



Revenue Department News

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Subject : Clarifying about the legislation on tax collection of Thai online businesses and tax exemption for foreign investors

News have been circulated on social media that the government has enacted the law for tax collection of Thai online business; however, Jack Ma's online business investment in Thailand has been exempted taxes for 13 years.

The Revenue Department would like to clarify that

1. All business operators including online business operators are subjected to personal or corporate income tax and value added tax under the current law. The government has not enacted any additional law for further tax collection.

2. The new law about online business that has been proposed by that the Ministry of Finance to the cabinet for approval is concerned with valued added tax collection from foreign operators conducting business in Thailand. This law aims to provide fairness in tax collection and level playing field for all businesses and the entire economy because previously value added tax from the services of many foreign business operators have not been remitted to the Revenue Department. This has caused disadvantage to the Thai business operators.

3. The Secretary General of Eastern Economic Corridor Committee has already clarified about Alibaba's incentives under the investment promotion scheme are subjected to BOI criteria. The same criteria is used for the same business and different incentives will be provided to different businesses. Currently investment incentives also have criteria about technology transfer and human resource training. Apart from basic incentives, additional incentives will be provided if there is technological development and innovation as prescribed. Incentives have been given to Alibaba in accordance with the criteria as prescribed and announced by the Board of Investment. Moreover, the types of business that the government supports under Investment Promotion Act and Competitiveness Enhancement for Target Industries Act are not the businesses that compete with online businesses.

For further queries, please contact RD Intelligence Center at Tel. 1161. If you find any suspected activity of tax evasion, please report such information via www.rd.go.th> menu "Report Tax Evasion".

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