

Thailand

This guide covers only the taxation of digital services. If you sell goods, this guide does not apply.

VAT Standard rate

The standard VAT rate in Thailand in 2023 is 7%.

Threshold

Overseas suppliers of electronic services and electronic platforms, whose total income is 1.8 million baht per year from providing electronic services to customers who are not registered as VAT payers in Thailand, must register for VAT, submit VAT declarations, and pay VAT.

These rules are effective starting from September 1, 2021, which is the date of the introduction of the regime.

E-services list

- E-products such as mobile applications;
- Software programs;
- Digital images, videos, and financial data;
- Digital music, films, and games;
- Distance teaching via a pre-recorded medium such as online courses;
- Electronic data management such as website supply, web-hosting, automated and digital maintenance of programmer;
- Providing or supporting a business or personal presence on an electronic network;
- Search engines such as customized search-engine services;
- Listing services for the right to put goods or services for sale on an online market or auction house;
- On-demand streaming services where there is no interaction with the content provider;
- Advertising services on the intangible media platform.

The list is not complete.

Pieces of evidence

To determine whether an electronic service is used in Thailand, service providers or electronic platforms can rely on the customer's information that they routinely obtain in normal business activity to determine where the electronic service is used. Such information can be one of the following information about the customer:

- Billing information (for example, information about credit card, and bank account details);
- Residence information (for example, home address, billing address);
- Information about the access (for example, mobile country code of SIM card, IP address).

Registration procedure

The VAT registration form shall be filled and submitted electronically via the Simplified VAT System for e-Service (SVE) on the Revenue Department's website.

Documents required for VAT registration:

Company

- Certificate of incorporation officially translated into English and containing entity name, date of incorporation, and country of incorporation. The document must be notarized by the Ministry of Foreign Affairs, notary public, or other agencies authorized to notarize documents based on the law of the country where the business person is incorporated;
- Certificate of tax residency in the country of incorporation (optional).

Individual

- A copy of the person's valid passport (only the first information page is showing the passport holder's name, photo, and passport number) or a copy of the person's valid national ID card.
- Certificate of tax residency in the country where the individual is a tax resident (optional).

All documents must be uploaded to the SVE on the Revenue Department's website. When the VAT registration is complete, the VAT registrant will be notified of the VAT registration via SVE. The list of VAT registrants on SVE will be announced on the Revenue Department's website.

Tax representative

The appointment of a representative is not a prerequisite for registration.

VAT filing and payment

VAT returns shall be filed from the 1st to the 23rd of the following tax month. VAT returns shall be filed every month even though electronic service providers and electronic platforms have no income from the operation of the business in that tax month.

If a VAT operator has filed a VAT return and is later found incorrect, the VAT operator shall submit an additional VAT return.

VAT can be paid in Thai Baht via SVE through one of the following channels:

Transferring money to the Revenue Department's bank account;
Credit card.

Penalties

Offense	Penalty
Doing business without VAT registration	A fine twice the tax due in tax month for the duration of failure to comply with such provision, or 1,000 Baht per month, whichever is greater
Late filing of VAT returns	A fine twice the tax due in the tax month
Filing an incorrect tax return affects the amount of tax due	Fine for the affected amount of tax

In addition to the above, criminal fines may be imposed.

Electronic platforms

Overseas electronic platforms shall register for VAT in Thailand when the following criteria are met:

Having a continuous process comprising offering service, receiving payment of service, and delivering service on behalf of Overseas electronic service providers;
Such service is used in Thailand by a non-VAT registered customer;
Having income from such service of more than 1.8 million baht in a calendar year (in case of sole proprietor/non-juristic partnership) or an accounting period (company/juristic partnership).

An electronic platform operator will be liable to pay VAT on behalf of Overseas electronic service providers if the service providers provide electronic services through a platform with continuous processes starting from offering service, receiving payment of service, and delivering service. If an electronic platform operates all three processes and meets the income threshold for VAT registration in Thailand, the platform operator is required to register for VAT, file VAT returns, and pay VAT to the Revenue Department on behalf of all service providers who have provided electronic services through the platform.



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