



Forvis Mazars Thailand  
**Thai Taxation of Foreign Sourced Income**

Bangkok, 30 January 2025

By Rob Hurenkamp

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## Meet the speaker

### Rob Hurenkamp - Managing Partner



#### **Rob Hurenkamp**

Managing Partner at Forvis Mazars Thailand

Rob is a Managing Partner in Mazars Thailand. He has over 30 years' experience of accounting, assurance, advisory and as a CFO in industry.

- Over 30 years of work experience, the last 25 of which have been in various management roles, including setting up operations and driving them through sustained growth and technical delivery in markets in Thailand and the APAC region.
- He was promoted to managing partner in 2009 and has led the successful development of the firm from 70 staff members to its current peak of 380 professionals. He is experienced in managing cross-cultural teams, and thrives on the ability to build, coach, and motivate teams to insure the retention of key personnel.
- Rob is a member of the Asia & Pacific Board of Mazars, and is an advisor for Mazars' operations in Vietnam, the Philippines, Malaysia, and Indonesia
- He was elected as President of the Netherlands Thai Chamber of Commerce in April 2020.

#### **Qualifications**

- MBA in Finance
- CPA

#### **Contacts**

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#### **Key credentials**

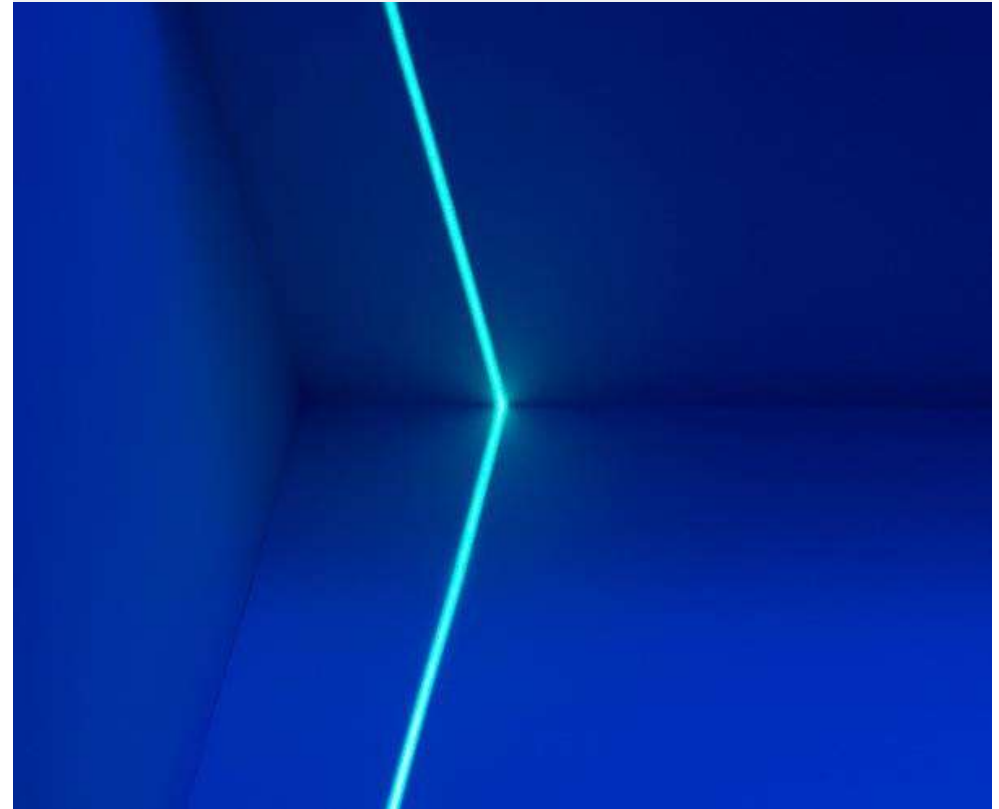
- Led numerous risk advisory projects, including business risk compliance, financial, tax, and legal due diligence reviews, and internal audit assignments.
- Led a team performing several financial and in Thailand.

Who we are

## Introducing Forvis Mazars

Forvis Mazars is a leading global professional services network. Uniquely formed of just two members, it is designed to be agile, to deliver consistency and with the global scale to meet clients' needs.

