Technical update in Thailand

August 2026

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Tax

Thailand maintains 7% VAT rate for another year

On 20 August 2026, Royal Decree No. 807 was published in the Royal Gazette, extending Thailand's reduced VAT rate of 7% for another year, from 1 October 2026 to 30 September 2027.

The 7% rate, comprising 6.3% VAT and 0.7% municipal tax, will continue to apply to the sale of goods, the provision of services and the importation of goods.

The extension provides continued certainty for businesses and consumers, with no VAT rate adjustment required when the current reduction expires on 30 September 2026.

Reference (in Thai):

- Royal Decree No. 807. *Retrieved from the Revenue Department.*

Thai cabinet approves enhanced tax incentives for social enterprises

On 21 July 2026, the Thai Cabinet approved in principle a draft Royal Decree to enhance the tax incentives available for supporting social enterprises ("SEs") and the Social Enterprise Promotion Fund ("SEPF").

The draft Royal Decree will amend Royal Decree No. 735 and is intended to broaden access to the incentives, remove the expiry dates of certain benefits and relax some of the existing conditions.

1. Permanent 100% tax deduction for contributions to SEs

- **Individuals**: A new personal income tax deduction equal to 100% of cash contributions made to a qualifying SE will be available for contributions made from 1 January 2024, with no expiry date. The deduction, together with other qualifying donations, will be limited to 10% of assessable income after the deduction of expenses and other allowances.
- **Juristic persons**: The existing corporate income tax deduction equal to 100% of cash or assets contributed to a qualifying SE will be extended indefinitely. The extension applies from 1 January 2024, following the expiry of the previous incentive on 31 December 2023. The deduction, together with other qualifying public-charity or public-benefit expenses, will be limited to 2% of net profit.

Qualifying contributions must be recorded through the Thai Revenue Department's e-Donation system.

2. Increased deduction for donations to the SEPF

The tax deduction for donations to the SEPF will be increased from 100% to 200% for donations made from 1 January 2024 to 31 December 2028.

For individuals, the incentive applies to cash donations, while juristic persons may donate cash or assets. The deductions will be subject to the applicable aggregate limits:

- **Individuals**: the deduction, together with other double-deductible donations, must not exceed 10% of assessable income after the deduction of expenses and other allowances.
- **Juristic persons**: the deduction, together with relevant charitable, public-benefit, educational and sports-related expenses, must not exceed 10% of net profit before deducting such expenses.

All qualifying donations must be made through the e-Donation system.

3. Indefinite tax exemptions for qualifying asset transfers

The draft Royal Decree will extend, with no expiry date, exemptions from personal income tax, corporate income tax, VAT, specific business tax and stamp duty arising from:

- transfers of assets to a qualifying SE without consideration; and
- donations of assets to the SEPF.

The extension will apply to qualifying transactions carried out from 1 January 2024 through the e-Donation system.

4. **More flexible notification requirements for SEs**

   An SE that fails to notify the Director-General of the Revenue Department of its intention to claim tax incentives within the statutory deadline will still be permitted to submit a late notification.

   However, the SE and its supporters will become eligible for the tax incentives only from the accounting period or tax year following the period or year in which the notification is submitted.

