



# Tax News Flash

KPMG in Thailand



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**The Cabinet Approved the draft Ministerial Regulation to Support the Issuance of e-Tax Invoice and e-Receipt and Further Extended Tax Relief Measures regarding the Reduction of Transfer and Mortgage Fees for Residential Properties and Debt Restructuring**

On 21 December 2021, the Cabinet approved the draft Ministerial Regulation to support the issuance of e-tax invoice and e-receipt and extended tax relief measures regarding the reduction of transfer and mortgage fees for residential properties and debt restructuring.

The highlights of each tax measures are summarized below.

### ***Draft Ministerial Regulation regarding the issuance of e-tax invoice and e-receipt***

The Cabinet approved the draft Ministerial Regulation regarding the issuance of e-tax invoices and e-receipt in order to support the enactment of Section 3 Sedecim of the Revenue Code on 11 February 2021 which allows any documents, e.g. summons, forms, reports, tax invoices, letters or other evidence, required under the Revenue Code, to be executed in an electronic form.

The draft Ministerial Regulation provides the following key principles:

- a. The definition of “e-tax invoice”, “e-receipt”, “issuer of e-tax invoice”, “issuer of e-receipt”, “e-information preparing service provider” and “e-information transferring service provider”.
- b. VAT registrants are required to submit an application to and obtain approval from the Director-General of the Revenue Department to prepare, send, receive and maintain e-tax invoice and e-receipt as per the prescribed conditions and procedures.
- c. The issuer of e-tax invoice and e-receipt will be required to comply with the requirements for the preparation, delivery, receipt and retention of e-tax invoice and e-receipt, i.e. the data security system that can prove an accuracy and completion of e-tax invoices and e-receipt must be in place; an electronic signature included in the e-tax invoice or e-receipt must be traced back to the signature owner, and the delivery and receipt of e-tax invoice and e-receipt must be in compliance with the law governing electronic transactions.
- d. The preparation, delivery, receipt and retention of e-tax invoice and e-receipt must be done via the electronic system of an organization or a person which certifies information included in the e-tax

invoice and e-receipt as per conditions, procedures and qualifications prescribed by the Director-General of the Revenue Department.

e. The issuance of this Ministerial Regulation will not affect the VAT registrants that were approved to issue e-tax invoice and e-receipt via e-Tax Invoice by Email system under the prior rules.

Further details and the draft Ministerial Regulation are expected to be announced soon.

### ***Reduction of transfer and mortgage fees for residential properties***

In order to support individuals who wish to purchase residential properties, the Cabinet extended the period of the reduction of the transfer fee from 2% to 0.01% and mortgage fee from 1% to 0.01% for the sales of the following properties:

- Houses with land, i.e. single house, semi-detached house, town house or commercial buildings;
- Condominiums.

The fee reduction will apply to the purchases of each of the above houses or condominiums from the land developers or condominium developers in the price not exceeding THB 3 million by Thai citizens only. The property transfer and mortgage must be registered at the respective office of the Department of Land concurrently.

The law relevant to this measure is expected to be announced soon. This measure will be enforced on the date after the relevant law is published in the Royal Gazette until 31 December 2022.

### ***Tax relief measure to support debt restructuring is extended for another five years***

Since the existing tax measure for the debt restructuring under the Royal Decree No. 709 will expire in December 2021, the Cabinet approved the draft Royal Decree to provide the extension period of the tax benefits for another five years.

An exemption from taxes and fees has been granted to support debt restructuring for income derived from certain events that are performed or executed within the period of 1 January 2021 to 31 December 2026. The details of tax exemptions are summarized below.

<b>Tax benefits</b>	<b>Tax exemptions/ reductions</b>	<b>Beneficiaries</b>	<b>Conditions</b>
Income tax exemption on income derived from debt forgiven by creditors who are not financial institutions	Personal income tax and corporate income tax	Debtors of creditors who are not financial institutions	Debt restructuring must be performed as per the procedures prescribed by the Bank of Thailand.
Income derived from the transfer of assets, sale of goods, service provision and execution of dutiable instruments for debt restructuring	<ul style="list-style-type: none"> <li>• Personal income tax</li> <li>• Corporate income tax</li> <li>• VAT</li> <li>• Specific business tax</li> </ul>	<ul style="list-style-type: none"> <li>• Debtors of financial institutions</li> <li>• Debtors of creditors who are not financial institutions</li> <li>• Creditors who are not financial institutions</li> </ul>	The transactions must be performed or executed due to debt restructuring performed as per the procedures prescribed by the Bank of Thailand.

	<ul style="list-style-type: none"> <li>Stamp duty</li> </ul>	
Income derived from the transfer of immovable property which was put as collateral to guarantee another person's loan for an amount up to the amount of the loan payable or the obligation under the debt guarantee agreement and the execution of dutiable instruments for the transfer of the said immovable properties	<ul style="list-style-type: none"> <li>Personal income tax</li> <li>Corporate income tax</li> <li>Specific business tax</li> <li>Stamp duty</li> </ul>	<ul style="list-style-type: none"> <li>Debtors of financial institutions</li> <li>Debtors of creditors who are not financial institutions</li> </ul>
The reduction of transfer fee and mortgage fee for immovable properties or condominiums which are put as collateral to guarantee the debts.	Fees reduced to 0.01% of the government's appraised value of the immovable properties or condominiums	<ul style="list-style-type: none"> <li>Debtors of financial institutions and other creditors</li> </ul>

In addition to the draft Royal Decree, the Ministry of Finance will issue a draft Ministerial Regulation to provide tax benefits for creditors in order to write off debts forgiven to debtors within the period from 1 January 2022 to 31 December 2026 as a result of the debt restructuring, as mentioned above.

Further details of the tax relief measures, including the Royal Decree and the Ministerial Regulation are expected to be issued soon.

### Key Contacts

[Abhisit Pinmaneekul](#)

Head of Tax

KPMG in Thailand

**Global Compliance  
Management Services (GCMS)**

**Global Mobility Services  
(GMS)**

**International Tax / M&A  
Services**

[Nipawan Passarapark](#)

Partner

[Pornpen Eurpiyachat](#)

Partner

[Matthew Evan Jeamjit](#)

Director

[Visuth Apiraks](#)

Director

[Waraporn Dhammasawangki](#)

Director

[Lynn Tastan](#)

Partner

[Ito Susumu](#)

Director

[Panisa Srihera](#)

Director

[Auaychai Sukawong](#)

Partner

[John Andes](#)

Partner

[Tatiana Bespalova](#)

Partner

[Tomonori Shibata](#)

Partner

[Janejai Chavanavesh](#)

Director

[Thanita Pubordeepong](#)

Director

**Transfer Pricing  
Services**

**Trade & Customs  
Services**

[Abhisit Pinmaneekul](#)

Partner

[Benjamas Kullakattimas](#)

Partner

[Chollatip Santitorn](#)

Partner

[Burin Yenthanakorn](#)

Director

[Malika Bhumivarn](#)

Partner

[Sophon Dulyarassamee](#)

Associate Director

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This e-Mail was sent by KPMG, 48th - 50th Floor, Empire Tower 1 South Sathorn Road Yannawa, Sathorn Bangkok 10120.

Tel: +66 2 677 2000. For enquiries, please click [here](#).

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