- Two members operating under a single brand - Forvis Mazars Group SC, an internationally integrated partnership operating in over 100 countries and territories, and Forvis Mazars LLP in the United States.
- Committed to providing an unmatched client experience, delivering audit & assurance, tax, advisory, and consulting services around the world.
- Our strategic mission is to move our clients, people, industry and communities forward.



3 December 2024

**forvis**  
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## Forvis Mazars in Thailand

**13**

Partners

**350+**

Professionals

**9**

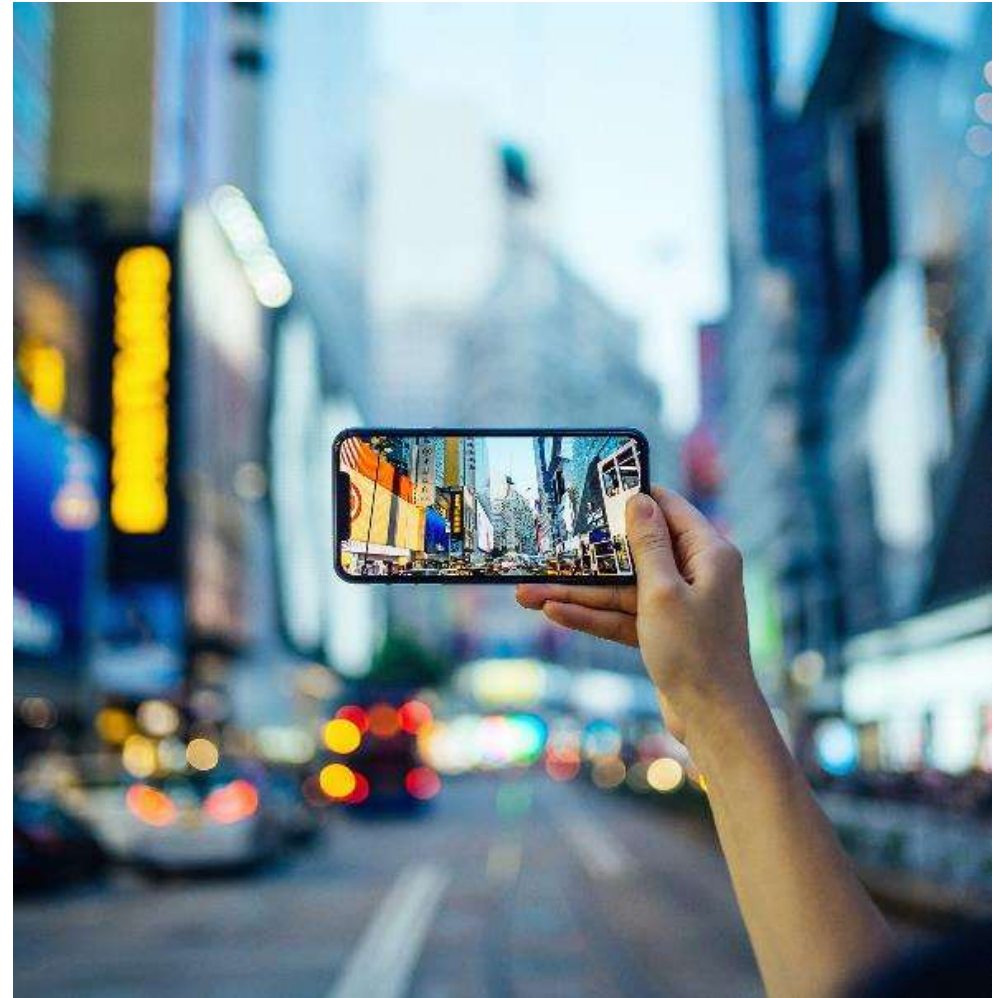
Languages

### About Forvis Mazars

- Established in 1999 and joined Forvis Mazars in 2024 with over 400 professional staff. Thai, British, Dutch, German, Indian, Japanese, Korean, Vietnamese and Australian nationals among our senior advisors, which ensures that the company is well placed to act as a bridge between businesses operating in Thailand and related companies overseas.
- Forvis Mazars in Thailand is one of the 60 offices in the 15 integrated countries in APAC.

