



Changes in Thailand's Tax Policy on Foreign-Sourced Income



SUMMARY:

CHANGES IN THAILAND'S TAX POLICY ON FOREIGN-SOURCED INCOME

Key Points:

- **New Regulation Issued:** On September 15, 2023, the Revenue Department issued a new directive (DI. Paw. 161), revising the treatment of foreign-sourced income for Thai individual tax residents.
- **Effective Date:** The new interpretation will come into effect starting January 1, 2024.
- **Resident Definition:** A person is considered a Thai tax resident if they stay in Thailand for 180 days or more in a tax year.

Old vs. New Rule:

Old Rule: Previously, foreign income was exempt from Thai personal income tax if it was brought into Thailand in a calendar year following the year it was received.

New Rule: Now, any foreign-sourced income is taxable upon being brought into Thailand, regardless of when it was earned.

Impact on Expatriates

This change will affect Thai tax residents who earn income from overseas employment, businesses, or assets.

Example: Suppose Ms. B, an expatriate Thai tax resident, earned rental income from a property she owns in Australia in 2021. If she transfers this income to her Thai bank account in 2024, under the new directive, she will now be subject to Thai personal income tax on that income.

Known Unknowns

Retirees: It is not yet clear whether or how the new regulation will affect expat retirees.

Double Taxation: It is also currently unknown whether double taxation relief will be available through tax treaties. Thailand currently has in place Double Tax Agreements with 61 countries. A full list is available on the [Thailand Revenue Department's website](#). Further advice and clarification is expected in the coming months.

Recommendations & Mitigation

- Thai tax residents should review their offshore accounts and consider bringing foreign income into Thailand before December 2023 to avoid the new taxation rules.
- Every individual's circumstances are different and in many cases it will be possible to take actions to mitigate or minimalise the impact on those affected.

Stay Informed, Get in Touch

My team and I are following this issue closely and will issue further guidance as soon as more information becomes available. For any further queries or clarification, about how these changes might affect your personal circumstances, please don't hesitate to get in touch. You can reach me directly via [WhatsApp](#), by calling +66 869 955 071, or by booking a call at your convenience on [Calendly](#).



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