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- Downloadable forms and FAQ

Visit www.rd.go.th for :

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Income Tax Guide for Foreign Company



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REVENUE DEPARTMENT of THAILAND

Income Tax Guide for Foreign Company

In Thailand, there are many kinds of business identities.
The type of business you choose will affect your tax rates and tax benefits.

In general, the most common types of business are :

Thai Company

- A company registered under Thai law

A Thai company generally pays tax at 30% of net profit. However, some types of companies are entitled to certain reduction.

Rates

SMEs with paid-up capital less than 5 million Baht
15% of net profit > 0.15 million Baht <= 1 million Baht
25% of net profit > 1 - 3 million Baht

- Company registered in the Stock Exchange of Thailand (SET)
25% of net profit < 300 million Baht
- Newly registered company in the Stock Exchange of Thailand (SET) and Market for Alternative Investment (MAI)
25% of net profit for newly registered company in SET
20% of net profit newly registered company in MAI
- Bangkok International Banking Facility and Regional Operating Headquarters
10% of net profit from qualified income
- Association and foundation
2% or 10% on gross receipts

Foreign Company

- A company registered under foreign law carrying on business in Thailand
- A company registered under foreign law not carrying on business in Thailand but deriving income from Thailand

Foreign Company in Thailand

A foreign company carrying on business in Thailand, through a branch, office, employee or agent in Thailand pays 30% tax only on profit deriving from the business in Thailand. However, international transportation company pays tax at the rate of 3% on gross receipts.

Foreign company abroad

A foreign company not carrying on business in Thailand is subject to withholding tax on certain categories of income derived from Thailand. The withholding tax rates may be further reduced or exempted depending on types of income under the provision of Double Taxation Agreement

Rates

• Remittance of profit	10%
• Dividends	10%
• Other income such as interests, royalties, capital gains, rents and professional fees	15%



---Tax registration

A foreign company carrying on business in Thailand through a branch or office must apply for tax identification number from the Revenue Department. An application form (Lor. Por. 10.3) together with other relevant documents ,e.g.,

a copy of a company's registration license, house registration, etc. shall be submitted to the Area Revenue Office within 60 days from the date of registration or operation.



---Tax treaties to avoid double taxation

Up to now, Thailand has concluded tax treaty with 53 following countries : Armenia, Australia, Austria, Bahrain, Bangladesh, Belgium, Bulgaria, Canada, China P.R., Cyprus, Czech Republic, Denmark, Finland, France, Germany, Hong Kong, Hungary, India, Indonesia, Israel, Italy, Japan, Korea, Kuwait, Laos, Luxembourg, Malaysia, Mauritius, Nepal,

Netherlands, New Zealand, Norway, Oman, Pakistan, Philippines, Poland, Romania, Russia, Singapore, Slovenia, South Africa, Spain, Sri Lanka, Sweden, Switzerland, Seychelles, Turkey, Ukraine, United Arab Emirates, United Kingdom of Great Britain and Northern Ireland, United States of America, Uzbekistan and Vietnam



---Tax Filling & Payments

Thai & Foreign Company carrying on business in Thailand

Any Thai or foreign company carrying on business in Thailand must file their tax returns and pay tax twice a year.

- The semi-annual tax return must be submitted (CIT 51 Form) within two months after the end of the first six months. The amount of tax due shall be half of the whole year projection of the company's annual net profit.
- The annual tax returns (CIT 50 Form) submitted within 150 days after the closing date of its accounting period.

International Transportation business

A company shall submit a tax return (CIT 52 Form) and payment within 150 days after the closing date of its accounting period.

Foreign company not carrying on business in Thailand

Taxpayer in Thailand shall withhold tax at source at the time of payment and submit it together with CIT 54 Form to the Area Revenue Office within 7 days of the following month after the payment is made.



---Electronic Filing & Payments

A company can easily file income tax return (CIT 50, 51, 52, 54) and make a tax payment via the internet at <http://www.rd.go.th>

- This service opens daily from 6 am.-10 pm.
- For further information on income tax, value added tax and specific business tax in Thailand, visit Revenue Department Thai-English website at <http://www.rd.go.th/publish/5998.0.html>

Office hours

Monday to Friday, 8.30 am. to 4.30 pm.

Taxpayer Hotline

Call center 1161

Revenue Department Website

<http://www.rd.go.th>

Tax Benefits

A company that chooses to register under Thai law shall enjoy various tax benefits such as

- Income tax holiday from 3 to 8 years for business with investment promotion privileges
- Reduction or exemption of import duties on raw materials and imported machinery for business with investment promotion privileges or industries setting up in Export Processing Zone and Free Trade Zone
- 200% deduction for the cost of transportation, electricity and water supply for industries with investment promotion privileges.
- 200% deduction for the cost of hiring qualified researchers doing research and development projects.
- 150% deduction for the cost incurred from training employees in order to improve human capital.
- Small and medium size company is entitled to special initial allowances on the date of acquisition of computer (40%), plant (25%) and machinery (40%).