### Our services

- Audit & assurance
- Outsourcing
- Tax advisory and compliance
- Financial advisory services
- Legal and litigation services
- Consulting



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# 01

## Foreign sourced income : Avoidance of Double Taxation



## Tax residency

### • Netherlands

Criteria for Tax residency



#### • Durable ties of a personal nature:

- Permanent home
- Place of employment
- Residence of family members
- Registered home address
- Bank account / Assets
- Intended length of stay



### Thailand

Criteria for Tax residency

- 180 days in Thailand

### • Double Tax Agreement (“DTA”)

- For the avoidance of Double Taxation and the prevention of fiscal evasion with respect to taxes on income and on capital. (“DTA”)



Signed on 11 September 1975



A) in the case of the **Netherlands:**

- De inkomsten belasting
- De loon belasting
- De vennootschaps belasting
- De dividend belasting
- De vermogens belasting



B) In the case of **Thailand:**

- The Income Tax
- The Local Development tax

**“The DTA is superseding the countries regulations”**

Avoidance of double taxation

## Source of Income



Employment and post employment benefits (Pensions etc.)



Goodwill, copyright and other (intangible) rights



Business, commerce, agriculture, industry, transport, etc.



Independent personal services



Professional services



Hire of work (i.e., services contracts)



Rental from property



Interest income, dividends and capital gains

3 December 2024



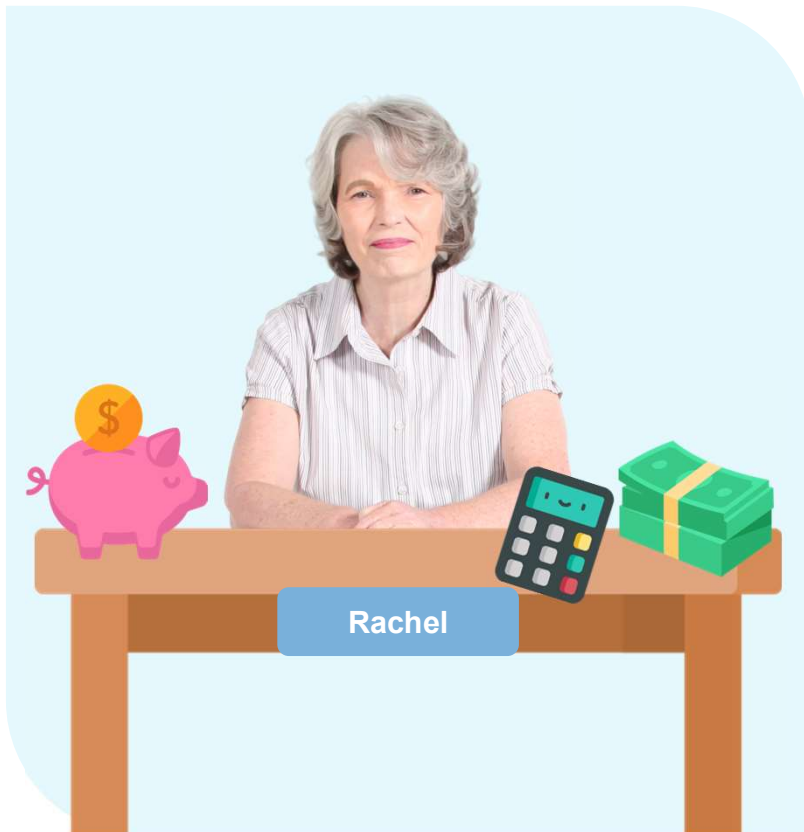
# 02

Practical example



How does this work?

## Introducing Rachel



### Personal situation

- Dutch national
- Lives in Thailand for more than 180 days per year
- Retirement visa in Thailand
- Her children are living in the Netherlands
- She doesn't have any permanent home in the Netherlands
- She is not registered in the “**bevolkings registratie**”
- She receives AOW of € 1,541.53 (gross) per month
- She receives pension from NN of € 1,500 (gross) per month
- She does have a bank account in the Netherlands

How does this work?

