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## Thailand's New Amnesty Act for Corporate Taxpayers

April 2019

On 25 March 2019, the Act for the Exemption from Tax Penalties, Surcharges, and Criminal Liabilities for Supporting of Operations under the Revenue Code, B.E. 2562 (the "Act"), was published in the Government Gazette. The Act became effective on 26 March 2019. The Act can offer amnesty in exchange for the offending taxpayer compliantly entering Thailand's tax regime.

This edition discusses, among other issues, eligibility for the program, benefits of participation, and general application procedures.

### **Eligible Persons:**

Taxpayers can join the program, provided they are a juristic company or juristic partnership subject to corporate income tax (CIT) on net profits and have:

- 1) earned taxable income less than THB 500 million in the latest 12-month accounting period ending on or before 30 September 2018;
- 2) filed their CIT Return (Form P.N.D. 50) for the latest accounting period (ending on or before 30 September 2018) by 25 March 2019;
- 3) never received a tax assessment notice or tax summons from the Revenue Department; and
- 4) never used or issued tax invoices delinquent according to the Criminal Code and subject to official investigation.

### **Benefits:**

Participating corporate income tax payers will be exempt from penalties, surcharges, and any criminal charges incurred from incorrect or unfiled tax returns prior to 26 March 2019 related to CIT, Value-Added Tax (VAT), Specific Business Tax (SBT), and Stamp Duty.

### **How to Participate:**

1. Register with the Revenue Department (currently via <http://www.rd.go.th>) within 30 June 2019, print out the registration receipt, and then file it with the Revenue Department when processing Item 2.
2. Submit tax returns while paying the following taxes owed for the corresponding periods, within 30 June 2019:
  - CIT for accounting periods from 1 January 2016 to 31 December 2017;
  - VAT or SBT for tax months from January 2016 to February 2019;
  - Stamp Duty for instruments executed from 1 January 2016 to 25 March 2019; and
  - Withholding Tax and VAT for transactions executed from 1 January 2016 to 25 March 2019.
3. Submit all the tax returns (currently via <http://www.rd.go.th>) for the 12-month period (1 July 2019 to 30 June 2020) unless there is a reasonable cause preventing otherwise.

**Ineligible cases:**

Any exemption granted will be nullified if the participating corporate taxpayer fails to submit a tax return for the 12-month period (1 July 2019 to 30 June 2020) (currently via <http://www.rd.go.th>).

## Author's Note:



*This Act intends to expand the tax base by assimilating delinquent and negligent taxpayers into the tax regime. Unlike the Single Book of Account Measures in 2015/16, the Act provides tax amnesty for those who qualify. Taxpayers who qualify according to the Act will not be retroactively penalized. Single Book of Account Measures in 2015/16, however, functioned similar to a promise not to retroactively audit or assess.*

*Taxpayers should be reminded that, without the exemption, penalties and surcharges can be as high as 200% of tax shortfalls. Most striking, the Act grants surcharge exemptions that, in practice, have never been offered by other authorities.*

*Eligible taxpayers are encouraged to apply.*

*For more information, please contact us at [admin@drkilaw.com](mailto:admin@drkilaw.com) or your contact person at DRKI.*

*\*By Monchai Vachirayonstien, Partner, Dherakupt International Law Office Ltd.*

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