Bangkok Global Law
540, Unit 1705, 17th Floor, Mercury Tower,Ploenchit Road,
Lumpini, Pathumwan, Bangkok 10330 Thailand
Tel: +(66) 2 2525895-6 Fax: +(66) 2 2525897
Website: www.bgloballaw.com
E-mail: info@bgloballaw.com

Legal Insight Vol. December 2025

ALCOHOL REGULATION

Thailand New Alcoholic Beverage Control Act and Expanded Seller Liability

The Alcoholic Beverage Control Act (No. 2) B.E. 2568 (2025) (the "ABC Act") was published in the Royal Gazette and came into force 60 days later, on 8 November 2025. This amendment represents the most substantial amendment to Thailand's alcohol regulatory framework since its introduction in 2008.

The key objective of the amendment is to modernize and strengthen alcohol control measures, addressing outdated provisions and ensuring that the regulatory regime remains effective and responsive to current social and commercial conditions.

Key regulatory changes

The amended ABC Act tightens and clarifies Thailand's alcohol regulatory regime in several critical areas, including:

- Enhanced restrictions on advertising and marketing of alcoholic beverages
- Stricter controls on the sale and consumption of alcohol and expanded civil liability for alcohol sellers and service providers

Advertising and marketing restrictions

The amended law introduces more detailed limitations on how alcoholic beverages can be advertised or promoted.

The amendments can be summarized as follows:

- Advertising that persuades or induces alcohol consumption is prohibited; however, the provision of factual information or knowledge is permitted if conducted in accordance with prescribed rules.
- The use of celebrities or well-known individuals to promote alcohol consumption is prohibited, except where information is provided to specific and limited target groups.
- Advertising other products using the name, logo, or symbol of an alcoholic beverage is prohibited if it may cause the public to perceive it as alcohol advertising.
- Supporting public or social activities in a manner that indirectly promotes or encourages alcohol consumption is prohibited.
- The dissemination or promotion of activities or information that indirectly promotes or encourages alcohol consumption is also prohibited.

Stricter sales controls and expanded seller liability

Under the amended ABC Act, all alcohol sellers including retailers, convenience stores, restaurants, hotels, and entertainment establishments are obligated to confirm both a customer's age and level of intoxication before completing any sale of alcoholic beverages. Detailed procedures for such verification are expected to be set out in upcoming subordinate legislation. The law expressly forbids the sale of alcohol to individuals under the age of 20 or to persons who are intoxicated. Failure to comply with these obligations may expose sellers to civil liability for damage resulting from harm caused by underage or intoxicated patrons. This amendment therefore significantly broadens the scope of the seller's responsibility and substantially heightens compliance and legal risk at the point of sale.

Thailand's Restaurant Association has publicly expressed concern regarding the expanded liability provisions, particularly as they apply to restaurants and hospitality operators.

The Association has highlighted several practical challenges, including:

- Potential burden of proof on restaurants to demonstrate that alcohol was not served to an already intoxicated persons.
- Difficulties where persons consume alcohol at multiple venues.
- Uncertainty regarding liability where a customer appears sober at the time of service but later becomes intoxicated.
- Complexities arising from group orders, where some members may already be intoxicated.

The Association has also raised concerns regarding increased compliance costs, including recommendations for CCTV systems with audio recording, and has called on authorities to reconsider the expanded liability regime.

Other regulatory developments

The amended ABC Act also introduces provisions relating to:

- The promotion of treatment, rehabilitation, and support for individuals affected by alcohol consumption.
- Adjustments to permitted sales hours.
- Standards for the establishment and operation of alcohol sales points.

CAPITAL MARKETS

New Tax-Incentivized Thailand Individual Savings Account (TISA) for Thai Equities

Thailand is preparing to introduce a new tax-advantaged investment mechanism known as the Thailand Individual Savings Account (TISA). The initiative is intended to redirect household savings into domestic capital markets while offering attractive personal income tax incentives. Inspired by Japan's Nippon Individual Savings Account (NISA), TISA is a key component of the government's "Quick Big Win" policy, aimed at broadening capital market participation and promoting long-term savings.

The proposed framework has received in-principle approval from economic policymakers. Under the scheme, Thai tax residents will be permitted to open one TISA account with licensed financial institutions such as asset management companies, commercial banks, or securities brokers. This single-account structure aligns with international practice and allows eligible investments to be consolidated for tax purposes.