## The unavoidable question!

### Background

Rachel' **tax residency**  
is in **Thailand**

and **source of income**  
is in **Netherlands**



### Question from Rachel

**Where** do I need to pay tax?

Avoidance of double taxation

## Step 1 - Provisions in the DTA

### Article 18 PENSIONS AND ANNUITIES

- Subject to the provisions of paragraph 2 of this Article and paragraph 1 of Article 19, pensions and other similar remuneration paid in consideration of past employment to a resident of one of the States and any annuity paid to such a resident shall be taxable only in that State.
- Note: Article 18 paragraph 2 and 3 are not included in this sheet for simplification reasons.



#### Explanation:

Pension payments are taxable in the state of resident → The pension income Rachel receives is subject to Thai Tax

Note: We would like to extend our gratitude to Hans Goudriaan for bringing to our attention a tax ruling by a Dutch Tax Court, which determined that Dutch tax is applicable to AOW payments.

Avoidance of double taxation

## Step 2 - Thai Personal Income Tax – Assessable Income

### Revenue Code Section 41

- 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
- 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.
- 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.



#### Explanation:

Rachel will be subject to Thai Tax upon remitting the money to Thailand

Avoidance of double taxation

## Step 3 - Thai Personal Income Tax – Revenue Department regulation

### Ruling Thai Revenue Department

- 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.



#### Explanation:

Prior to 1 January 2024, Rachel could have kept her money for one year overseas and afterwards she could have transferred it tax free to Thailand.

Note: This has changed as per 1 January 2024!

# 03

Changes communicated in 2023



Changes Thai Revenue Department Instructions

## Revenue Departmental Instruction issued 15 September 2023

### 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





Changes Thai Revenue Department Instructions

## Revenue Departmental Instruction issued 20 November 2023

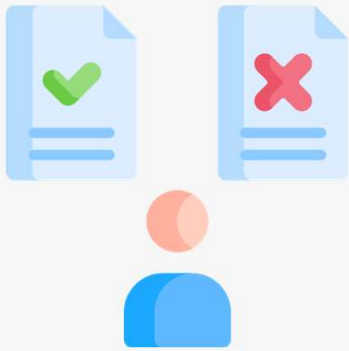
### Revenue Departmental Instruction (DI. Paw 162/2566) issued 20 November 2023)

- 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.



Changes Thai Revenue Department Instructions

## Some consideration



- 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)
- Less than 180 days physical presence in Thailand, no tax on foreign income
- Further Revenue Department guidance expected in 2024

**“Clever lawyers are having a field day!”**

# 04

Tax updates in 2024



# Tax updates – 2024

## Annual Thai Personal Income Tax return – Tax year 2024

### Tax Filing Period:

- 1 Jan – 31 Mar 2025 (Standard deadline)
- 8 Apr 2025 (Extended for online submission through the Revenue Departments website)

### Thai Tax ID-Number Guidance:

- No mandatory deadline to apply
- Apply only if taxable income requires filing **Form PND 91**.
- If no taxable income is expected, no need to apply

### How to Apply for Tax ID:

- Visit your local District Revenue Office.
- Bring: Thai Visa, Passport, and proof of residential address (registered with Immigration)
- The process is straightforward



# Tax updates – 2024

## Worldwide Income Principle – should become effective for tax year 2026

- Requires an amendment to Section 41 of the Revenue Code.
- The new tax law is currently in drafting process.
- The amendment would stipulate that individuals residing in Thailand for 180 days or more must pay Thai personal income tax on income earned overseas, regardless of whether that income is brought into Thailand or not.
- Based on a recent meeting with Bangkok Revenue Departments – Director General, the new tax law on **worldwide income principle** is expected to become effective for the tax year – **2026**
- **LTR visa** tax benefits should still apply under a future worldwide income principle, as per the current plannings of the Thai Tax Authorities.

