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KPMG in Thailand



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Application form officially published for International Business Center regime

In April 2019, the Thai Revenue Department (“TRD”) announced the draft application format for the new International Business Center (“IBC”) tax incentive regime, as explained in a previous KPMG Tax & Legal News Flash (available [here](#))

On 2 May 2019, the final IBC application form was officially issued in the Notification of the Director-General of the TRD issued under Royal Decree No. 674, which largely reflects the TRD’s previous announcement.

The Notification also clarifies that an IBC company’s expatriate employees must satisfy all of the following conditions to be eligible for personal income tax (“PIT”) benefits under the IBC regime:

- The expatriate employee must be a permanent employee working for the business of the IBC, including a Treasury Center (“TC”) or International Trading Center (“ITC”) that is operated as an IBC;
- If the company conducts both IBC and non-IBC business activities and the expatriate employee completes work under both types of activity, then the revenue derived by the company from IBC activities (including any qualifying TC or ITC activities) must not be less than 70% of the company’s total revenues;
- The expatriate employee must be named in the list of the IBC’s expatriate employees submitted to the TRD to request PIT benefits under the IBC regime;
- The expatriate employee must reside in Thailand for no less than 180 days in each tax year for which PIT benefits are sought. However, during the first and last tax years for which PIT benefits are sought, the expatriate employee may reside in Thailand for less than 180 days during the first and last tax years for which PIT benefits are sought;

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- The expatriate employee must be a skilled worker or expert holding a work permit approved by the competent authority; and
- The expatriate employee must derive employment income from his/her employment by the IBC of no less than THB 200,000 per month on average during the relevant tax year, but only for the months where the expatriate employee resides in Thailand.

The TRD has advised KPMG that taxpayers can submit their IBC applications in hard copy to the Large Business Tax Administration Office. There is currently no online application process for the IBC regime.

KPMG is at the forefront of these developments and would be pleased to assist taxpayers with the preparation of IBC applications. KPMG is also arranging a public update seminar on the IBC regime, with details of this event to be announced shortly.

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