A defining feature of TISA is its annual tax-deductible contribution limit of up to THB 800,000. Contributions within this cap may be deducted from assessable income, enabling investors to significantly reduce personal income tax liabilities. Notably, this limit is applied on a cumulative basis together with other qualifying long-term investment vehicles, including Retirement Mutual Funds (RMFs), Super Savings Funds (SSFs), and Thai ESG Funds (TESGs). In practice, higher-income individuals may be able to enhance tax efficiency by strategically combining these instruments within the applicable statutory thresholds.

TISA accounts are expected to support investment in a wide range of Thai-focused assets, including ordinary and preferred shares listed on the Stock Exchange of Thailand (SET) and the Market for Alternative Investment (mai), corporate bonds, and qualifying mutual fund units. The draft framework also anticipates additional incentives for investments aligned with environmental, social, and governance (ESG) objectives, with a proposed 1.2-times deduction multiplier for contributions to approved ESG-focused funds, reinforcing the government's sustainable finance agenda.

To promote long-term investment discipline, TISA is expected to impose a minimum holding period, likely starting at one year, with potentially longer requirements for certain equity-specific investment categories. Early withdrawals may result in the clawback of tax deductions and the imposition of penalties or interest.

Once the applicable holding conditions are satisfied, capital gains, dividends, and other investment income generated within a TISA account are expected to be exempt from personal income tax. This exemption significantly enhances the after-tax attractiveness of long-term equity investment compared with ordinary taxable brokerage accounts and positions TISA as both a growth-oriented investment and a long-term savings tool.

From a market perspective, TISA has the potential to inject sustained liquidity into Thailand's capital markets, particularly in sectors with stable dividend profiles such as banking. By encouraging long-term domestic investment, the scheme may also reduce reliance on short-term trading and volatile capital inflows. Financial institutions, advisers, and listed companies should anticipate operational and compliance considerations, including system readiness, adherence to the one-account rule, and investor education on holding requirements and tax implications.

In preparation for the anticipated rollout in the 2026 tax year, investors and advisers should assess projected taxable income for 2025 to estimate contribution capacity and align TISA participation with existing RMF and SSF strategies. Early engagement with licensed providers and professional advisers is recommended to optimise structuring and compliance once the regime comes into effect.

COPORATE

Orders of the Central Partnership and Company Registration Office (DBD) Effective 1 January 2026

1. **Order of the Central Partnership and Company Registration Office No. 2/B.E. 2568 (2025) regarding the Prescribed Criteria and Supporting Documents for the Registration of Partnerships and Limited Companies Involving Foreign Participation**

This order applies to juristic persons in which foreign nationals participate in the investment in an amount not exceeding 50 percent of the registered capital, or in cases where there is no foreign shareholder but a foreign national is a director who is authorized to sign on behalf of the partnership or company.

An applicant is required to submit supporting documents, including bank statements for the past 3 months of each Thai shareholder, evidencing withdrawals or transfers of funds corresponding to the amount of capital contribution or share subscription.

2. **Order of the Central Partnership and Company Registration Office No. 3/B.E. 2568 (2025) regarding the Prescribed Criteria for the Registration and Amendment of Partnerships and Limited Companies Involving Persons Related to Predicate Offences or Holders of Bank Accounts Used in Predicate Offences**

This order applies to persons involved in predicate offences or mule accounts (HR-03) as listed by the Anti-Money Laundering Office

(AMLO), as notified through the Anti–Money Laundering Operations Center (AOC).

Partners, shareholders, or directors whose names appear on such lists must appear in person before the registrar prior to the registration or amendment of the limited company, and present their national identification card or other valid identification documents.

Documents required to be presented to the registrar:

1) Bank statements for the past three months demonstrating consistency between the source of funds and the capital contribution or share subscription; or
2) An amended partnership agreement; and
3) A letter of consent from the authorized person to use the registered office, together with the original supporting documents and copies thereof.

3. **Order of the Central Partnership and Company Registration Office No. 4/ B.E. 2568 (2025) regarding the Prescribed Criteria for the Registration and Amendment of the Registered Office Address of Partnerships and Limited Companies**

This order applies to the registration or amendment of the registered office address in cases where the registered office is located at the same address as five or more partnerships or limited companies already registered.

The registrar shall verify that the registered address is consistent with civil registration records. Applicants must submit a letter of consent together with evidence of the right to use the premises.