5. **Shorter minimum holding period for investments in SEs**

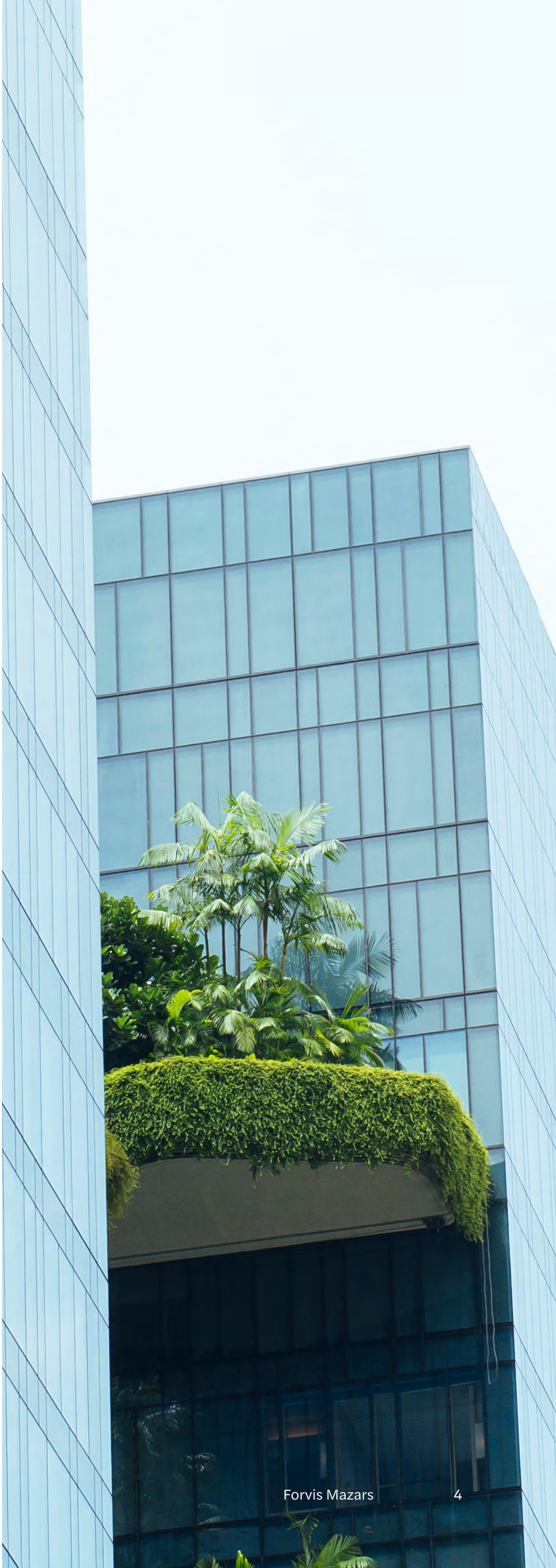
   Once the Royal Decree takes effect, the Director-General of the Revenue Department intends to amend Notification No. 38 to reduce the required holding period for shares or partnership interests acquired through the establishment or capital increase of an SE.

   Investors will be required to hold their investment for at least 10 years from the investment date, instead of indefinitely. The revised condition is also expected to apply to investments made before the new Royal Decree takes effect.

Disclaimer: These measures have been approved in principle but have not yet been enacted. The final conditions and effective dates remain subject to the enacted Royal Decree and related Revenue Department notifications.

References (in Thai):

- Thai Revenue Department public relation news no. 17/2026. *Retrieved from the Revenue Department.*
- Thai Cabinet meeting summary dated 21 July 2026. *Retrieved from the Government.*



THIM and Thailand's digital arrival process: What foreign travellers and employers need to know

In August 2026,Thailand's Immigration Bureau launched the Thailand Immigration Management (THIM) platform, a mobile application that provides access to selected immigration services, including the Thailand Digital Arrival Card (TDAC). The launch forms part of the government's broader move towards digital immigration services.

THIM remains in a trial phase and its functionality may continue to evolve. Foreign nationals and employers should therefore monitor developments while continuing to comply with existing immigration requirements.

What is THIM?

THIM is an application developed by Thailand's Immigration Bureau that brings together selected immigration-related services for foreign nationals, including:

- Thailand Digital Arrival Card (TDAC) registration
- User profile and account management
- Digital identity verification (KYC)
- Notifications and immigration alerts
- Links to selected government services, including Tourist Police support

As THIM remains in a trial phase, some features may have limited functionality or availability.

How THIM relates to TDAC

TDAC is Thailand's digital arrival reporting system, which travellers use to submit information before entering to Thailand. THIM is a broader mobile platform that includes access to TDAC and may support additional immigration services.

TDAC	THIM
Digital arrival reporting requirement	Mobile platform providing access to selected immigration services
Submitted before entering Thailand	Acts as an access point for TDAC and other services
Not a visa or work permit	Not an immigration permission or approval
Used to provide traveller information before arrival	Intended to support wider digital immigration services
Must be completed through the current official process	Optional platform during the rollout phase

Before travelling, foreign nationals should check the latest TDAC requirements, including filing windows, exemptions and official submission channel. Entry requirements may change and a successful TDAC submission does not by itself guarantee permission to enter Thailand.

Implications for employers

Employers that sponsor foreign employees, business visitors, assignees and intra-company transferees should monitor developments relating to THIM as the platform evolves.

Recommended actions include:

- Maintain alternative processes for time-sensitive immigration filings or travel arrangements.
- Keep screenshots, confirmation emails and reference numbers as evidence of submission.
- Monitor official Immigration Bureau updates before changing internal mobility or immigration procedures.
- Continue to verify that employees hold the correct visas, work permits and supporting approvals regardless of any THIM or TDAC submissions.

THIM and TDAC are not immigration approvals

Neither THIM nor TDAC provides permission to enter, live or work in Thailand. TDAC is an arrival reporting requirement, while THIM is an administrative platform.

Travelers must still obtain any visa, work permit, re-entry permit, or other approval required for their circumstances before travelling. Individuals should also retain evidence of any digital submissions in case verification is required.

