required in the case of paper tax invoices and receipts).
- Other details also are set forth, such as specifications of information required in tax invoices or receipts in a case where an agent has been appointed to issue, deliver, or maintain tax invoices or receipts on behalf of a VAT registrant; information relating to the issuance of tax invoices and receipts electronically or in paper form; and the deadline for the submission of tax invoice or receipt-related information to the Revenue Department via the Revenue Department's electronic system.

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