4. **Order of the Central Partnership and Company Registration Office No. 5/ B.E. 2568 (2025) regarding the Prescribed Criteria for the Registration and Amendment of Partnerships and Limited Companies Involving Holders of State Welfare Cards**

This order applies to partners, shareholders, or directors who are holders of State Welfare Cards.

Such persons must appear in person before the registrar prior to registration and present their national identification card or other valid identification.

Documents required to be presented to the registrar:

1) Bank statements for the past three months showing withdrawals or transfers consistent with the amount of capital contribution or share subscription; or
2) An amended partnership agreement; and
3) A letter of consent from the authorized person to use the registered office, together with the original supporting documents and copies thereof.

5. **Announcement of the Central Partnership and Company Registration Office regarding the Designation of Persons Authorized to Certify Signatures for the Registration of Partnerships and Limited Companies B.E. 2568 (2025)**

This announcement prescribes the qualifications of persons authorized to certify signatures.

The following persons are authorized to certify signatures:

1) Certified Public Accountants;
2) Accountants who are registered members of the Federation of Accounting Professions;
3) Managing partners, managing directors, or directors of certified accounting firms; and

4) Licensed collateral enforcement officers.

6. **Announcement of the Central Partnership and Company Registration Office regarding the Rules and Procedures for Registration, Verification, and Authentication of Persons Authorized to Sign for the Registration of Partnerships and Limited Companies B.E. 2568 (2025)**

This announcement governs the registration and verification of persons authorized to certify signatures for the purpose of the registration of partnerships and limited companies through the digital registration system.

Registration and Verification Requirements:

The registration for verification and authentication of a person authorized to certify signatures shall require the submission of supporting documentary evidence through the Digital Business Registration System (DBD Biz Regist), as detailed below:

1) **Government Officials or Senior Police Officers**

Government officials or senior police officers stationed in the locality where the applicant for registration has his or her domicile shall submit a copy of their official identification card or government officer identification card that remains valid.

2) **Ordinary Members or Associate Members of the Thai Bar Association**

Such persons shall submit a copy of their license or documentary evidence demonstrating valid professional qualifications.

3) **Other Persons as Prescribed by the Registrar-General**

Such persons shall submit a copy of their license or documentary evidence demonstrating valid qualifications, except in the following cases, where submission of such documents is not required:

- Professional accountants;
- Heads of certified accounting firms;
- Licensed collateral enforcement officers; or
- Certified public accountants.

CUSTOMS & INTERNATIONAL TRADE

Thailand Broadens Customs Duty Exemptions for Educational, Research, and Cultural Goods

On 18 November 2025, the Ministry of Finance issued a new announcement expanding the scope of customs duty exemptions for goods imported for educational, research, and cultural purposes. The announcement, which took effect on 19 November 2025, amends the duty exemption framework under Section 12 of the Customs Tariff Decree B.E. 2530 (1987) and represents a significant policy move to support knowledge-based development and academic infrastructure.

A key feature of the revised framework is the expansion of entities eligible to import goods duty-free. Under the new rules, the Ministry of Higher Education, Science, Research and Innovation (MHESI) is authorized to certify imports for educational and research purposes by a wider range of organizations. These include public and private educational institutions operating under the National Education Act, government agencies with statutory mandates related to education or research, and associations or foundations whose objectives encompass educational research.

This broader institutional coverage addresses previous gaps in the exemption regime, particularly for nonprofit organizations and research-focused entities that were not clearly recognized under earlier announcements. By doing so, the policy better reflects the diversity of actors involved in Thailand's education and research ecosystem.

The announcement also clarifies the categories of goods eligible for duty exemption. These include printed materials and documents, art objects connected with education, science, or culture, audiovisual equipment, scientific instruments and materials, goods for persons with disabilities, musical instruments and sports equipment used for skill development, and equipment for art and architectural education.

To qualify for the exemption, imported goods must be certified by the MHESI as being used specifically for educational or research purposes. As a general rule, duty exemption is available only where equivalent goods are not produced domestically. However, the MHESI retains discretion to approve duty-free imports of goods that are locally available if it determines that foreign procurement is critically necessary for the relevant educational or research objectives.

Before importing under the revised framework, institutions must obtain MHESI certification and ensure that supporting documentation is properly prepared and retained for customs clearance. The announcement also repeals certain provisions of the Ministry of Finance earlier announcements issued in December 2021 and January 2023, making it essential for organizations relying on previous exemptions to review and update their import procedures.

