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

BUILDING CONTROL

Simplification of Rooftop Solar Compliance Requirements Under Thailand's Building Control Law

Under Building Control Law, any person who intends to modify building must obtain a permit from the local authorities. Thailand's earlier regulatory approach to rooftop solar photovoltaic (PV) systems treated such installations as non-modifications of a building only when strict conditions were met under Building Control Law.

Under the previous regulation, rooftop solar panels were exempted from the definition of building modification if (i) the installation area did not exceed 160 square meters, (ii) the total load did not exceed 20 kilograms per square meter, and (iii) the owner obtained a structural stability inspection and certification from a licensed civil engineer.

The new regulation significantly simplifies this regime by narrowing the requirement to a single technical criterion: the total weight of the solar PV system must not exceed 20 kilograms per square meter in the area of installation. All other conditions—such as the restriction on installation area, the need for engineer certification, and the obligation to notify the local authority—have been removed.

This shift represents a clear regulatory liberalization, effectively developing the compliance burden for homeowners and installers while removing the procedural checkpoints previously embedded in the approval process.

This legislative revision reflects a broader national policy direction aimed at facilitating renewable energy adoption and encouraging decentralized power generation. The removal of administrative and technical prerequisites lowers the entry barriers for rooftop solar installations, potentially increasing adoption rates among residential and small commercial users.

CUSTOMS & INTERNATIONAL TRADE

Thailand–United States Framework on Reciprocal Trade Introduction

The Framework for an Agreement on Reciprocal Trade announced by Thailand and the United States on 27 October 2025 represents a notable shift in bilateral trade relations. Although the Framework is not yet legally binding, it signals a policy direction toward reciprocal market access, enhanced regulatory cooperation, and stronger standards relating to customs administration, labor rights, and environmental protection. From the perspective of Thai law, the Framework is significant not for its immediate legal effects, but for the structural reforms it foreshadows within Thailand's trade and customs regime.

This commentary analyzes the key legal implications of the Framework, with particular emphasis on customs enforcement, rules of origin, and regulatory alignment.

Thailand and the United States have historically relied on multilateral WTO rules and sector-specific arrangements rather than a comprehensive bilateral trade agreement. Under constitution of Thailand, a binding trade agreement with material economic implications would require parliamentary approval. Accordingly, the Framework currently functions as a policy instrument rather than a source of enforceable legal rights or obligations.

Nevertheless, experience from Thailand's participation in ASEAN and other regional trade agreements suggests that such frameworks often precede legislative and regulatory reform. The Framework should therefore be understood as a catalyst for domestic legal adjustments rather than a purely declaratory statement.

A central legal commitment under the Framework is Thailand's intention to amend the Customs Act B.E. 2560 (2017) to remove the customs reward system under Section 255. This system, which allocates a portion of penalties to enforcement officials, has long been criticized for encouraging discretionary or overly aggressive enforcement.

Its removal may lead to a more transparent and rule-based customs environment. However, this reform is likely to be accompanied by increased reliance on post-clearance audits and document-based compliance reviews. As a result, while physical inspections at ports may decline, businesses could face broader retrospective exposure and heightened documentation requirements.

The Framework also implies stricter scrutiny of country-of-origin determinations for goods seeking preferential tariff treatment in the US market. Origin concepts applied by US Customs and Border Protection—such as substantial transformation and essential character—may differ in emphasis from those commonly applied under ASEAN or RCEP regimes.

For Thai exporters, this creates legal risk where production relies heavily on imported inputs. The distinction between the country of export and the country of origin becomes legally decisive, and inaccurate origin declarations may result in denial of tariff benefits or enforcement action. Origin verification may also extend along the value chain, affecting upstream suppliers.

Proposed regulatory cooperation, including possible recognition of US certifications in areas such as food and agriculture, may reduce procedural barriers to trade. However, such cooperation must be implemented consistently with Thai administrative law and statutory mandates governing public health and consumer protection. Regulatory alignment, while facilitating trade, may also lead to increased scrutiny of product standards and compliance systems.

The Framework reflects a broader global trend toward shifting trade regulation from border controls to compliance-based and audit-driven enforcement models. While this approach enhances trade facilitation, it also places greater legal responsibility on businesses to maintain accurate records, internal controls, and compliance programs.

Comparatively, the US has long emphasized origin enforcement and post-import audits as core compliance tools. The Framework may therefore import a more stringent enforcement culture into Thailand–US trade relations, potentially influencing sourcing decisions and supply-chain structuring.

Although non-binding, the Thailand–United States Framework on Reciprocal Trade signals an impending transformation in Thailand's trade and customs law landscape. Anticipated reforms to customs enforcement, heightened origin scrutiny, and deeper regulatory cooperation suggest a move toward a more rules-based and compliance-intensive trade regime.

For businesses and legal practitioners, early engagement with these developments will be essential. The Framework's ultimate impact will depend on how effectively its commitments are translated into domestic law and administrative practice, and whether legal certainty and transparency are maintained throughout the reform process.

Thailand to Abolish Duty-Free Threshold for Cross-Border E-Commerce Imports from 2026

Thailand's Customs Department has announced a major reform to its import tax framework that will significantly affect cross-border e-commerce transactions. Effective 1 January 2026, Thailand will abolish the current duty-free threshold of THB 1,500 for imported goods purchased through online platforms. Under the new policy, all imported goods with a value exceeding one baht will be subject to import duty, in addition to the existing 7% Value Added Tax (VAT).

The reform is intended to address structural imbalances between foreign online sellers and domestic businesses and is expected to generate at least THB 3 billion annually in additional government revenue.

