Technical update in Thailand

July 2026

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Thailand updates tax penalty and surcharge relief framework

On 2 July 2026, the Thai Revenue Department (TRD) issued Departmental Orders No. Tor.Por. 369/2569 and No. Tor.Por. 370/2569, which together update the framework for waiving, reducing and refunding tax penalties and surcharges. Tor.Por. 369/2569 sets out the relief available to taxpayers and the claim procedures, while Tor.Por. 370/2569 expands the authority of TRD officials to approve it.

The two orders are therefore best read as one coordinated update, covering both the taxpayer and TRD perspectives.

At a glance

- Requests for a refund of penalties and certain surcharges already paid must be filed within the statutory tax refund claim period.
- Businesses that register for VAT late may qualify for full or partial penalty relief, depending on when they correct the position.
- Relief for surcharges relating to the mid-year corporate income tax (CIT) instalment is now limited to a reduction; a full waiver is no longer available.
- TRD officials have higher approval limits, while the relief framework now also covers certain online filing errors, including duplicate VAT returns.

A deadline now applies to refund requests

A taxpayer that has already paid a penalty and later seeks a refund must submit the request within the statutory period for claiming a tax refund. This applies to penalties relating to income tax, VAT and specific business tax (SBT). The same timing requirement applies to refund requests for surcharges paid in connection with the mid-year CIT instalment.

This means that having valid grounds for relief may not be enough if the refund request is submitted after the statutory deadline.

Late VAT registration: earlier correction means greater relief

A separate relief framework now applies to businesses that carried on VAT-liable activities without registering for VAT. A full penalty waiver may be available where the business registers for VAT within 30 days after exceeding the VAT registration threshold and files and pays the VAT due together with its first VAT return.

Where the business corrects the position later, or has already ceased operations and therefore does not register, the penalty may still be reduced if the VAT return is filed and the VAT due is paid at the same time. The reduced penalty rate depends on how quickly the non-compliance is corrected:

Timing of VAT filing and payment (from the VAT payment due date)	Reduced penalty rate
Within 15 days	2%
More than 15 days but within 30 days	5%
More than 30 days but within 60 days	10%
More than 60 days	20%
Issue identified and documented by a tax officer before voluntary correction	40%

The rules therefore give a clear advantage to early voluntary correction. Once a tax officer has identified and documented the issue, the reduced penalty rate increases to 40%.

Mid-year CIT surcharge relief is more limited

For non-compliance with the mid-year CIT instalment requirements, the revised rules allow the surcharge to be reduced, but not fully waived. Taxpayers should therefore review the mid-year tax estimate, supporting calculations and filing position carefully, as the remaining surcharge exposure cannot be eliminated entirely under this relief provision.

How has the TRD's approval authority changed?

Where a case meets the relief criteria prescribed by the Director-General of the TRD, senior officials may waive or reduce the penalty without a monetary limit. For cases that fall outside those prescribed criteria, designated TRD offices may still exercise discretion, subject to the following higher approval limits:

TRD authority	Previous approval limit	New approval limit
Central tax audit office	THB 500,000	THB 2,000,000
Large business tax administration division	THB 500,000	THB 2,000,000
Regional revenue office	THB 300,000	THB 1,000,000
Area revenue office	THB 100,000	THB 500,000

The higher limits allow larger penalty cases to be considered at the relevant administrative level, which should make the relief process more practical, particularly for businesses facing significant VAT penalties.

Expanded relief for certain VAT errors

The new order also expands the TRD officials' authority to approve relief for several VAT-related errors. The main changes are summarised below:

VAT-related error	Relief authority under the new order
Failure to register because the business incorrectly believed its activities were VAT-exempt	No monetary limit, subject to the prescribed criteria
Failure to register because the business was unaware that it had exceeded the VAT registration threshold	No monetary limit, subject to the prescribed criteria
Duplicate VAT return caused by an online filing error	Up to THB 5 million

These changes do not mean that relief is automatic. The taxpayer must still demonstrate that the relevant conditions are met and provide sufficient information for the TRD to consider the request.

Practical points for taxpayers

- Check the applicable tax refund claim deadline before submitting a request for a refund of penalties or surcharges already paid.
- Where possible, correct the non-compliance voluntarily before it is identified and documented by a tax officer.
- File the relevant return and pay the tax due at the same time where this is required as a condition for relief.
- Keep clear records explaining how the error arose, when it was identified and what corrective action was taken.
- Prepare a focused relief application that links the facts of the case to the relevant criteria and approval authority.