BUILDING REGULATION

Thailand Removes Statutory Requirements for Rooftop Solar Panel Installations

Thailand has introduced a major regulatory reform aimed at accelerating the adoption of renewable energy by removing statutory requirements for rooftop solar panel installations. The reform significantly reduces administrative burdens for both individuals and businesses and reflects the government's broader commitment to sustainability, energy efficiency, and climate policy objectives.

Previously, rooftop solar installations were regulated under Ministerial Regulation No. 11 (B.E. 2528) issued pursuant to the Building Control Act. Under that framework, residential buildings were exempt from being classified as "building modifications" requiring a construction permit only if the installed area did not exceed 160 square metres and the total weight of the panels remained below 20 kilograms per square metre. Even where these conditions were met, building owners were still required to obtain a structural integrity assessment certified by a licensed civil engineer and to notify the relevant local authority prior to installation. In practice, these requirements often created delays, additional costs, and compliance uncertainty, particularly for small-scale solar projects.

To address these obstacles, Ministerial Regulation No. 72, issued under the Building Control Act and published in the Royal Gazette on 19 November 2025, introduces a far more streamlined regime. The new regulation removes the previous limitations on building type and installation area, abolishes the requirement for a structural integrity assessment by a licensed engineer, and eliminates the obligation to notify local authorities before installation. As a result, rooftop solar panel installations on all types of buildings, including residential properties, commercial buildings, and factories, are no longer classified as building modifications, provided that the total installation weight does not exceed 20 kilograms per square metre.

This reform has significant practical implications. By eliminating permit-related and engineering certification requirements, the government has materially reduced the cost and time associated with rooftop solar projects. Businesses operating energy-intensive facilities, such as factories and large commercial buildings, are now better positioned to install solar systems to manage electricity costs and improve energy resilience. At the same time, the simplified process supports corporate environmental, social, and governance (ESG) initiatives and aligns with Thailand's long-term climate and renewable energy goals.

In practical terms, the new regulation signals a clear policy direction: solar rooftop installations are no longer treated as exceptional construction activities but as standard energy infrastructure. Companies and property owners are therefore encouraged to reassess the feasibility of rooftop solar projects, particularly where previous regulatory complexity may have deterred investment.

FOREIGN EXCHANGE

Enhanced Regulatory Oversight on Capital Inflows and Gold-Related Foreign Exchange Transactions in Thailand

The Bank of Thailand's recent policy measures reflect a strengthened regulatory approach toward managing capital inflows and mitigating excessive volatility in the Thai baht. By requiring financial institutions to report non-resident inflows exceeding USD 200,000, together with supporting documentation, the central bank aims to enhance transparency and gain clearer visibility over the sources and purposes of cross-border funds. This marks a notable shift from the traditional focus on monitoring capital outflows to a more balanced oversight of both sides of cross-border movements.

A key area of concern identified by the Bank of Thailand is the growing influence of gold-related transactions—particularly those conducted through digital platforms—on exchange rate movements. The authorities have observed that large-scale gold trading has contributed materially to baht appreciation, prompting closer regulatory scrutiny. As a result, the central bank is coordinating with the Ministry of Finance and other agencies to strengthen oversight, potentially through new reporting obligations or regulatory measures targeting high-volume traders.

From a legal and compliance perspective, these developments increase the regulatory responsibilities of banks and market participants engaged in foreign exchange and cross-border transactions. While the measures stop short of imposing capital controls, they signal a more interventionist approach aimed at reducing speculative behavior and safeguarding financial stability. Businesses involved in international transactions, digital asset-related activities, or gold trading should therefore reassess their compliance frameworks to ensure alignment with evolving regulatory expectations.

Proposed Relaxations to Thailand's Foreign Exchange Regulations

Thailand's Ministry of Finance (MOF) and the Bank of Thailand (BOT) are moving forward with proposed amendments to the country's foreign exchange regulatory framework, reflecting ongoing efforts to modernise exchange control rules and reduce administrative burdens on cross-border financial activities. The proposed changes, currently subject to public consultation, aim to increase flexibility in managing foreign currency flows while preserving oversight and stability of the Thai baht.

Under the existing exchange control regime, Thai residents are required to repatriate foreign-sourced income exceeding USD 1 million within 360 days of receipt. In addition, outbound investments in foreign securities generally require prior notification to the BOT, which issues an Intention Acknowledgment Certificate that must be presented to authorised financial institutions to process fund transfers abroad.

