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**25  
OCT**



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# Breakfast Talk

## FOREIGN-SOURCED INCOME TO BECOME TAXABLE FROM 2024

8.00-10.00 a.m. | Conrad Bangkok Hotel

organized by



# Taxation of Foreign Source Income

Netherlands-Thai Chamber of Commerce

October 25, 2023



# Thai Personal Income Tax – Assessable Income

- Revenue Code Section 40:
- (1) Employment
- (2) Independent personal services
- (3) Goodwill, copyright and other (intangible) rights
- (4) Interest income, dividends and capital gains
- (5) Rental from property
- (6) Professional services
- (7) Hire of work (i.e., services contracts)
- (8) Business, commerce, agriculture, industry, transport, etc.

# Thai Personal Income Tax – Assessable Income

- Revenue Code Section 41:

- (1) Anyone who derives income during a given tax year from employment carried on from inside Thailand (Section 40), or from doing business in Thailand, or from transactions in property situated in Thailand, is subject to Thai tax, regardless of whether the payment of such income is within or outside Thailand
- (2) A individual considered to be a Thai resident for tax purposes, who derives taxable income under Section 40 during a given tax year from 1) employment carried on outside Thailand, or 2) through conducting business outside Thailand, or 3) from transactions involving property situated outside Thailand will be subject to Thai taxation, upon remittance of such assessable income into Thailand.
- (3) Any person physically present in Thailand for a period equal to 180 days in any tax year (i.e., a calendar year), will be deemed a Thai resident for the purposes of Thai taxation.

# Current position (up to December 31, 2023)

- 1987 Tax Ruling: Only assessable income remitted into Thailand in the same tax year as earned will be subject to tax in Thailand.
- Accordingly, income brought into Thailand in a subsequent tax (i.e., calendar) year will not be subject to tax in Thailand.

# New position (from January 1, 2024)

## Revenue Department Order (Paw 161/2566) issued 15 September 2023)

- Thai resident taxpayers, who derive assessable income from employment conducted abroad, business conducted abroad, or from assets situated outside Thailand, will hereafter be subject to taxation in Thailand during the year the income is remitted regardless of when it was earned.
- This Order will take effect January 1, 2024

# Implications

- Common Reporting Standard (CRS) – exchange of financial information
- Long Term Resident Visa holders – Royal Decree exempts foreign source income
- Foreign tax credits
- Pension / retirement income (see Tax Treaties)
- Remittance of funds to purchase condominium property
- Use of foreign credit cards in Thailand
- Further Revenue Department guidance

# Q & A



# Contact

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