Key takeaway

The two orders are best read as one coordinated update. Tor.Por. 369/2569 sets out when and how taxpayers may seek penalty or surcharge relief, while Tor.Por. 370/2569 determines which TRD officials may approve the relief and the monetary limits of their authority. Early voluntary correction and a well-supported submission remain important, as relief is subject to the relevant conditions and is not automatic.

Reference (in Thai):

- Revenue department orders No. Tor.Por. 369/2569 and No. Tor.Por. 370/2569. *Retrieved from Revenue Department.*

BOI introduces quarterly project progress reporting requirement

The Thailand Board of Investment (BOI) has introduced a significant change to its project monitoring requirements for BOI-promoted companies. Under the updated regulations, companies that have been granted BOI promotion but have not yet obtained a Full Operation License are now required to submit Project Progress Reports on a quarterly basis through the BOI e-Monitoring System.

Previously, BOI-promoted companies were required to submit progress reports only twice a year, in February and July. The new requirement replaces the semi-annual reporting schedule with quarterly reporting to enable the BOI to monitor project implementation more effectively and to improve transparency and compliance throughout the investment period.

Reporting schedule

Reporting quarter	Period covered	Submission deadline
Quarter 1	January - March	By 30 April
Quarter 2	April - June	By 30 July
Quarter 3	July - September	By 30 October
Quarter 4	October - December	By 30 January (of the following year)

Failure to submit the required Project Progress Report within the prescribed deadline may result in significant consequences for the promoted company, including:

- **Suspension of BOI Incentives**: The BOI may suspend the company's tax and non-tax incentives until the reporting obligation has been fulfilled.
- **Impact on visa and work permit for expatiate employee**: Non-compliance may affect the processing of BOI-related applications, including position approvals, visa extensions, and work permit renewals for foreign executives, experts, and skilled employees.
- **Revocation of BOI promotion**: If the company fails to submit the required reports for two consecutive reporting periods, the BOI may consider revoking the investment promotion certificate.

As the BOI increases its focus on monitoring ongoing investment projects, timely reporting is becoming more important than ever. Companies should take proactive steps to ensure compliance and safeguard the valuable incentives and benefits granted under their BOI promotion.

Reference (in Thai):

- Announcement of the Board of Investment No. 8/2026 Re: Conditions for the submission of quarterly actual investment reports. *Retrieved from Thailand Board of Investment*.

Extended reduced land transfer and mortgage registration fees

To support the recovery of Thailand's real estate sector, enhance economic liquidity, and improve access to homeownership for the public, the Cabinet has approved the Ministry of Interior's proposal to extend the reduction of transfer and mortgage registration fees for real estate transactions. The extended measure is effective from **1 July 2026 to 30 June 2027**.

Reduced registration fee rates

Fee type	Normal rate	Reduced rate
Transfer registration fee	2%	0.01%
Mortgage registration fee	1%	0.01%

The measure is subject to the following key conditions:

- Applicable to detached houses, semi-detached houses, townhouses, commercial buildings, condominium units, and land with buildings.
- Covers both new and second-hand properties.
- The purchase price or the official appraised value must not exceed THB 7 million per transaction.
- The mortgage amount must not exceed THB 7 million.

- Eligible beneficiaries must be Thai nationals who are natural persons.
- The 0.01% mortgage registration fee applies only where the mortgage registration is made simultaneously with the transfer of ownership.

It should be noted that this measure applies only to registration fees collected by the Department of Lands.

Other taxes and duties related to the property transaction remain payable under the Revenue Code, including:

- Withholding tax
- Specific business tax (where applicable)
- Stamp duty (where applicable)

Reference (in Thai):

- Notification of the Ministry of Interior Re: Fee reduction measures for the registration of rights and juristic transactions for residential properties. *Retrieved from Department of Lands.*

Department of business development moves to a fully digital registration system

The Department of Business Development (DBD), Ministry of Commerce, has fully transformed its public services into a digital platform. Effective 1 July 2026, the DBD has discontinued walk-in and paper-based applications for the registration of new partnerships and limited companies. Businesses can no longer submit registration documents in person. Instead, all applications must be filed online through the DBD Biz Regist platform.

