



Current tax audit trends in Thailand

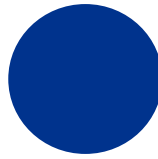
Webinar | 28 April 2022 | 1:30 pm to 3:00pm



Key Takeaways

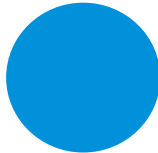


Recent targets and tax issues



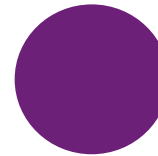
MNEs

- TP audit
- Taxes on related parties transactions e.g., management fee, royalties, interest, dividend



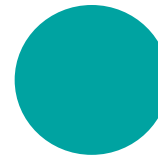
E-Services, digital services

- VAT WHT on cross border transactions
- Permanent establishment



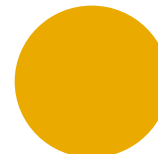
Tax/VAT refund company

- Mandatory tax audit
- Aim to reduce amount of tax refund



Loss making company

- Profit uplifting
- Non-deductible expense
- Private expense



Newly established/relocation company

- Criteria for a routine audit (BOV, regular tax audit)

Tips in dealing with tax audit

Managing open tax issues

- Identify if challenge is valid and try to manage by excluding invalid issue(s) from the discussion
- Carve out some issues challenged by the TRD in order to reduce tax exposure

Understand RD challenges

- Identify and study all relevant regulations or database which the tax officer use to challenge the company
- Check precedent cases and use their facts and results to compare with our case

Tips in dealing with tax audit

Managing the request

- Understand the objective of such requests
- Come up with the strategy to manage tax issues as well as communication messages/information/tactics and facts/stories to be explained to manage tax officers
- Review and validate the documents before giving to the TRD, ensure it will not lead to other tax issues
- Manage unreasonable requests if any
- Always documented what we have given and informed to the TRD

Dispute settlement

- Obtain copy of testimony/ statement given during the audit
- Tax appeal can take several years but it could be more efficient if it is clear in term of the disagreement, law interpretation and facts.
- Make sure all documents are ready before the due date of tax appeal submission.



Our recommendation

Pre-audit

**Risk assessments/
Risk mitigation/
Issue rectification**

Audit stage

**On-site strategy/
Handling tax authority's request/
Communication/
Documents review**

Post-audit

**Dispute settlement/
Tax litigation/
Process improvement to
manage tax risk**

Recent development on dispute resolutions



Recent development on dispute resolutions

- 1 Custom: Voluntary Disclosure Program (VDP)
- 2 TP: Mutual Agreement Procedure (MAP)
- 3 TP: Advance Pricing Agreement (APA)

Next steps for your
consideration



Next steps for your consideration

- 1 Review or diagnose current tax issues/risks
- 2 Evaluate your readiness (i.e. tax technical/documents/explanation) to manage such tax issues/risks
- 3 come up with action plans to manage tax issues/risks



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