



Technical update in Thailand

September 2026

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Tax

Thailand has signed GIR MCAA: Paving the way for GIR information exchange

On 8 September 2026, the OECD updated its list of signatories to the Multilateral Competent Authority Agreement on the Exchange of GloBE Information (“GIR MCAA”), indicating that Thailand signed the agreement on 4 August 2026, bringing the total number of signatories to 39 jurisdictions as of 8 September 2026.

What is GIR MCAA

The GIR MCAA establishes a framework for the automatic exchange of GloBE Information Return (“GIR”) information among participating jurisdictions. The framework is intended to facilitate tax transparency and reduce duplicative GIR filing obligations where the exchange of information takes place between competent authorities.

The Thai Revenue Department (“TRD”) noted that the first exchange of GIR information with relevant partner jurisdictions is expected to commence by December 2027.

What this means for businesses

Multinational enterprise (“MNE”) groups subject to Pillar Two should monitor GIR filing requirements and exchange arrangements in relevant jurisdictions. Where a GIR is filed in a jurisdiction participating in the GIR MCAA and the information is exchanged between competent authorities, separate GIR filings in other participating jurisdictions may not be required, subject to applicable domestic rules.

Businesses may wish to review the references below for further guidance on GIR reporting and exchange requirements:

References:

- The OECD list of GIR MCAA signatory jurisdictions. Retrieved from [OECD list of signatories](#).
- TRD Public Relation News No. 22/2026. Retrieved from the [Revenue Department](#).
- The GIR reporting template and guidance (September 2026), particularly the reporting requirements outlined in pages 15 to 45. Retrieved from the [GloBE Information Return \(September 2026\)](#).

Thailand issues penalty framework for tax information exchange reporting obligations

On 9 September 2026, the Ministry of Finance published a notification prescribing the criteria for settlement of penalties under Section 31 of the Emergency Decree on Exchange of Information for Compliance with International Agreements on Taxation B.E. 2566 (2023) (the “Decree”).

The notification authorises the Thai Revenue Department (“TRD”) to settle certain violations by imposing the following penalties:

- Providing false information or concealing facts in relation to reporting obligations under the Decree will result in a fine of up to THB 500,000 per violation.
- Failure to comply with reporting obligations required under the Decree will result in a fine of up to THB 300,000 per violation.

The notification became effective from the date of its publication in the government gazette and provides a formal framework for the TRD to enforce compliance with information exchange requirements under Thailand’s international tax obligations.

Reference (in Thai):

- Ministry of Finance Notification on Criteria for Settlement of Penalties under the Decree. Retrieved from the [Revenue Department](#).

Thai Revenue Department clarifies tax treatment of statutory mergers

The Thai Revenue Department (“TRD”) has issued Ruling No. 0702(GorMor.)/462 dated 22 April 2026, clarifying how existing tax provisions apply to a merger where one company survives and the other ceases to exist. The ruling addresses a practical obstacle to claiming tax relief and provides further guidance on tax compliance.

Why further clarification was needed

Ruling No. 0702(GorMor.)/453 dated 11 April 2025 had already applied the entire business transfer (“EBT”) framework to this form of merger under Section 1238 (2) of the Civil and Commercial Code. However, it referred to the absorbed company registering its dissolution and undergoing liquidation within the accounting period of the transfer.

This, in practice, may create a mismatch with the statutory merger process, under which the absorbed company ceases to exist by operation of law without separate dissolution and liquidation.

What the new ruling clarifies

The TRD confirms that merger registration within the transfer accounting period is deemed to satisfy the relevant EBT condition requiring dissolution and liquidation. The registration date also serves as the relevant date for the notification and tax-arrears conditions under the Director-General’s notification dated 19 October 2012.

The absorbed company’s final accounting period ends on merger registration. The surviving company is responsible for its corporate income tax filing and payment. Relevant reserves or profits carried forward that have not previously been subject to income tax must be included in the absorbed company’s final-period income.

Existing tax principles continue to apply

The earlier ruling already provided for asset values to carry over and depreciation to continue using the remaining cost and period. Market-value revaluation does not itself create taxable income or deductions, and the absorbed company’s tax losses cannot transfer to the surviving company. It also addressed shareholder income tax relief, VAT treatment and specific business tax and stamp duty exemptions, subject to the relevant conditions.