In addition to the online business registration system, the DBD also provides the following key electronic services:

Business registration services

- **DBD Biz Regist** – Online registration of partnerships and limited companies
- **e-Reservation** – Company name reservation system
- **e-Service** – Online request for company certificates and registration documents
- **English company certificate system** – Request company certificates in English

Accounting and financial services

- **e-Filing** – Online submission of financial statements
- **e-Accountant** – Registration and management system for accountants
- **e-Accfirm** – Quality assurance system for accounting firms

Foreign business services

- **e-Foreign** – Online services for foreign business applications
- **e-Foreign Business** – Electronic system relating to Foreign Business Act matters

Other electronic services

- **e-Secured** – Registration of business security interests
- **e-PCL** – Public limited company registration services
- **DBD Registered** – Electronic verification and business information services
- **BDEX** – Digital business and data exchange platform

Reference (in Thai):

- DBD Press release no. 232 Re: Discontinuation of walk-in applications for new juristic person registration. *Retrieved from Department of Business Development.*

Climate risk in financial reporting: when business conditions change, accounting assumptions should follow

Climate-related risks are often discussed in the context of sustainability reporting, but their impact does not stop at ESG disclosures. When drought, flooding, extreme heat or other weather-related events affect operations, costs, supply chains or customer demand, they may also affect the accounting judgements used in the financial statements.

For many entities, the practical question is not whether climate risk exists in general, but whether recent events or changing conditions have affected the assumptions used in preparing the financial statements.

A climate-related event may first appear as an operational issue, such as raw material shortages, higher energy costs, delayed deliveries, lower production output or increased insurance premiums. If these issues affect expected selling prices, future cash flows, customer collections or legal obligations, they may also affect accounting areas such as inventory valuation, impairment, provisions, expected credit losses, going concern assessments and disclosures.

From business signals to accounting judgement

The accounting impact will differ by business. For an agricultural or food-related entity, changes in crop yields, raw material quality or selling prices may affect inventory valuation. For a manufacturer, water shortages, energy costs or disrupted supply chains may affect production capacity and margins. For a business with significant assets in higher-risk areas, those conditions may indicate impairment.

These matters do not automatically result in an accounting adjustment, but they should prompt management to test whether existing assumptions remain supportable.

For example, forecasts used in an impairment test may still assume normal production levels even though the business is experiencing repeated disruption or rising costs. In that case, the forecasts may need to be updated. Slower collections from customers in affected sectors may also require credit risk assumptions to be reconsidered. More broadly, if management reports indicate cost pressure or operational disruption, the same information should be reflected in the financial reporting process.

Key financial reporting areas to revisit

Climate-related events may affect several financial reporting areas:

- **Inventory** – whether inventories remain recoverable when input costs rise, quality declines or selling prices change;
- **Impairment of assets** – whether lower output, reduced demand or disrupted operations indicate that assets may not be recoverable;
- **Provisions and contingencies** – whether contractual, restoration, penalty or other obligations have arisen;
- **Expected credit losses** – whether customers or sectors affected by climate conditions have higher collection risk;
- **Going concern** – whether disruption affects cash-flow forecasts, funding, covenant compliance or available liquidity; and
- **Disclosures** – whether users need additional information to understand material uncertainties, key assumptions and significant judgements.

The purpose is not to create a separate "climate accounting" exercise. Rather, management should consider whether climate-related factors have changed the business assumptions already used in financial reporting.

The challenge is often data and coordination

One practical difficulty is that climate-related impacts may not be clearly visible in the accounting records. Additional costs may sit within ordinary account captions such as utilities, raw materials, freight, repairs, insurance or subcontracting costs, making it difficult to separate normal cost movements from the effects of unusual weather conditions or supply-chain disruption. Useful information may also sit outside the finance function, including operations, procurement, sales, legal, treasury, risk management or sustainability teams.

Management should therefore capture relevant data through cost centres, project codes, supplier analysis or operational dashboards, and bring those inputs together before finalising significant accounting judgements. Better data and cross-functional input can support better decisions, stronger estimates and clearer evidence for auditors.