# 05

Q&A



## Q&A

### Seven's questions (1/4)

- Inkomsten uit het buitenland (pensioenen, rente, dividenden, vermogen etc.) die zijn overgemaakt naar Thailand voor 1 januari 2024 zijn niet (meer) belastbaar in Thailand. Klopt dit ?
- Inkomsten uit het buitenland, die zijn verdiend en overgemaakt na 1 januari 2024, zijn in Thailand voortaan, in principe, aan belasting onderhevig.
- Iedereen, die per jaar langer dan 180 dagen in Thailand verblijft, is belastingplichtig.
- De nieuwe regels zijn met name opgesteld om een “gat” in de bestaande Thaise belastingwetgeving te dichten; De maatregel is dan ook met name van toepassing op rijke Thais, die miljarden Baht in het buitenland op een spaarrekening stalden om vervolgens, het jaar er na, deze gelden, volkomen legaal, weer “belastingvrij” naar Thailand over te maken. Helaas lijken de “kleine visjes”, zoals pensionado's, ook in dit “net” te worden gevangen en het dupe te worden van deze maatregelen.
- De meesten van ons hebben nog nooit een inkomsten belastingaangifte gedaan in Thailand.

## Q&A

### Seven's Questions (2/4)

- Is het bovenstaande nu officieel per 1 januari 2024 in werking getreden ? Heeft het nu kracht van wet ?
- Zo ja, is de Thaise belastingdienst dan “klaar” om deze belastingmaatregel landelijk uit te voeren ?
- Zijn bijv. alle belastingkantoren al voldoende ingelicht en uitgerust om de toekomstige stroom van buitenlandse aangiftes-in het Engels- te behandelen ?
- In Nederland “nodigt” de belastingdienst je uit om aangifte te doen; Is dat in Thailand ook het geval of moet je zelf aangifte doen ?
- Als ik denk dat ik niet belastingplichtig ben in 2024, moet ik dan toch een aangifte doen in 2025 ?
- Op welk moment moet ik een TIN (Tax Identification) Number aanvragen ?
- Als ik aangifte wil doen over 2024 welke stappen moet ik dan ondernemen voor de deadline van 31 maart 2025 ?



## Q&A

### Seven's questions (3/4)

- Als ik door een Thais belastingkantoor vervolgens van het “kastje naar de muur” gestuurd word (wat in het verleden regelmatig is gebeurd) en ik daardoor niet in staat ben om (tijdig) aangifte te doen wat staat mij dan te doen en wat zijn dan de mogelijke gevolgen?
- Mag ik alleen maar aangifte doen in de plaats waar ik woon of ook elders ?
- Als ik geld overmaak naar Thailand voor de aankoop van onroerend goed, is het bedrag dat ik overmaak dan al belastbaar op het moment dat het Thailand binnenkomt ?
- Als ik voor 1 januari 2024 al genoeg vermogen heb opgebouwd om van te leven en ik maak gelden uit dat vermogen over naar Thailand na 1 januari 2024, zijn deze gelden dan belastingvrij ? Zo ja, moet ik dan toch aangifte doen in 2025; hoe toon ik dat dan aan ?
- Hoe zit dat met de belasting op wereldwijd inkomen ? Is dit nog in een te vroeg stadium om hier uitgebreid op in te gaan ?
- Als ik geld “schenk” aan mijn directe familie in Thailand (dit kan tot 20 mio. baht per jaar ), ben ik dan niet belastingplichtig ? Wat betekent dit voor de belastingplicht van het familielid waar ik die schenking aan doe ? Mag ik die gelden vervolgens gewoon gebruiken voor mijn/onze dagelijkse levensbehoeften of zijn aan de besteding ervan regels verbonden ?

## Q&A

### Seven's questions (4/4)

- Prive pensioen uitkeringen, die in 2024 naar Thailand zijn overgemaakt, moeten in Thailand worden aangegeven omdat het "oude" belastingverdrag tussen Nederland en Thailand nog steeds van kracht is; daar in staat dat Thailand heffingsbevoegd is. Klopt dit?
- Moet je je AOW inkomen over 2024 ook opgeven in je Thaise aangifte in 2025 nu er in Nederland al belasting over is geheven ? zo ja, mag de Thaise fiscus dan alsnog (dubbel) heffen over de AOW omdat dit niet duidelijk in het belastingverdrag tussen Nederland en Thailand is vastgelegd ?
- Als het nieuwe belastingverdrag in werking is getreden hoe toon ik dan aan dat ik in Nederland belasting heb betaald ?; dit, ter voorkoming van het betalen van dubbele belasting ? De definitieve aanslag is in het Nederlands. Is een gecertificeerde vertaling in het Engels van deze definitieve aanslag voldoende of moet er een notariële verklaring getoond worden, die is gelegaliseerd door de Thaise ambassade ?
- Zijn LTR visa houders vrijgesteld van het doen van aangifte ?
- Wat als je geen aangifte doet en wacht tot dat de Thaise fiscus bij je aanklopt ?
- Of zal het allemaal zo'n vaart niet lopen ?

