

GMS Flash Alert

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Thailand – Further Guidelines on Foreign-Sourced Income Brought into Thailand

On 20 November 2023, the Thai Revenue Department issued new guidelines intended to further assist tax officers in assessing the personal income tax implications of foreign-sourced income brought into Thailand by Thai tax residents.

New Departmental Instruction No. Por 162/2566 (“DI No. 162/2566”) further clarifies the enforcement of Section 41 Paragraph 2 of the Thai Revenue Code, based on the interpretation provided in Departmental Instruction No. Por 161/2566 (“DI No. 161/2566”).¹ Previously, DI No. 161/2566 was issued to provide interpretation of Section 41 Paragraph 2 that any foreign-sourced income brought into Thailand from 1 January 2024 onwards will be subject to Thai personal income tax, regardless of the tax year in which the income was derived.² (See [GMS Flash Alert 2023-189](#), 10 October 2023.)

The guidance in DI No. 162/2566 was issued to clarify that the interpretation provided in Clause 1 of DI No. 161/2566 **should not apply** to foreign-sourced income derived **before 1 January 2024**.³

WHY THIS MATTERS

It could reasonably be assumed that the foreign-sourced income derived by a Thai tax resident before 1 January 2024, should be subject to the previous interpretation, i.e., said income **should not be** subject to Thai personal income tax unless it is brought into Thailand in the same year in which the income is derived.

This should ease the burden on taxpayers planning the remittance into Thailand of foreign-sourced income that had already been derived prior to the issuance of DI No. 162/2566.

KPMG INSIGHTS

In general terms, the new guidance (under DI No. 162/2566 and DI No. 161/2566) signals an important shift by the Revenue Department with respect to how it treats foreign-sourced income earned and remitted into Thailand. In September, guidance was issued whereby Thai tax residents who earn income from abroad would be subject to personal income tax on such income upon bringing it into Thailand in any calendar year from 1 January 2024 onwards. However, there were questions regarding income earned from abroad prior to 1 January 2024, and whether it mattered in which year the income was derived.

Under the new policy, such taxpayers – and their tax service providers – will have more record-keeping and administration around data gathering and income reporting, and taxpayers' tax burdens are likely to increase. Global-mobility programmes that have assignees on tax equalisation may need to reconsider, and perhaps adjust, their policies.

FOOTNOTES:

- 1 See (in Thai): [คำสั่งกรมสรรพากรที่ ป.162/2566 \(rd.go.th\)](#) .
- 2 See (in Thai): [คำสั่งกรมสรรพากรที่ ป.161/2566 \(rd.go.th\)](#) .
- 3 See (in Thai): [Q&A กองกฎหมาย กรมสรรพากร](#) .

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