

Tax Rates

Corporate Tax rates

Small/Medium size (SMEs)	Progressive 0-20%
Non SMEs	Flat 20%

Personal Tax rates

Net income after allowance	Progressive 0-35%
----------------------------	-------------------

Consumer tax rates

Value Added Tax	7%
-----------------	----

Highlights

Investment Incentive

There are numerous government agencies that support foreign investors.

The most common promoters are as follows;

1.1. Board of Investment (BOI)

Through the Board of Investment, the government offers a range of tax incentives, support services and import duty exemptions or reductions to an extensive list of promoted activities.

Companies receiving investment promotion privileges from the Board of Investment are not subject to foreign equity restrictions in the manufacturing sector, and there is no local content requirement nor export requirement, as Thailand's investment regime is in total compliance with WTO regulations.

The Board of Investment also acts as the One-Stop Service Center for Visas and Work Permits, which enables foreign staff of BOI-promoted companies to significantly ease the process to obtain work permits and long-term visas.

In general, BOI provide 2 kinds of incentives to promote for foreign investment project.

1.1.1. **Tax incentive** includes exemption or reduction of import duties and corporate income tax

1.1.2. **Non-tax incentive** includes permission to bring foreign workers, to remit foreign currency aboard, and to own land.

1.2. Reduction of or exemption from import duties from member countries of

1.2.1. The Association of Southeast Asian Nations (ASEAN); represented by ASEAN Free Trade Area to encourage the lowering of intra-regional tariffs through the Common Effective Preferential Tariff.

1.2.2. Thailand and Australia Free Trade Agreement (TAFTA); Australian business is encouraged to take a close look at the opportunities created by the TAFTA to give Australian products a competitive edge

1.2.3. Japan-Thailand Economic Partnership Agreement (JTEPA); JTEPA classifies several commodities to achieve lower rate of custom duty and anti-dumping duty

- 1.3. Tax exemption for Representative office; A representing agent of foreign entity whose activity is non-profit generated and limited under permission of Foreign Business Act could be exempted from VAT and Corporate income tax.
- 1.4. Fixed 10% CIT for ROH; During 2010, Thai government announced a tax promotion that the authorized agent acting as a Regional Operating Headquarter (ROH) in Thailand will be entitled for a fixed 10% corporate income tax, calculated from its service fees providing to other regional branch locations (normal CIT is progressive rate up to 20%).

Current Tax Reforms

Thai government has been trying to attract foreign investment into Thailand. The government made a significant move, effectively from 2013, by reducing the tax rate of corporate tax from 30% to 20%, and reducing the personal tax from 37% to 35% with additional exemption. Though this change will impact tax income of the country, but it is considered a short terms impact. The government expects the higher consumption that will result in gradual improvement of tax collection in long run. And with the new tax reforms, Thailand is ranked #18 in the world, placing in 5th in East Asia & Pacific in terms of investment attractiveness (Source: <http://www.doingbusiness.org>).

Thailand was one of the founding members of ASEAN and has been instrumental in the formation and development of the ASEAN Free Trade Area (AFTA). AFTA entered into force on 1 January 2010 for the six original ASEAN (ASEAN-6) members (Thailand, Singapore, Malaysia, Indonesia, Philippines, and Brunei) thereby reducing import duties to zero; the so-called CLMV countries (Cambodia, Laos, Myanmar and Vietnam) will follow suit in 2015.

Outlook

Economic Outlook of Thailand for 2014

Though Thailand's economic has growth slowly during the final quarter of 2013 from the political unrest, Thailand is still Southeast Asia's second-biggest economy. The state planning agency estimated the GDP forecast for 2014 to an approximate 3-4%.

Some interesting facts of Thailand

Thailand is ideally located at the crossroads of Asia, with easy access to the region's dynamic markets, including its own booming domestic consumer market of 67 million people. Thailand has long been a proponent of free and fair trade and its attractiveness as a production base for leading international companies is enhanced by a number of free trade agreements and Thailand is certain to be a beneficiary of the ASEAN Economic Community (AEC), which will enter into force in 2015.

In its 2013 Expat Experience Report, HSBC found Thailand, among almost 100 countries around the world, taking the top spot of expat experience from its survey. Expats living in these countries are more likely than average to report having seen an increase in their quality of life since relocating.

The 2013 International Business Report, issued by Grant Thornton, ranked Thailand the 8th out of 40 economies measured, in terms of the percentage of senior management positions held by women. At 36%, the percentage of women in senior management positions in Thailand increased by 50%, compared to the global average (24%).

Bangkok has retained the No. 1 spot as World's Best City in Travel + Leisure's magazine's 18th annual World's Best Awards readers' poll for the fourth year (2013).