



Thailand Enacts New E-VAT Rules for Overseas E-platform and Digital Services

On 10 February 2021, new value added tax rules were legally enacted and published on the Royal Gazette as amendment to the Revenue Code of Thailand (No.53) B.E. 2564. The new VAT rules added new definitions and also impose new VAT requirements for e-business operators in foreign countries which will become effective on 1st September 2021.

New definitions

This amendment to E-VAT rules redefined the meaning of E-service as follows:

1. The definition of goods is excluded from intangible property transferred through an electronic network.
2. E-services are defined as any service, including intangible property which is automatically transferred via the internet or other electronic networks, and such service cannot be rendered without information technology, for instance, online downloading of game, music, movie, or sticker.
3. E-platform is defined as any of marketplaces, channels or any other methods used by several operators to provide e-Service to its service recipients, for instance, Google, Facebook, Line, Amazon, or Netflix

New VAT requirements

New E-VAT rules, known as E-service tax, allow the Revenue Department to levy VAT from overseas services and overseas platforms providing online services to users in Thailand, if their annual revenue reaches the minimum threshold of THB 1.8 million in any given tax year from non-VAT registered users including individual consumers and small unregistered businesses.

As a result, these overseas companies are required to register VAT with the Revenue Department of Thailand and remit output VAT on income derived from users in Thailand, but there is no requirement for issuing a tax invoice. Regarding VAT computation purposes, overseas e-businesses operators are not allowed to claim any input tax.