Accordingly, we view the development as an important clarification of how existing relief operates. Businesses should continue to assess eligibility for each tax separately.

Reference (in Thai):

- TRD Ruling No. 0702(GorMor.)/462 dated 22 April 2026. Retrieved from the [Revenue Department](#).

Technical update in Thailand

Legal

Anti-nominee measures under the Department of Business Development rules and immigration bureau rules

Thailand's enforcement against the use of Thai nationals as "nominees" for foreign investors has recently intensified through parallel actions by both the Immigration Bureau and the Department of Business Development (DBD).

The DBD now applies stricter scrutiny to company registrations and corporate changes, which issued Central Partnership and Company Registrar Order No. 2/2569, effective from 1 August 2026, the order consolidates previous anti-nominee measures into a single framework covering both company incorporations and registration amendments.

In parallel, the Immigration Bureau has implemented Immigration Bureau Circular No. 0029.161/W, introducing enhanced scrutiny of visa extension and visa category change applications, as well as increased investigations into the consideration process.

Although both authorities aim to prevent nominee arrangements, they focus on different aspects. The DBD reviews the corporate registration process and funding sources, while the Immigration Bureau assesses whether the business is genuinely managed by the individuals listed in the company records.

Under Central Partnership and Company Registrar Order No. 2/2569 (2026), additional requirements apply to new incorporations and amendments involving foreign directors where:

- Foreigners hold less than 50% of the shares; or
- Foreigners have signing authority, regardless of shareholding (any ownership %).

The DBD's key concern is whether Thai shareholders are genuine investors rather than nominees. To verify this, applicants may be required to provide evidence of the source of funds, including bank statements from both the investor and the account receiving the share capital.

Thai Immigration Bureau looks beyond corporate documents and considers whether the business is operating in accordance with its registered structure. This may include reviewing management control, beneficial ownership, financial statements, dividend payments and the role of foreign nationals in the business.

Comparison of the DBD and Immigration Bureau approaches

Topic	DBD	Immigration Bureau
Primary focus	Corporate registration and ownership structure	Visa applications and actual business operations
Review stage	Company incorporations and amendments involving the appointment of a foreign director with authority to bind the company	Visa applications, visa extensions and post-approval inspections
Key concern	Source of funds and authenticity of Thai shareholders	Actual control, beneficial ownership and business substance
Key evidence	Three-month bank statements of Thai shareholders, evidence of investment fund transfers, bank statements for the account receiving the share capital and any supporting documents evidencing the source of funds.	Financial statements, corporate records, share certificates, findings from official site inspections
Potential consequences	Rejection of registration and criminal proceedings	Visa refusal, visa cancellation, deportation measures and criminal proceedings

Practical implications for businesses

Companies with foreign investment should ensure that the ownership structures reflect commercial reality and retain evidence of genuine Thai shareholder investment.

Changes in shareholding, director appointments or signing authority may trigger DBD scrutiny. Companies should also be prepared to demonstrate genuine business operations and active management involvement when applying for visa extensions or changing type of visa to a non-immigrant visa.

The DBD and Immigration Bureau are taking a more coordinated approach to nominee enforcement. While the DBD focuses on ownership and registration compliance, the Immigration Bureau assesses business substance and actual control. As a result, companies should maintain transparent ownership structures, clear funding records and evidence of genuine business activities. Even where a company has completed DBD registration, Immigration authorities may independently review its ownership, management and operations during visa applications or investigations.

References (in Thai):

- Immigration Bureau Circular No. 0029.161/W3242. Retrieved from [Immigration Bureau](#).
- Central Partnership and Company Registrar Order No.2/2569. Retrieved from [The Royal Gazette](#), [Department of Business Development](#) and [Ministry of Commerce](#).

Unlocking foreign business restrictions

On 28 August 2026, the Ministerial Regulation Prescribing Service Businesses Not Subject to Foreign Business License (No. 5), B.E. 2569 (2026), was promulgated to facilitate and reduce business restrictions for foreign investors in Thailand. It added categories of service businesses that foreigners can operate immediately without needing to apply for a Foreign Business License (FBL). This reflects market readiness and the promotion of operational agility for multinational corporate groups.