# 06

LTR - Long Term Resident Visa



## Type of Long-Term Resident visa



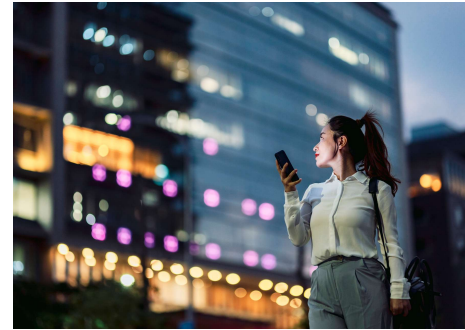
### Wealthy Global Citizen

Wealthy individuals holding at least USD 1 million in assets



### Wealthy Pensioners

Retirees age over 50 years who have an annual pension or stable income



### Work from Thailand Professionals

Remote workers working for well-established overseas companies



### Highly Skilled Professionals

Professional in targeted industries working for business entities or higher education institutes or research centres or specialized training institutions or Thai Government agencies

## Privileges to be offered to Long Term Resident (“LTR”) visa holders



### 10 Years visa

Together with the multiple re-entries permit



### Ratio Exemption

Exemption from 4 Thais : 1 Foreigner employment requirement ratio



### Fast Track Service

At international airports in Thailand



### 17% personal income tax rate

For Highly Skilled professionals and tax exemption for overseas income



### Digital work permit

Permission to work in Thailand



### 1-year report

90-days report extended to 1-year report and visa exemption of re-entry permit

## Privileges to be offered to LTR holders

	Wealthy Global Citizens	Wealthy Pensioners	Professionals Working from Thailand	Highly Skilled Professionals	Dependants
Ten-year visa	✓	✓	✓	✓	✓
Exemption from the requirement to have 4 Thai employees for every 1 non-Thai employee	✓	✓	✗	✓	✓
90-day report extended to 1-year report and exemption from the requirement to obtain a re-entry permit	✓	✓	✓	✓	✓
Fast Track service at international airports in Thailand	✓	✓	✓	✓	✓
Immigration and work permit facilitation services at the One Stop Service Centre for visas and work permits	✓	✓	✓	✓	✓
Exemption from tax on overseas income	✓	✓	✓	✗	✗
Ability to obtain a Thai digital work permit	✓	✓	✗	✓	✓
Flat tax rate of 17% on personal income earned in Thailand	✗	✗	✗	✓	✗

# Long-term Resident (LTR) Visa Services Qualification

## Wealthy Global Citizens

- Income greater than or equal to USD **80,000 a year for the past two years,**
- Investment in Thailand greater than or equal to USD 500,000
- Worldwide assets (including Thailand) greater than or equal to USD 1 million

## Wealthy Pensioners

- Retirees over 50 years old
- Passive income greater than or equal to **USD 80,000 a year**
- OR**
- Passive income greater than or equal to USD 40,000 a year, **and**
- Investment in Thailand greater than or equal to USD 250,000

## Professionals Working from Thailand

- Working remotely for well-established overseas companies and having an employment contract
- Income greater than or equal to USD 80,000 a year for the past two years
- OR**
- Income greater than or equal to USD 40,000 a year for the past two years, plus a master's degree

## Highly Skilled Professionals

- Experience of five or more years in the targeted industry
- OR**
- Experience of five or more years in using targeted expertise
- Income greater than or equal to USD 80,000 a year for the past two years
- OR**
- Income greater than or equal to USD 40,000 a year for the past two years, plus a master's degree in science and technology

## Health Insurance

Health insurance greater than or equal to USD 50,000 a person for more than or equal to 10 months; or receiving social security in Thailand; or a deposit of greater than USD 100,000 in a bank account

## Dependants

- Proof of marital status and/or of legitimacy of children
- Health insurance greater than or equal to USD 50,000 a person; or receiving social security in Thailand; or a deposit greater than or equal to USD 25,000 a person in a bank account

## Contact

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