



Tax & Legal Services Newsletter

[Tax Measures to Boost Year-End Economy](#)

Ministerial Regulation No. 333, which was issued on 10 November 2017, grants a personal income tax deduction to individuals for the value of goods or services supplied to them by VAT registrants between 11 November 2017 and 3 December 2017, up to a maximum of THB 15,000. The deduction is aimed at boosting the year-end economy and is subject to the following conditions:

- The goods or services must be purchased during the above period. The individual must retain a full tax invoice as evidence that he/she has actually paid for the goods/services; and
- Purchases of goods or services eligible for the deduction must be intended only for domestic consumption; be subject to the 7% VAT (except for liquor, beer, wine, tobacco, automobiles, motorcycles, watercraft, gasoline, natural gas to fill vehicles, service fees paid to tour operators under the laws governing the business of tour operators and tour guides and accommodation fees paid to hotel operators under the laws governing the hotel business); and the purchase must be in compliance with the rules, procedures and conditions set forth by the Director-General of the Revenue Department.

Enforcement of FATCA Regulation

Following the conclusion of the exchange of information agreement between Thailand and the US on 4 March 2016 to implement the US Foreign Account Tax Compliance Act (FATCA), an Act has been issued to enable FATCA enforcement effective as from 19 October 2017 with an aim to improve the international tax compliance between the two governments. The Act provides that certain entities (e.g. financial institutions, securities companies, insurance businesses, etc.) will be required to report financial information in accordance with conditions set forth under a subsequent ministerial regulation to the Thai competent authority. The information then would be shared with the competent authority of the US government.

Tax Measures for Targeted Industries

The Thai Cabinet has approved a draft royal decree that provides for a corporate income tax exemption for the subsidy received from the Fund for National Competitive Enhancement for Targeted Industries. The exemption would apply retroactively to income derived as from 14 February 2017.

One-Year Extension of 7% VAT Rate

Royal Decree No. 646, issued on 2 October 2017 and that applies retroactively as from 1 October 2017, extends the 7% VAT rate for an additional year, so that the reduction from the standard 10% rate will apply until 30 September 2018.

Donations for Flood Victims

Royal Decree No. 645, issued on 2 October 2017 and that applies as from 3 October 2017, grants a 150% deduction for donations for flood victims made during the period 5 July 2017 to 31 October 2017 to government agencies, charitable organizations, public charities or companies or other juristic persons that act as representatives for the donations. The deduction is available for individual donors liable to personal income tax and companies or juristic partnerships, provided all relevant conditions are fulfilled.

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