

GMS Flash Alert

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Thailand – Moves on Foreign-Sourced Income Brought into Thailand by Tax Residents

On 15 September 2023, the Thai Revenue Department issued Departmental Instruction No. Por 161/2566 (“DI No. 161/2566”) as a guideline to assist tax officers in determining the personal income tax implications of foreign-sourced income brought into Thailand by Thai tax residents.¹

WHY THIS MATTERS

Previously, Section 41 Paragraph 2 of the Thai Revenue Code was interpreted differently: the assessable income derived by a Thai tax resident from employment, a business carried on overseas, or from a property situated overseas, would have been subject to Thai personal income tax only if the said taxable income was brought into Thailand in the same tax year. However, the new interpretation means that foreign-sourced income brought into Thailand from 1 January 2024 onwards will be subject to Thai personal income tax, considering the tax-resident status in the year that such foreign-sourced income was earned.²

Under these new rules, Thai tax residents who earn income from abroad will be subject to personal income tax on such income upon bringing it into Thailand in any calendar year from 1 January 2024 onwards, meaning that they — and their tax service providers — will have more record-keeping and administration around data gathering and income reporting, and may see their tax burdens increase. Global mobility programmes that have assignees on tax equalisation may need to reconsider, and perhaps adjust, their policies.

It is essential to get in front of the changes described in this newsletter and to communicate quickly and clearly with key stakeholders, so that they can properly plan, budget, and make necessary adjustments.

More Details

DI No. 161/2566 provides a new interpretation of Section 41 Paragraph 2 of the Thai Revenue Code: the assessable income under Section 40 of the Revenue Code derived by a resident of Thailand in the previous tax year — from employment, a business carried on overseas, or property situated overseas — which is brought into Thailand should be subject to personal income tax in the tax year that the said assessable income is brought into Thailand. This rule should apply to assessable income which is brought into Thailand **from 1 January 2024 onwards**.

A resident of Thailand is defined as an individual who stays in Thailand for a period or periods aggregating 180 days or more in any tax year.

Any rules, regulations, instructions, rulings, or practices which contradict DI. No. 161/2566 shall be repealed.

If the assessable income is subject to tax in the source country, the tax paid in the source country can be credited against the personal income tax liabilities in Thailand per rules prescribed in the applicable double taxation treaties.

KPMG INSIGHTS

Affected taxpayers should be aware of the Thai personal income tax implications and take this new interpretation and their tax residency into consideration when planning to repatriate foreign-sourced income into Thailand.

Individual taxpayers and employers may have questions about how to comply with the new rules and may have difficulty understanding how they will be impacted, in practical terms. They should consider consulting with their qualified tax services professional or a member of the Global Mobility Services tax team with KPMG in Thailand (see the Contacts section).

FOOTNOTES:

- 1 See (in Thai): [ประกาศ \(rd.go.th\)](https://rd.go.th) .
- 2 See (in Thai): [Q&A กองกฎหมาย กรมสรรพากร](#) .

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Contact us

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