



Classifying Digital Token Market in Thailand

The Revenue Department (“RD”) has a thought to utilize rules in order to classify the types of digital tokens. This classification has the objective to support the movement of digital tokens in the market developments. By doing this, it will reduce problems to the token market development as some type of digital tokens may not be subject to the value-added tax (“VAT”). On the other hand, in case any investor sells digital tokens which are classified as stocks, such an investor shall be subject to taxes on capital gains. While the investors shall also be subject to taxes in case of selling digital tokens which are classified as bonds.

Due to the fact that there are variety types of digital tokens including investment tokens and utility tokens, thus the Office of the Securities and Exchange Commission (“the Office of the SEC”) is currently working on improving the digital asset governance to be in accordance with rapid developments within digital tokens market. This is done by setting up a working committee that consists of relevant government agencies and private sector representatives to gain knowledge and suggest ways in improving law and regulations to be more updated with the increase of risks for digital assets and the change of environment. The digital tokens have the ability in determining the rights of the holders for joint investments in projects. The tokens also have the perks in obtaining services and products in the contracts between the parties.

The government is also giving out privileges for the transfer of cryptocurrencies on digital asset exchanges that are licensed to be exempted from payment of VAT. This privilege also allows investors to reduce the total loss from the sales of the cryptocurrencies from the total gains from the sales of such properties before paying tax.