Newly exempted service businesses

Services within a corporate group

The regulation expands the exemption for support services provided within parent–subsidiary groups or between affiliated companies. The covered services include:

- **Administrative, human resources and IT management services:** Services provided between affiliated companies are exempt where the relevant affiliation criteria are met. These may include a shareholding of at least 25% or more than half of the authorised directors being shared.
- **Domestic debt guarantees:** Guarantees between affiliated companies are exempt where the relevant affiliation criteria are met. These may include a shareholding of at least 50% or more than half of the authorised directors being shared.

Securities and derivatives businesses

To support capital market transactions, the businesses exempted from licensing have been added and revised, including:

- Lending money for securities purchases and purchasing securities with repurchase agreements (short-term borrowing transactions using securities as collateral).
- Derivatives activities, including dealing, advisory and fund management services. The exemption also covers the circumstances described in the regulation where the underlying goods or variables, such as exchange rates or interest rates, are not directly governed by derivatives laws, or where payments based on exchange rates or interest rates are made outside a trading centre.

Treasury center and telecommunications businesses

- **Treasury center:** Serving as a hub for managing liquidity and foreign currencies for a group of companies in accordance with exchange control laws.
- **Telecommunications businesses:** Specifically businesses operating under a Type 1 license without their own telecommunications network, such as bandwidth resellers or communications platform providers.

Other service

- **Partial space rental services:** Providing space for ATMs or vending machines for employees.
- **Petroleum drilling services:** Services provided by contractors with direct agreements with concessionaires or production-sharing contractors under petroleum laws.

This Ministerial Regulation offers significant benefits for corporate structuring and management, particularly for multinational groups establishing shared services. Affiliated companies can provide qualifying administrative, IT and treasury services more efficiently without the time and cost of applying for a FBL. The change can also support stronger corporate governance and regulatory compliance in line with international management standards, while reducing administrative paperwork associated with preparing board and shareholders' meetings.

Reference (in Thai):

- Ministerial Regulation Prescribing Service Businesses Not Subject to Foreign Business License (No. 5), B.E. 2569 (2026). Retrieved from [*The Royal Gazette*](#).



Technical update in Thailand

Accounting

TFRS revised 2026: What changes in practice from 1 January 2027

Electronic payments and derecognition

Previously, Thai Financial Reporting Standards (TFRS) did not provide clear guidance on the status of electronic payments made near year-end on the year-end balance sheet, so companies handled it differently. The new changes, which apply to annual periods starting 1 January 2027, finally provide a consistent answer. They also cover other common situations, like loans with interest linked to emissions targets and contracts for buying solar power.

On 24 August 2026, the Royal Gazette announced updates to five Thai Financial Reporting Standards and one accounting guideline. These changes apply to financial years starting on or after 1 January 2027. The updated standards—TFRS 1, 7, 9, 10, and 17—now match the IFRS Accounting Standards Bound Volume 2026. The guideline for Business Combinations under Common Control has also been updated, but TFAC will discuss its practical use separately. TFAC says the main goal is to make things clearer, more consistent, and easier to use. For many finance teams, these changes will mean a big adjustment.

One of the first changes affects when payables are removed from the balance sheet. Under the new rules, whether a liability stays on the year-end balance sheet depends on the details of the e-banking agreement and how much control the company still has over the payment. If payment instructions cannot be changed and the money is no longer available, the payable can be removed earlier. This update aligns Thai practice in accordance with international standards and makes reporting easier for companies that handle many electronic payments.

Loans with ESG-linked or contingent terms

The treatment of loans that are repriced based on emissions. The new standards also clarify how to handle loans that charge interest rates based on emissions or other ESG targets. Lenders and borrowers should check their contracts to see if the cash flows still count as “solely payments of principal and interest” (SPPI). The updated standards provide a way to make this decision and require new disclosures if the contract includes

special conditions. Renewable electricity, such as solar or wind power, often involves variable supply and complex pricing. The new standards define when these contracts qualify for the “own-use” exemption and when hedge accounting may apply, particularly for virtual power purchase agreements (PPAs). These clarifications are expected to reduce uncertainty and bring greater comparability across companies operating in the energy sector.

Key takeaways

- Reporting electronic payments at year-end will be simpler, but companies might need to modify their payment processes and documentation.
- Companies should review recent contracts and loan agreements for ESG or special pricing features, since these could require new disclosures.
- Review energy purchase agreements and similar contracts to see if they now qualify for special accounting treatment.
- Preparing early, especially for data collection and process updates, will help avoid last-minute changes or expensive corrections.