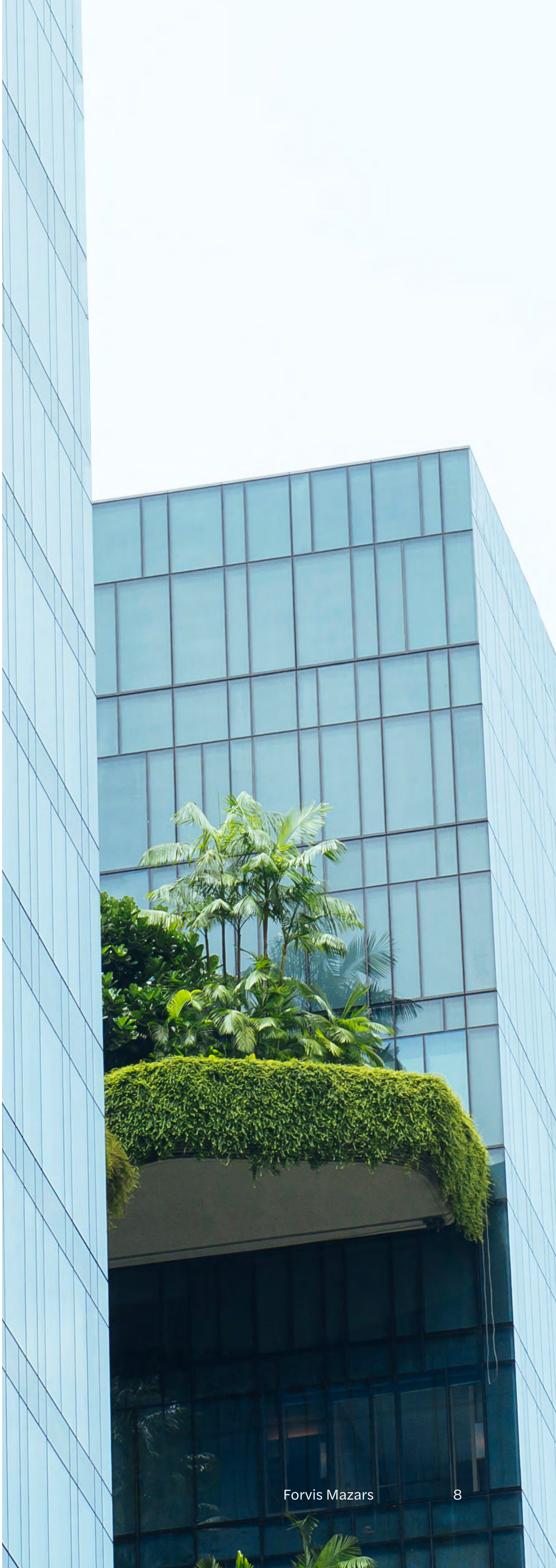
Closing thought

Climate risk affects financial reporting when it changes the economics of the business. A high-quality financial reporting process should therefore connect business reality with accounting assumptions. When costs, operations, cash flows or risks change, related estimates and disclosures should be reassessed.

In an uncertain environment, reliable financial statements are not produced by simply carrying forward last year's assumptions. They depend on checking whether those assumptions still reflect the business today.

Reference (in Thai):

- TFAC Newsletter Issue 119, July–September 2026, article on "Super El Niño: Climate risk that accounting professionals should look beyond the numbers." *Retrieved from [The Federation of Accounting Professions](#).*



IAS 28: amendments to the fair value option published

At the end of June 2026, as planned, the International Accounting Standards Board (IASB) published targeted amendments to IAS 28 – *Investments in Associates and Joint Ventures*, focusing on the fair value option.

The amendments specify which entities are eligible to use this option for these investments: namely, entities with a main business activity of investing in certain types of assets, as defined in paragraph 49(a) of IFRS 18.

Through these targeted amendments, the IASB is aiming to reduce differences in interpretation regarding the scope of the fair value option, without actually increasing the scope.

They are also aimed at clarifying the application of the existing requirements of IAS 28 before IFRS 18 comes into effect on 1 January 2027. They will become mandatory at the same time as IFRS 18.

Post-implementation review of IFRS 16: IASB continues redeliberations

At the IASB's June 2026 meeting, it continued with the work begun in the March and April 2026 meetings to consider stakeholder feedback received on the Post-implementation Review (PiR) of IFRS 16 – *Leases*. This time, it looked particularly at the effects of applying IFRS 16 alongside other standards.

Rent concessions (IFRS 16/IFRS 9)

At the end of the meeting, the IASB tentatively decided to undertake a narrow-scope project to clarify how a lessee should apply IFRS 16 and IFRS 9 when recognising a rent concession granted by the lessor, when this concession is the only change to the lease contract.

The IASB is planning to run this project alongside its research project on cost-reduction measures, which it tentatively decided in March 2026 to undertake.