Although these requirements are designed to support currency stability, they have increasingly been viewed as operationally restrictive. Mandatory repatriation within a fixed timeframe may limit treasury planning and cash-flow efficiency, particularly for businesses that regularly engage in international transactions. Similarly, pre-notification requirements for outbound investments can delay execution and reduce flexibility in responding to market opportunities.

To address these concerns, the MOF and BOT have proposed two key regulatory relaxations. First, the threshold for mandatory repatriation of foreign income would be increased from USD 1 million to USD 10 million. This change is expected to reduce the frequency of compulsory transfers, lower transaction costs, and allow businesses greater discretion in managing offshore receipts.

Second, the proposed framework would remove the BOT's pre-notification and Intention Acknowledgment Certificate requirement for outbound investments in foreign securities conducted outside retail investment channels. Instead, investors would submit a simplified acknowledgment directly to their commercial bank, streamlining documentation and reducing procedural delays.

Together, these measures seek to balance regulatory supervision with commercial practicality. The reforms are designed to ease compliance burdens without undermining the BOT's ability to monitor significant capital movements or respond to macroeconomic risks.

For businesses and individuals involved in cross-border transactions, the proposed changes could improve liquidity management, facilitate overseas investment, and reduce compliance costs. Financial institutions may also benefit from simplified processing requirements, allowing a stronger focus on advisory and execution services.

Overall, the proposed relaxations represent a measured evolution of Thailand's foreign exchange regime, aligning regulatory practice more closely with international standards and supporting greater integration into global financial markets. Final implementation will depend on the completion of the consultation process and formal adoption of the amendments.

DATA PROTECTION

Thai PDPC Ordered a Giant Iris-Scanning Service Provider to Delete Biometric Data from 1.2 million Individuals Collected in Exchange for Cryptocurrency

On 24 November 2025, the Office of the Personal Data Protection Committee ("PDPC Office") identified non-compliant activities carried out by a well-known iris-scanning service provider (the "Service Provider") under the Personal Data Protection Act B.E. 2562 (2019) ("PDPA"). The Service Provider had offered iris-scanning services to the public, whereby individuals were requested to provide their consent and undergo iris scanning to verify their humanity, in return for receiving cryptocurrency on a monthly basis.

In this regard, the PDPC Office said that the Service Provider's business operations were conducted in violation of the PDPA, particularly in relation to the unlawful obtaining of consent whereby (i) the consents provided by individuals were not freely given, and (ii) the purposes for the collection, use, and disclosure of biometric data were not adequately disclosed to the individuals.

Following discussions with the Service Provider, the PDPC Office explained that the lack of freely given consent arose from the fact that individuals' participation was influenced by the incentive of receiving cryptocurrency, rather than based on a genuine and voluntary decision to allow the collection of their iris data. This practice was deemed inconsistent with internationally recognized data protection principles, which require consent to be freely given and not obtained through any kind of inducement or undue influence.

With respect to the insufficiency of purpose notification, the PDPC Office found that the Service Provider informed individuals only that their iris data would be used to verify their humanity and that, thereafter, such data would be converted into encoded information incapable of re-identifying individuals. However, system testing conducted by the PDPC Office revealed that, upon re-scanning, the system was still able to recognize previously scanned iris data. This demonstrated that the system retained the capability to identify individual users. Accordingly, the PDPC Office emphasized that the purposes relating to authentication and identity verification must be clearly disclosed to individuals prior to the collection of their biometric data.

In addition to the two non-compliant practices identified above, the PDPC Office indicated that there may be other aspects of the Service Provider's operations requiring further assessment to determine overall compliance with the PDPA.

As interim measures, the PDPC Office ordered the Service Provider to remedy its non-compliance within seven days from the date of the order by undertaking the following actions:

1. Immediately suspend and cease the collection of biometric data through iris-scanning activities conducted in exchange for cryptocurrency; and
2. Delete all biometric data and other related personal data of approximately 1.2 million individuals in their entirety.

If the Service Provider does not comply to the PDPC's order, the PDPC Office would fine the Service Provider at 500,000 Baht a day. While, a penalty for its non-compliant activities could be up to 5 million Baht per account; yet, this is still under consideration of relevant factors.

FINANCIAL REGULATION

Heightened SEC Scrutiny on Money Laundering Risks

Thailand's Securities and Exchange Commission (SEC) has intensified its investigations into suspected money laundering and nominee shareholding structures involving listed companies, reflecting a stronger regulatory focus on market integrity and investor protection. The SEC's coordination with the Anti-Money Laundering Office (Amlo) underscores a more integrated enforcement approach, particularly in identifying ultimate beneficial owners behind nominee shareholders.