Forvis Mazars perspective

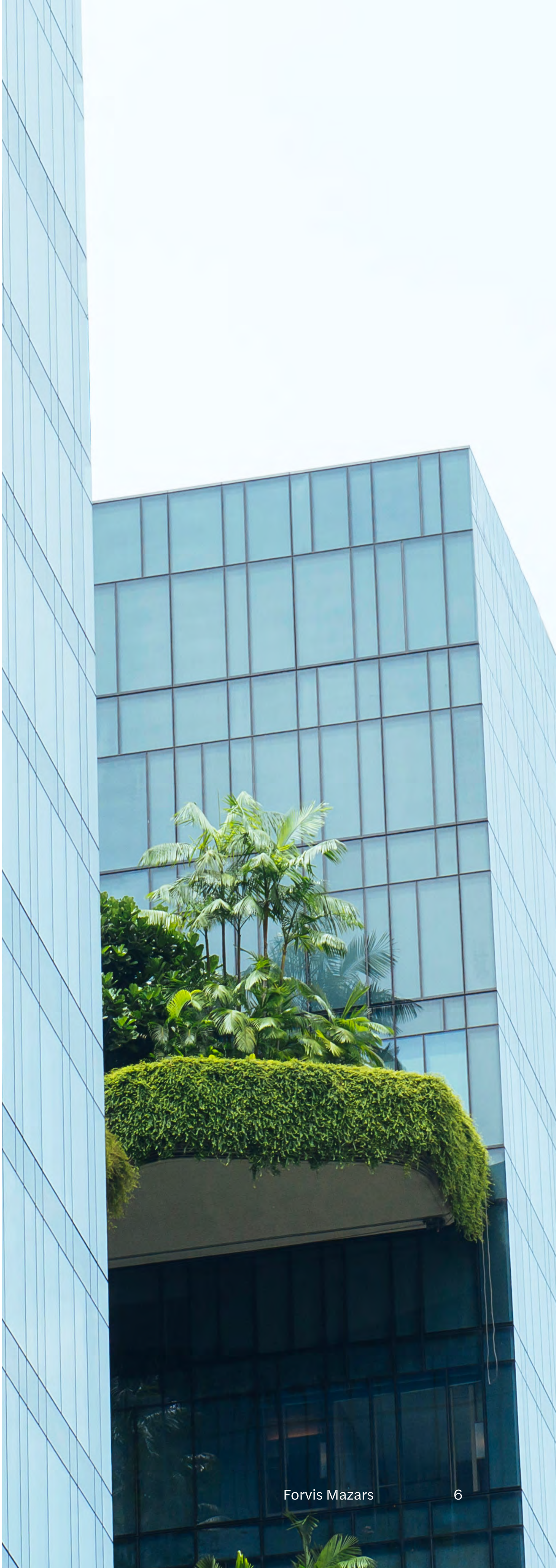
THIM is a voluntary registration platform, not a new immigration requirement, and its long-term value will depend on how much functionality the Immigration Bureau ultimately builds into it.

For frequent travellers and expatriates, the near-term benefit is convenience: a stored profile should reduce the need to re-enter the same information on each TDAC submission.

Public information on planned features and data safeguards remains limited. For now, we recommend continuing existing immigration procedures unchanged and treating THIM as a platform to monitor rather than adopt. We will revisit this application as functionality and official guidance develop.

References:

- Thai Immigration Bureau, THAI IMMIGRATION (THIM) Application.
- Royal Thai Police, Welcome to Thailand, Welcome to THIM. *Retrieved from the official Royal Thai Police Facebook page.*
- Immigration Bureau, "Guideline for Thailand Digital Arrival Card". *Retrieved from the Immigration Bureau.*



Technical update in Thailand
Accounting

Foreign exchange fluctuations: When accounting, tax and group reporting use different rates

Foreign exchange accounting may look straightforward in theory: record the transaction, retranslate monetary items at period-end, and recognise the exchange difference.

In practice, the more challenging question is often not only how to calculate the exchange difference, but which exchange rate basis is being used — and for what purpose.

This becomes more important when a Thai company is part of an international group. The local accounts may be prepared for Thai statutory reporting, the taxable profit may be computed under the Revenue Code, while the reporting package may use exchange rates determined by the parent company.

When one balance is used for different calculations

A foreign currency balance may appear in more than one calculation. It may be included in the Thai statutory financial statements, the corporate income tax computation, and the group reporting package.

The amounts are not required to be the same, because they are used for different purposes. The issue arises when management cannot explain which basis has been used, why it is appropriate, and where any difference has been recorded.