Sale-and-leaseback transaction of an asset in a single-asset entity (IFRS 16/IFRS 10)

At the end of the meeting, the IASB stated that in its next agenda consultation, it will consider shareholders' concerns regarding the application of both IFRS 16 and IFRS 10 to sale-and-leaseback transactions of an asset held in a single-asset entity. It may also consider other questions relating to corporate wrappers.

Topics that the IASB has tentatively decided not to address

At the same meeting, the IASB tentatively decided to take no action on the effects of applying IFRS 16 alongside:

- IFRS 15, to assess whether the transfer of an asset in a sale-and-leaseback transaction is a sale; and to recognise a gain or loss in a sale-and-leaseback transaction;
- IAS 38, to identify leases.

The IASB has also decided to take no action on the following topics:

- IFRS 16 for lessors;
- identifying a lease;
- other matters raised by stakeholders that were not covered by the questions set out in the IASB's Request for Information.

Amortised cost measurement project

Following on from its previous discussions, the IASB continued at its June 2026 meeting to work on the relationship between modification and derecognition of a financial instrument.

As a reminder, the IASB had tentatively decided to propose a principles-based approach to assessing whether a modification of a financial asset or a financial liability is substantial and results in derecognition.

After consulting the Financial Instruments Consultative Group (FICG) on this approach, the IASB tentatively decided that:

- an entity would determine whether a modification of a financial instrument is substantial based on a holistic analysis of the changes in the contractual cash flows. The entity would consider qualitative and quantitative factors as part of this analysis. The '10 per cent test' as described in paragraph B3.3.6 of IFRS 9 could supplement the analysis but would not be the decisive factor in isolation;
- key factors that would suggest a modification is substantial include:
  - a change in the currency in which principal or interest is denominated;
  - a change in the cash flow characteristics that alters the assessment of whether the cash flows are solely payments of principal and interest (SPPI) for a financial asset, or whether an embedded derivative is separated from the host contract for a financial liability;
  - a change in borrower counterparty (unless the change is between entities under common control);
  - a commercial renegotiation to reset the financial instrument to current market terms (in contrast, a modification attributable to the borrower's financial difficulty would suggest the modification is not substantial);
- the relevance of a specific factor, and its weight compared to other factors, would depend on the type of financial instrument, its characteristics, and general economic conditions. An entity would be required to consider reasonable and supportable information that is available without undue cost or effort and that is relevant for the particular financial instrument being assessed.

According to the IASB staff, the entities that are likely to be most impacted by these clarifications are those that currently rely primarily on the quantitative 10 per cent test and that give limited or no consideration to qualitative factors in their analysis.

Appointments to IFRS Interpretations Committee

At the end of June 2026, the IFRS Foundation announced that it had appointed Laura Abeni, Raymond Chamboko, José Victor Sousa and Volker Specht as new members of the IFRS Interpretations Committee (IFRS IC), for a three-year term commencing on 1 July 2026:

- Laura Abeni is the Head of Group Accounting Policies and IFRS Reporting at the Generali Group in Italy. She is a member of the expert group on IFRS Accounting Standards at the OIC, the Italian standard-setter, and of EFRAG's Insurance Accounting Working Group.
- Raymond Chamboko is a Director at W.consulting, a global corporate reporting advisory firm based in South Africa. He is a member of the Zimbabwe Accounting Practices Board – the technical committee of the national standard-setter – and is Chairman of the Pan-African Federation of Accountants' (PAFA) Corporate Value Reporting technical advisory group;
- José Victor Sousa is the Director of Controllership and Accounting at Vale, a global mining company, having previously worked for PwC in Brazil and the UK;
- Volker Specht is a Partner at KPMG in Germany, serving as Chief Accountant in its Department of Professional Practice.

The press release is available here.

IFRS 18: more submissions to IFRS IC

In the run-up to the effective date of IFRS 18 on 1 January 2027, more questions regarding this standard are being submitted to the IFRS IC. After its June 2026 meeting, the Committee published seven tentative agenda decisions relating to new implementation issues, following an initial set of decisions published in April 2026.

Below, we examine three of the seven tentative decisions, which provide practical clarifications on topics that may pose implementation challenges at first-time application of IFRS 18.

Labels of sub-totals

The Committee was asked whether the label of a sub-total in the statement of profit or loss that is a management-defined performance measure (MPM) should specify all the elements included or excluded from its calculation.