The investigations emphasize strict compliance with shareholding disclosure requirements under the Securities and Exchange Act, where inaccurate or false disclosures constitute criminal offences punishable by imprisonment and fines. The SEC has reaffirmed that legal ownership structures will be closely examined to ensure that reported shareholdings accurately reflect actual control and economic interest.

In parallel, the SEC is expanding oversight of digital asset transactions, mule accounts, and KYC standards, recognizing the growing link between capital markets and technology-driven financial crime. The potential introduction of enhanced regulatory powers, including the ability to suspend listed companies posing heightened investor risks, signals increased compliance expectations for issuers and major shareholders. Listed companies should therefore strengthen ownership transparency, AML controls, and internal governance to mitigate regulatory and enforcement risks.

INSURANCE

The Office of the Insurance Commission (OIC) Eases Investment Rules for Insurers

The Office of the Insurance Commission (OIC) has relaxed investment restrictions on insurance companies by reducing the equity risk charge from 25% to 18%, enabling insurers to increase investments in the Thai stock market. This regulatory adjustment is expected to unlock up to 200 billion baht in additional investment in 2026 and reflects a more flexible, risk-based supervisory approach that supports capital market development while maintaining financial stability.

From a legal perspective, the easing does not weaken prudential standards. The OIC confirmed that insurers continue to meet capital adequacy and stress-test requirements, reinforcing that insurers remain fully responsible for prudent risk management and compliance with solvency regulations. The measure therefore expands investment discretion without reducing regulatory accountability.

In parallel, the OIC is studying the establishment of a national catastrophe fund to address large-scale disaster risks that exceed the capacity of individual insurers. The regulator has emphasized that insurance premiums will remain market-driven, underscoring the legal principle that insurers must manage catastrophe risks without passing additional burdens to policyholders.

The OIC has also reaffirmed its consumer protection mandate by strengthening oversight of insurance sales practices, requiring transparent disclosure of policy terms and proper premium payment channels. Overall, the move signals a balanced regulatory strategy that promotes investment flexibility, systemic resilience, and continued protection of policyholders' rights.

LABOUR

Thailand Officially Implements Social Security Fund Wage Ceiling Adjustment from 2026

Thailand's long-anticipated adjustment to the Social Security Fund (SSF) wage ceiling has been formally issued . The relevant ministerial regulation will take effect on 1 January 2026. The regulation amends the maximum wage base used to calculate contributions for employees insured under Section 33 of the Social Security Act, bringing the SSF contribution framework more closely in line with current economic conditions and labour market realities.

The wage ceiling adjustment was initially approved by the Cabinet on 2 December 2025, with Royal Gazette publication confirming its legal enforceability. The reform is intended to strengthen income security and improve the adequacy of social security benefits by gradually increasing the contribution base used to calculate both contributions and entitlements under the SSF system.

To mitigate the immediate financial impact on employers and insured persons, the amended wage ceiling will be implemented progressively over three phases.

During Phase 1 (2026–2028), the maximum wage base for contribution calculations will increase to THB 17,500, resulting in a maximum monthly contribution of THB 875. This will be followed by Phase 2 (2029–2031), where the wage base will rise further to THB 20,000, with a corresponding maximum contribution of THB 1,000 per month. From 2032 onward, under Phase 3, the wage ceiling will reach THB 23,000, increasing the maximum monthly contribution to THB 1,150. The minimum contribution base remains unchanged at THB 1,650 per month.

Once Phase 1 comes into effect, insured persons will benefit from higher maximum entitlements across several categories. Monthly sickness, disability, and unemployment compensation will increase from THB 7,500 to THB 8,750. Maternity grants will rise from THB 22,500 to THB 26,250 per childbirth, while death compensation will increase from THB 90,000 to THB 105,000. Old-age pension benefits will also improve, with the maximum monthly pension increasing from THB 3,000 to THB 3,500 for those with 15 years of contributions, and from THB 5,250 to THB 6,125 for those with 25 years of contributions.

These enhancements reflect the higher contribution base and aim to provide more meaningful financial protection for insured employees.