From an accounting perspective, foreign currency transactions are initially recorded using the exchange rate at the transaction date. At the reporting date, foreign currency monetary items, such as cash, receivables, payables and loans, are retranslated using the closing rate.

Tax regulations may require a different basis.

The method for converting foreign currency money, assets and liabilities into Thai Baht for income tax purposes is set out in section 65 Bis (5) of the Thai Revenue Code, while the calculation methods are more precisely specified in the Revenue Department Notification of 7 July 2026, which was published in the Royal Gazette on 20 August 2026.

For ordinary companies and juristic partnerships, this does not mean a company is free to choose any exchange rate. The company must use one of the prescribed calculation methods, such as the relevant average buying or selling rates from the Bank of Thailand, depending on the type of item. The selected method should be applied consistently, unless approval is obtained to use a different method.

One reason why the tax basis may not always coincide with the exchange rate basis employed for accounting or group reporting is that it is necessary to know not only which exchange rate has been used but also the purpose for which it has been used, whether the chosen method is allowed for that purpose, and whether any reconciliation is required.

Common practices in Thailand

One common practice is for a Thai company to use Bank of Thailand rates for both accounting and tax purposes. This may help reduce differences between accounting profit and taxable profit and make the tax computation easier to review. However, the company still needs to be clear about the type of rate used, such as buying rate, selling rate, average rate or another reference rate. Even when the source is the same, the type of rate and purpose of use still matter.

Another common practice is for a Thai subsidiary of a multinational group to use monthly group rates for daily transactions because the ERP system is configured across the group. This may support group reporting and system consistency. However, the finance team still needs to assess whether the group rate reasonably approximates the transaction-date rate for local statutory purposes.

The issue becomes more visible for non-monetary items. For example, imported inventory may be initially recorded using a group rate. If the inventory remains on hand at year-end, it is generally not retranslated in the same way as cash, receivables or payables. Therefore, year-end retranslation may not correct an inappropriate rate used at initial recognition.

For import and export transactions, some companies may use the date supported by shipping documents such as an Air Waybill or Bill of Lading. This may be appropriate if that date reflects when the transaction meets the recognition criteria under the contract, delivery terms and Incoterms. However, the shipping document supports the transaction date; it does not determine the exchange rate by itself.

Group rates need to be clearly defined

The term "group rate" is commonly used, but it can mean different things.

It may refer to a rate used to record daily transactions in the local books, a rate used for month-end retranslation, a rate used in the group reporting package, or a rate used to translate the Thai entity's financial information into the group's presentation currency.

These are different processes.

For local statutory reporting, the company needs to assess whether the rate used in the accounting records is appropriate under the applicable Thai financial reporting framework. For group reporting, the company may also need to prepare adjustments or reclassifications required by head office. For tax purposes, the company must still consider the Revenue Code and prepare tax reconciliations where necessary.

The practical risk is that a company may assume that a rate accepted in the group system is also automatically acceptable for Thai statutory accounts and tax purposes. This may not always be the case.

Questions finance teams should be able to answer

Before finalising the accounts, finance teams should be able to answer three questions.

First, which exchange rate is used for each purpose — statutory accounting, tax computation and group reporting?

Second, if group rates, standard rates or average rates are used, are those rates still reasonable in the current exchange rate environment?

Third, if the numbers are different, where is the difference recorded — in a local GAAP adjustment, tax reconciliation or group reporting adjustment?

These questions may sound basic, but they often reveal how well the foreign exchange process is controlled.

The objective is not necessarily to have the same number for all three purposes. The objective is to ensure that each number is calculated on the correct basis, supported by appropriate evidence, and reconciled where necessary.

Final thought

Foreign exchange fluctuations are outside management's control. Exchange rate policies and reconciliations are not.

For companies with foreign currency exposure, the key question is no longer only, "What exchange rate did we use?" It is also, "Why did we use that rate, for which purpose, and how did we handle the difference?"

This is where foreign currency accounting becomes more than a bookkeeping task. It becomes a matter of financial reporting discipline.

References (in Thai):

- TFRS for NPAEs, Chapter 21: The Effects of Changes in Foreign Exchange Rates. R*etrieved from the [Thailand Federation of Accounting Professions](#).*
- Revenue Code Section 65 Bis (5). *Retrieved from the [Revenue Department](#).*
- Revenue Department Order No. P.132/2548. *Retrieved from the [Revenue Department](#).*
- Revenue Department Notification on the calculation of foreign currency money, assets or liabilities remaining at the last day of an accounting period into Thai baht, dated 7 July 2026. *Retrieved from the [Revenue Department](#).*

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