In its tentative decision, the IFRS IC reminded issuers that deciding on an appropriate label requires the use of judgement. In particular, it emphasised that:

- the label for a sub-total or an MPM should faithfully represent the characteristics of the measure;
- an MPM should be presented in a way that is clear, understandable and not misleading to the users of financial statements;
- the information required to understand the measure does not necessarily need to be included in the label itself, but can be provided in the notes.

Thus, the Committee concluded that a label for a sub-total that is an MPM does not need to explicitly list all the elements included or excluded from its definition, provided that the label used, together with any information and description in the notes that are necessary to understand it, meet the requirements of IFRS 18.

Presentation of operating expenses

The Committee was asked about the conditions under which an entity would be required to use a mixed presentation for operating expenses (i.e. by nature and by function) and whether it can disaggregate expenses of the same nature across line items presented by nature and line items presented by function.

In its tentative decision, the IFRS IC emphasised that a mixed presentation is required if it provides the most useful structured summary of operating expenses. Drawing primarily on the example in paragraph B82[1] of IFRS 18, the Committee also reminded preparers that using a mixed presentation does not require all expenses of the same nature to be presented entirely by nature or entirely by function. Expenses of the same nature may be disaggregated across line items presented by nature and line items presented by function, provided that the labels allow users to easily identify the expenses included in each line.

Measures that include hypothetical income and expenses

The Committee was asked whether a performance measure that includes hypothetical income and expenses can be classified as an MPM. Hypothetical income and expenses are those that are not, and will never be, recognised in accordance with IFRS.

In its tentative decision, the IFRS IC emphasised that:

- the definition of an MPM does not impose any restrictions on how a sub-total of income and expenses is calculated, and therefore does not prohibit the inclusion of hypothetical income and expenses;
- faithful representation does not imply that the measure is “good” or “bad”, but simply whether it faithfully reflects management’s view of an aspect of the financial performance of the entity.

Therefore, the Committee concluded that such a measure could meet the definition of an MPM as defined in IFRS 18. In this case, the entity must meet the disclosure requirements set out for MPMs, notably by using a label that is clear, understandable and not misleading to the users of financial statements.

Other decisions

The IFRS IC has also published four other agenda decisions relating to IFRS 18:

- the concept of “public communications” for the purpose of identifying MPMs for private entities;
- the classification of income and expenses when an entity’s main business activity is providing financing to customers;
- assessing the main business activities of a manufacturer-lessor, particularly in relation to the identification of “specified main business activities”;
- the classification of income and expenses related to cash and cash equivalents.

Comment period deadline

The comment period for all these tentative decisions closes on 9 September 2026.

[1] IFRS 18.B82: If an entity classifies and presents some expenses by nature and other expenses by function in the statement of profit or loss, it shall label the resulting line items in a way that clearly identifies what expenses are included in each line item. For example, if an entity includes some employee benefits in a function line item and other employee benefits in a nature line item, the label for the nature line item would clearly identify that it does not include all employee benefits (for example, ‘employee benefits other than those included in cost of sales’).

ISSB continues its discussions on nature-related disclosures

The ISSB continued to discuss key aspects of the proposed IFRS Practice Statement on nature-related disclosures, at its June 2026 meeting.

During this discussion, it was (tentatively) decided to adopt the term "environmental resources" instead of "environmental assets" and to define nature-related transition and physical risks, therefore clarifying the terminology and improving consistency in how these are described.

Also discussed were sources of guidance in the context of disclosures which (tentatively) concluded in allowing entities to refer to and consider the applicability of the TNFD metrics where they support IFRS S1 objectives and do not conflict with ISSB standards or the Practice Statement. The ISSB also (tentatively) confirmed that the CDSB (Climate Disclosure Standards Board) Framework remains a valid source of guidance.

It was (tentatively) agreed that the Practice Statement will be effective upon its issuance, with no requirement for comparative disclosures in the first year of application.

It also clarified that entities must fully meet the requirements of both IFRS Sustainability Disclosure Standards (SDS) and the Practice Statement to claim compliance with these frameworks. In that sense, an entity would be prohibited from stating compliance of its sustainability-related financial disclosures under the Practice Statement, if not complying as well with all the requirements in IFRS SDS (though the ISSB is not proposing here to impose compliance with the Practice Statement as a condition of claiming compliance with IFRS SDS).

Finally, two exemptions would be included in the Practice Statement, in line with paragraph 73 of IFRS S1 (possibility to omit required information on sustainability-related opportunity if commercially sensitive and possibility to omit required information if prohibited by law or regulation).

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