Summary

The latest TFRS updates align Thai financial reporting with international standards and deliver clear guidance on multiple complex, real-world issues. For many companies, these changes are more than simply a technical update. They offer a real chance to improve transparency plus make accounting processes more efficient as Thailand’s business environment continues to change.

Reference (in Thai):

- Thai Financial Reporting Standards, Revised 2026 (effective 1 January 2027). Retrieved from the [Thailand Federation of Accounting](#).

Technical update in Thailand

IFRS

IFRS 18: IASB withdraws the agenda decision on supply chain financing arrangements – reverse factoring

Readers will recall that in light of the impending entry into force of IFRS 18, the IASB had approved the updating of a number of IFRS IC agenda decisions which simply involved replacing references to IAS 1 with references to IFRS 18. As more work was required to update the agenda decision on Supply Chain Financing Arrangements – Reverse Factoring, the IFRS Interpretations Committee (IFRS IC) had recommended its withdrawal to the IASB.

Published in December 2020, this decision had established a framework for analysing the application of IFRS provisions to this type of transaction. In May 2023, amendments to IAS 7 and IFRS 7 then clarified the disclosures to be provided in the notes to the financial statements regarding Supplier Finance Arrangements.

After considering feedback from targeted outreach on potential accounting implications of withdrawing the agenda decision on Supply Chain Financing Arrangements – Reverse Factoring, the IASB decided at its July meeting to withdraw the decision.

IFRS 18: presentation of tax charges imposed by a government as a direct substitute for income taxes

At its July 2026 meeting, the IASB tentatively decided to propose an amendment to IFRS 18 to require an entity to classify, in the income taxes category of the statement of profit or loss, tax charges imposed by a government as a direct substitute for income taxes, if legislation specifies that an entity pays either an income tax or a specified tax charge.

This amendment would be accompanied by further guidance on the presentation of such tax charges and the associated disclosures (in particular, their effect on management-defined performance measures).

This decision is intended to address stakeholders' concerns regarding the implications of applying the provisions of IFRS 18 to certain taxes or other charges that do not constitute either a tax expense or tax income under IAS 12.

The exposure draft containing the proposed amendments is expected to be published in the fourth quarter of 2026.

Post-implementation review of IFRS 16: IASB completes its discussions

At its July 2026 meeting, the IASB completed its discussions on stakeholder feedback received as part of the post-implementation review (PiR) of IFRS 16 Leases.

It concluded that the standard was working overall as intended and confirmed its previous tentative decisions:

- to add a research project to its project pipeline to explore how to mitigate the application costs for lessees of applying the measurement requirements in IFRS 16 relating to:
 - remeasurements of the lease liability (for example, by reducing their frequency and simplifying the requirements in respect of variable lease payments that are linked to an index or a rate);
 - discount rates (for example, by requiring or permitting lessees to use a simplified discount rate instead of an incremental borrowing rate and an unchanged discount rate for some remeasurements of the lease liability);
- to add a narrow-scope project to clarify how a lessee applies IFRS 16 and IFRS 9 to account for a rent concession granted by the lessor where this concession is the only change to the lease contract;
- to consider, in its next agenda consultation, the priority of a project to explore the effects of applying the requirements in IFRS 16 and IFRS 10 to account for a sale and leaseback transactions of an asset in a single-asset entity together with other corporate wrapper matters;
- to explore, in its project on the statement of cash flows, the option of requiring lessees to disclose the components of the total cash outflow for leases together with the line item in the statement of cash flows in which each component is presented.

The IASB will publish a project summary and feedback statement on the Post-implementation Review of IFR 16 in the fourth quarter of 2026.

Post-implementation review of IFRS 9 on hedge accounting: preparing a request for information

In the first half of 2026, the IASB launched the preparatory phase of the post-implementation review of IFRS 9 on hedge accounting.

At its July 2026 meeting, the IASB assessed stakeholder feedback in order to identify the topics to be included in its Request for Information (RFI), based on the staff analysis summarised below.