The amended wage ceiling will have a direct impact on payroll operations starting in January 2026. Employers will need to apply the new maximum wage base of THB 17,500 when calculating SSF contributions, increasing the maximum monthly contribution from THB 750 to THB 875 in Phase 1. Payroll systems must be updated accordingly, and employers should review internal budgeting and payroll cost forecasts to account for the higher employer contribution obligations.

Clear communication with employees—particularly those earning above the previous wage cap—will be important, as their monthly deductions will increase under the new framework. Employers are strongly advised to complete all necessary system updates and compliance checks in advance of the effective date to avoid errors or potential penalties under the Social Security Act.

Thailand's Rules on Retirement and Severance Pay for Employees Over 60

As Thailand moves decisively into an aged society, retirement policy and labor protections for older workers have become increasingly significant. Recent public debate—including an October 2025 proposal to raise the retirement age for government officials to 65—has highlighted growing acceptance of extended working lives. Against this backdrop, understanding how retirement and severance pay operate under the Labor Protection Act B.E. 2541 (1998) (LPA) is essential for both employers and employees.

Under the LPA, retirement is treated as a termination of employment when it occurs pursuant to an agreement, employer work rules, or an employee's lawful declaration. In such cases, the employer must pay statutory severance. The Act further provides a default mechanism where no retirement age is specified, or where the prescribed retirement age exceeds 60: an employee aged 60 or older may declare retirement by giving 30 days' notice, triggering severance pay.

Complexities arise when employers maintain a retirement age of 60 but hire or rehire employees who are already over that age. Recent judgments of the Court of Appeal for Specialized Cases suggest that in such situations, the retirement rule may be deemed inapplicable, effectively leaving no statutory retirement mechanism in place. As a result, employees hired after 60 may be unable to invoke retirement as a basis for termination with severance, potentially weakening their bargaining position and creating uncertainty around exit arrangements.

The Supreme Court has clarified another important point: where an employee continues working beyond the retirement age without having received severance pay, the employment relationship is considered continuous. If termination occurs later, severance must be calculated based on the employee's entire length of service, using the final wage rate. This confirms that extended employment beyond retirement age can significantly increase severance exposure.

Where an employee retires, receives severance, and is subsequently rehired, the new engagement constitutes a separate employment relationship. If the post-retirement employment lasts at least 120 consecutive days, severance will again be payable upon termination, calculated based on the new contract. Fixed-term contracts do not automatically avoid severance unless they strictly meet the LPA's exemption criteria, which courts interpret narrowly.

Some employers opt to engage retirees as independent contractors. While genuine consultancy arrangements fall outside the LPA, Thai courts focus on the substance of the relationship, not its label. If control, supervision, and economic dependence resemble employment, the arrangement may be recharacterized, exposing the employer to severance and other statutory obligations.

TAXATION

Proposed excise tax reforms to advance environmental and public health objectives

The Excise Department of Thailand is preparing to introduce excise tax reforms aimed at enhancing environmental protection and public health, while aligning Thailand's tax framework with emerging international trade rules, particularly those relating to environmental sustainability.

Key Proposed Measures

1. The first measure proposes expanding the excise tax base to cover goods that have negative environmental impacts. This measure is also designed to prepare Thai exporters and domestic producers for compliance with Carbon Border Adjustment Mechanism or the CBAM, the EU's carbon import tariff mechanism.
2. The second measure expands the excise tax base for luxury goods and services, reflecting a policy shift toward greater progressivity in excise taxation.
3. The third measure provides tax incentives for environmentally friendly products, such as sustainable aviation fuel and bio-based fuel.
4. The fourth measure introduces salt taxes to reduce health problems caused by excessive sodium consumption.
5. The fifth measure restructures the battery tax to reduce environmental impacts and support technological changes, based on charging cycles and energy density.
6. The sixth measure restructures the cigarette excise tax into a uniform tax system.

In addition, the Excise Department plans to introduce a uniform cigarette excise tax rate through a ministerial regulation subject to the Cabinet approval, replacing the current dual-rate structure of 25% for cigarettes priced at 72 baht per pack or below and 42% for cigarettes priced above 72 baht per pack, which is considered to cause market distortion. The implementation of the uniform rate will require supporting measures for the Tobacco Authority of Thailand, together with stricter controls on illicit cigarettes and the promotion of cigarette production for export.

Thailand Prepares New Excise Tax Measures Focused on Environment and Public Health

The Excise Department is preparing to introduce a new set of excise tax measures aimed at strengthening environmental protection, improving public health outcomes, and aligning Thailand's tax framework with emerging international trade standards. The proposed reforms reflect a broader policy shift toward sustainability-driven taxation and are expected to have implications across multiple industries.

