



Tax News Flash

KPMG in Thailand



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Newly released Royal Act for the Exchange of Information in Thailand

Thailand has been a part of the Global Forum on Transparency and Exchange of Information for Tax Purposes (Global Forum) since 2017, and has committed to legislate and implement the Common Reporting Standard (“CRS”) which has similar features as the previously released Foreign Account Tax Compliance Act (“FATCA”).

The CRS was developed in response to the Group of 20’s (“G20”) request to allow the automatic exchange of financial information between countries on an annual basis. The model CRS provisions set out the financial institutions required to report, the information to be reported, the different types of accounts and taxpayers covered, as well as common due diligence procedures to be followed by financial institutions.

In order to fulfill this global commitment, the Thai Cabinet released the *Royal Act for the Exchange of Information B.E. 2566* (the “Act”) on 30 March 2023, as an interim measure. This Act sets out the general framework for exchanging information including the details of reporting person(s), reporting information and the submission timeline.

Reporting person(s)

1. Banks and financial institutions
2. Securities companies
3. Governmental financial institutions
4. Authorized life insurance licensees
5. Derivatives business operators
6. Escrow agents
7. Credit card operators
8. Trustees
9. Other persons with financial accounting information as prescribed by Minister of Finance

The reporting person(s) must meet specific criteria to be required to report, details of which will be released shortly, along with reporting requirements and the process for reporting.

Reportable information

1. Information regarding the account holder or the person with control over the account holder, such as name, address, taxpayer identification number, date of birth, place of birth, as well as additional information as prescribed by the Director-General.
2. Information regarding the financial account; such as account number, account balance or cash value in insurance policy, interest received, as well as additional information or benefits as prescribed by the Director-General.

3. Information regarding the reporting persons; such as name and identification number of the reporting person.

Reporting timeline

Generally, the Act requires reporting within the month of June in the following year (i.e., financial information for the year 1 January 2023 – 31 December 2023 should be reported by June 2024).

Nonetheless, with the transitional provision in place, the Thai government is expected to undertake its first exchange of information with other jurisdictions in September 2023 with the indicative deadline for the submission of the required information by reportable financial institutions in June 2023.

Penalties for non-compliance

Failure to comply with reporting requirements under the Act could result in a maximum fine of THB 200,000 or THB 500,000 for false reporting. In addition, failure to maintain the required information under this Act could also lead to a maximum fine of THB 300,000 baht.

Further details are expected to be released in late April or early May of 2023.

How we can help

Details of the reporting channel will be published in due course; however, the Act will have substantial ramifications for Thai financial institutions, including certain insurance and securities companies. Please reach out to the following contacts at KPMG in Thailand for more information.

Key Contacts

Head of Tax KPMG in Thailand	Global Compliance Management Services (GCMS)	Global Mobility Services (GMS)
Abhisit Pinmaneeikul Head of Tax KPMG in Thailand	Nipawan Passarapark Partner Pornpen Eurpiyachat Partner Matthew Evan Jeamjit Director Visuth Apiraks Director Waraporn Dhammasawangki Director	Ito Susumu Director Panisa Srihera Director Tanittha Cha-Um Director
International Tax / M&A Services	Transfer Pricing Services	Trade & Customs Services
John Andes Partner Tatiana Bepalova Partner Thanita Pubordeepong Partner Tomonori Shibata Partner Janejai Chavanavesh Director	Abhisit Pinmaneeikul Partner Chollatip Santitorn Partner Akira Sorajia Director Burin Yenthanakorn Director	Malika Bhumivarn Partner Sophon Dulyarassamee Director

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