In general, the IASB staff found that most stakeholders said that the hedge accounting requirements in IFRS 9 are working as intended. By comparison with IAS 39, these requirements made it easier to reflect in the financial statements the accounting effects of hedging transactions on risk management activities. However, stakeholders expressed mixed views on the hedge accounting disclosure requirements in IFRS 7.

Further analysis showed that, although the feedback did not question whether the requirements are working overall as intended, stakeholders reported a number of implementation difficulties, which the staff analysed in more detail:

- the importance of applying judgment to determine whether a forecast transaction is ‘highly probable to occur’, whether an economic relationship exists between a hedged item and a hedging instrument, or whether specific disclosures provide decision-useful information to users;
- the cost or operational complexity associated with certain requirements, for example, determining the cost of the hedge between the ‘aligned’ and ‘unaligned’ portions of a hedging instrument, applying a basis adjustment to inventory when individual items are not tracked, or preparing certain disclosures required by IFRS 7;
- the need for more application guidance or educational material about some topics, such as regarding the rebalancing requirements or the reconciliation to be disclosed between ineffectiveness and the difference between the changes in the fair value of the hedged item and of the hedging instrument;
- the desire to expand the scope of eligible items, for example to include planned transactions whose completion is deal-contingent or whose volume is likely to vary.

On this basis, the IASB appears to be accepting the staff recommendation not to include in the RFI questions relating to specific requirements. The tentative decision taken following its July meeting suggests that the request for information should be limited to the usual general questions designed to assess whether:

- those requirements are meeting their objectives;
- the benefits to users of the information arising from applying those requirements are as expected; and
- the costs of applying those requirements, and of auditing and enforcing their application, are as expected.

Update to the IPTF watch list on hyperinflationary economies

In July 2026, the International Practices Task Force (IPTF), part of the SEC Regulations Committee at the Centre for Audit Quality (CAQ), published an update to its watch list identifying the economies considered to be hyperinflationary (available [here](#)).

The countries with three-year cumulative inflation rates exceeding 100% are Argentina, Haiti, Iran, Lebanon, Malawi, Nigeria, South Sudan, Sudan, Türkiye, Venezuela, and Zimbabwe.

Note that since the last edition Burundi, Ethiopia, Ghana, Lao P.D.R, Myanmar, Sierra Leone and Suriname have dropped out of this category.

As in previous editions, the IPTF points out that this list has been drawn up on the basis of available data and recommends consulting official sources and documents when exercising professional judgement to determine whether there is sufficient evidence to conclude that a country should, or should no longer, be classified as highly inflationary.

IFRS foundation: new chairs appointed to the trustees and the IASB

In early August 2026 [the Trustees of the IFRS Foundation announced the appointments](#) of Steven Maijoor as Chair of the Trustees and Sam Woods as next chair of the IASB.

Steven Maijoor is the former Chair of ESMA and is currently a member of the Executive Board of De Nederlandsche Bank and of the Supervisory Board of the European Central Bank. He will succeed Erkki Liikanen on 1 January 2027 for a three-year term.

Sam Woods previously served as Deputy Governor of the Bank of England and Chief Executive Officer of the UK Prudential Regulation Authority (PRA), and will succeed Andreas Barckow. His five-year term begins on 1 October 2026.

This reorganisation of governance is accompanied by [the appointment of Laura Forzani](#) as managing director of the IFRS Foundations IFRS with effect from 1 September.

Publication of an exposure draft proposing targeted amendments to the IFRS foundation constitution

In August 2026, the IFRS Foundation published [an exposure draft](#) proposing a number of targeted amendments to its Constitution. These are primarily intended to incorporate into the Foundation's Constitution certain governance decisions announced by the Trustees (for example, in [June 2025](#)).

The proposed amendments include:

- a reduction in the size of the IASB and the ISSB from the current 14 members to between 8 and 12 members;
- clarification of the rules governing the geographical allocation of members of the two boards;
- certain changes to voting arrangements.

The consultation is open until 16 November 2026.



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Sustainability

Upcoming publication by the ISSB of an exposure draft on nature-related disclosures

The ISSB discussed the due process steps for developing an Exposure Draft (ED) of the proposed IFRS Practice Statement on Nature-related Disclosures, including consideration of the likely effects, during its July meeting (see ISSB Update available [here](#)).

The ISSB consecutively planned to publish this ED in October 2026, for a 120-day comment period.

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