According to Mr. Pornchai Thiraveja, the Director-General of the Excise Department, the reforms are designed to prepare Thailand for future environmental trade measures, particularly those linked to carbon-related border controls, while also addressing domestic health and consumption concerns. In total, six key excise tax measures are under development.

The first measure focuses on expanding the excise tax base to cover goods that has a negative environmental impact. This includes preparatory steps to address the European Union's Carbon Border Adjustment Mechanism ("CBAM"), which imposes carbon-related charges on imported goods. By adjusting domestic excise structures in advance, Thailand aims to reduce trade friction and enhance compliance with international environmental standards.

The second measure involves expanding excise tax on luxury goods and services, reflecting a policy objective to increase revenue from higher-consumption segments.

The third measure introduces tax incentives for environmentally friendly products, including sustainable aviation fuel and bio-based fuels, to encourage investment and adoption of cleaner technologies.

The fourth introduces a sodium (salt) tax intended to reduce health risks associated with excessive sodium consumption. The Excise Department is currently studying which products should fall within the scope of this tax.

The fifth measure targets environmental impacts associated with batteries. The Excise Department plans to restructure battery excise taxation based on technical factors such as charging cycles and energy density, supporting technological development while mitigating environmental harm.

The sixth measure restructures the cigarette excise tax by moving from the current dual-rate system to a uniform tax rate. At present, cigarettes priced at or below THB 72 per pack are taxed at 25%, while those priced above this threshold are taxed at 42%. This structure has led to market distortions, encouraging manufacturers to produce lower-priced cigarettes to gain market share. The proposed uniform rate is intended to correct these distortions, though additional support measures will be required for the Tobacco Authority of Thailand, a state enterprise.

Alongside policy reforms, the Excise Department is also strengthening enforcement and tax administration. Measures are being considered to tighten controls on illicit cigarette smuggling, enhance consumer protection, and adopt advanced technology to improve inspection and valuation of imported alcoholic beverages and ensuring accurate excise tax collection.

Taken together, these proposed excise tax reforms signal a strategic shift toward sustainability-oriented taxation in Thailand. Businesses operating in affected sectors should closely monitor regulatory developments and assess potential impacts on pricing, compliance, and long-term investment planning.

Tax Ruling on VAT and Income Tax Treatment under Thailand's Electric Motorcycle Promotion Program

Under the Electric Motorcycle Promotion Program, a manufacturer or assembler may receive a subsidy of THB 18,000 per unit, provided that certain conditions are satisfied. These conditions include the sale of the electric motorcycle within the prescribed program period and the submission of vehicle registration documents and tax invoices evidencing sale to end consumers.

In practice, manufacturers typically sell electric motorcycles to dealers on a completed-sale basis. To reflect the subsidy, manufacturers may immediately sell the motorcycles at a reduced price and collect a security deposit from dealers equal to the subsidy amount. This deposit is refundable once the dealer successfully sells the motorcycle and submits the required documentation. If the dealer fails to sell the motorcycle before the program expires, the deposit may be forfeited.

Against this commercial structure, the tax authority was asked to clarify three principal issues:

1. Whether VAT should be calculated based on the full selling price or the reduced price reflecting the subsidy;

2. Whether the refund of the security deposit requires the issuance of a VAT credit note;

3. Whether the subsidy received from the government constitutes taxable income.

The Revenue Department concluded that the price reduction associated with the subsidy does not constitute a discount granted unconditionally at the time of sale. Instead, it is a conditional discount, dependent on the dealer's subsequent sale of the motorcycle and the completion of administrative requirements. As a result, the full selling price must be used as the basis for VAT calculation. The conditional nature of the discount prevents it from reducing the VAT base at the time the tax invoice is issued.

Where the dealer successfully sells the motorcycle and submits the required documents, the manufacturer is required to refund the security deposit. The tax authority determined that this refund does not give rise to a VAT credit note, as it does not constitute a reduction of the original taxable consideration.

The ruling further confirms that subsidies received from the government under the Electric Motorcycle Promotion Program are not subject to corporate income tax, provided that the recipient complies with the conditions of the program. This treatment reflects the policy objective of encouraging participation in electric vehicle initiatives without imposing additional tax burdens on qualifying businesses.

Should you have any question, please do not hesitate to contact us via info@bgloballaw.com