

# Thai Taxation of Foreign Source Income

Mazars Thailand

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# Meet the speakers



## Martin Liebenow

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- Martin Liebenow is a director in the tax practice of Mazars in Thailand, as well as head of the German desk, with over 20 years of taxation experience. He joined Mazars in Thailand in 2018.
- He is a certified and licensed German tax consultant (**Steuerberater**), who previously worked for the German tax office. He then joined the private sector and held a management position in tax teams at international auditing companies in Germany, with his most recent one being at Mazars in Hamburg.
- Martin Liebenow is an expert in Thai tax, international tax, and German tax law.
- His experience in Thailand includes advising international companies operating both in and outside Thailand on Thai and international tax issues, tax strategies, tax structuring, and issues related to expatriate programs.

# Thai Personal Income Tax – Assessable Income

- **Revenue Code Section 40:**
- (1) Employment (also **Pensions**)
- (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 – Rates

Tax rates for resident and non-resident individuals

Taxable Income (Thai baht)	Tax Rate	Tax Amount (Thai baht)	Accumulated Tax (Thai baht)
0 - 150,000	0%	-	-
150,001 - 300,000	5%	7,500	7,500
300,001 - 500,000	10%	20,000	27,500
500,001 - 750,000	15%	37,500	65,000
750,001 - 1,000,000	20%	50,000	115,000
1,000,001 - 2,000,000	25%	250,000	365,000
2,000,001 - 5,000,000	30%	900,000	1,265,000
5,000,001 and over	35%		

Persons over the age of 65 are granted an exemption on the first THB 190,000 of taxable income instead of the normal THB 150,000 threshold.

# 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)** An 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 tax 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 Departmental Instruction  
(DI. Paw 161/2566) issued **15 September 2023**)

- Thai tax 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 is **effective since January 1, 2024**

# Income vs. Capital

- Foreign **Income**: is taxable
- Foreign **Capital**: is not taxable
- The burden of proof, with justifiable documents, lies always with the taxpayer
- Separate your foreign bank accounts for Income and for Capital

## Note:

On 20 November 2023, the Revenue Department issued Departmental Instruction no. Paw.162 ("DI Paw. 162"), which provides further guidance that the interpretation under the Departmental Instruction Paw.161/2566 ("DI Paw.161") shall **not** apply to any foreign-sourced income earned by Thai tax residents **before 1 January 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 Double Tax Treaties)
- Remittance of funds to purchase condominium property
- Use of foreign credit cards in Thailand
- Gifts, Thai Baht 20 million per annum is exempt from personal income tax
- Loans, loan agreement including interests at market rate (repayments)
- Cash money, not exceeding USD 20,000 (or its equivalent) , no need of customs declaration.
- Less than 180 days physical presence in Thailand, no tax on foreign income
- Further Revenue Department guidance expected in 2024

# Contact

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