According to Mr. Panthong Loikulnan, Director-General of the Customs Department, imported goods priced below THB 1,500 currently account for over THB 30 billion per year. The existing exemption has allowed foreign sellers to price goods more competitively than Thai businesses—particularly small and medium-sized enterprises (SMEs), which remain fully subject to domestic tax obligations.

By removing the exemption, the government aims to:

- Promote tax neutrality between domestic and foreign sellers
- Reduce competitive disadvantages faced by Thai SMEs
- Align Thailand's tax system with the realities of expanding cross-border digital trade

This policy reflects a broader shift toward fair taxation and sustainable economic growth rather than revenue collection alone.

Effective enforcement will rely heavily on digital integration with major e-commerce platforms. The Customs Department is accelerating data-sharing negotiations with platforms such as Shopee and Lazada, enabling real-time access to transaction and import data for accurate tax assessment.

This digital framework will be supported by random physical inspections to verify compliance. The Customs Department has noted that this hybrid approach aligns with international best practices, citing similar reforms adopted by major economies, including the United States, to curb tax leakage and protect domestic markets.

Authorities are also evaluating a lump-sum import tax regime, potentially applying a flat rate of 20–30% to imported goods regardless of value. While this approach could simplify tax administration, it would require legislative amendments and is not yet finalized.

Importantly, the Customs Department has confirmed that the 2026 policy is consistent with Thailand's international trade obligations, including Free Trade Area (FTA) commitments.

Consumers: Even low-value overseas online purchases will incur import duties, which may influence buying behavior and increase demand for locally sourced products.

Businesses and platforms: Importers and e-commerce operators must reassess pricing models, supply chains, and compliance systems to manage increased tax exposure.

Thai SMEs: The reform may reduce pricing pressure from foreign sellers and help restore competitive balance in the domestic market.

The abolition of Thailand's duty-free threshold marks a significant shift in the taxation of cross-border e-commerce. Businesses engaged in online import activities should begin preparing—by reviewing compliance processes, platform integrations, and pricing strategies—to mitigate operational and tax risks ahead of 2026.

ENVIRONMENT

Bangkok Tightens Diesel Emission Rules as Thailand Accelerates Climate and EV Transition

Bangkok authorities have announced stricter exhaust-smoke standards for diesel vehicles, effective 1 November 2025, marking a significant regulatory step in Thailand's transition toward electric mobility and its broader climate policy agenda. The measure complements ongoing electric vehicle (EV) incentives and the forthcoming Climate Change Bill to be passed into Climate Change Act, which is expected to provide Thailand with its first comprehensive legal framework for greenhouse gas regulation.

The new regulation primarily targets older diesel vehicles, particularly those manufactured before compliance with Euro 5 emission standards. The permissible exhaust-smoke opacity threshold will be reduced from 30% to 20%, significantly tightening enforcement against high-emission engines.

Vehicles found in violation will face:

- Fines of up to THB 4,000, and
- A mandatory re-inspection process.

If a vehicle fails to comply following re-inspection, authorities may prohibit its use for up to 30 days. This enforcement mechanism signals a shift from symbolic regulation toward active compliance monitoring, particularly in urban areas facing persistent air pollution challenges.

Thailand continues to position itself as Southeast Asia's largest EV market. Between January and July 2025, EV registrations reached approximately 66,000 units, nearly matching the total for all of 2024. The government has reaffirmed its target for 30% of domestic vehicle production to be zero-emission by 2030, equivalent to more than 700,000 vehicles annually based on current output.

To support this objective, Thailand offers extensive incentives under the EV3.0 and EV3.5 schemes, including:

- Excise tax reductions,
- Import duty exemptions, and
- Direct consumer and manufacturer subsidies.

EV3.5 extends support through 2027 and continues to require automakers importing battery electric vehicles (BEVs) to commit to local assembly within defined timelines.

To strengthen Thailand's role as a regional EV manufacturing hub, the government has introduced export-linked incentives, allowing each exported EV to count as 1.5 units toward local production quotas. This policy is expected to significantly increase EV exports from 12,500 units in 2025 to approximately 52,000 units in 2026.

In parallel, Thailand will debut its EV brand in late 2025 through a partnership with Chery Automobile, with production based in Rayong Province.

These developments align with Thailand's forthcoming Climate Change Bill, currently in its final drafting stage. The legislation is expected to introduce emissions reduction mechanisms, a national climate fund, and potential carbon market tools, reinforcing Thailand's commitments to carbon neutrality by 2050 and net-zero emissions by 2065.

Calls for Stronger Legal Safeguards to Prevent Environmental Harm from Critical Mineral Projects

The recent Thai-US MoU on critical minerals has raised concern regarding transparency and environmental protection. Although the government may view the MoU as beneficial for economic cooperation, academics note that it was signed without public consultation, which may conflict with the constitutional principle of public participation in projects affecting natural resources.

From a legal standpoint, mining activities—particularly rare earth extraction—require strict oversight due to high pollution risks. Existing laws, such as the Enhancement and Conservation of National Environmental Quality Act, allow the state to impose Environmental Impact Assessments and monitoring duties. However, experts suggest that additional safeguards are necessary, including restrictions in Class 1A water basins and ecologically sensitive zones, and mandatory inspections before granting any mining licences.

Establishing a national committee to supervise the MoU's implementation would help ensure that legal, environmental, and community interests are balanced. Clear regulations, transparency measures, and public engagement will reduce potential disputes and reinforce the state's responsibility to protect the environment while pursuing strategic cooperation with foreign partners.

ENERGY & GREEN LOGISTICS

Thailand Strengthens Role as Green Logistics Hub with DHL's First Fully Solar-Powered Warehouse

DHL Supply Chain's recent launch of its first fully solar-powered global facility in DHL Supply Chain's opening of its first fully solar-powered global facility in Bangna marks a pivotal step in advancing sustainable logistics in Thailand.

The 1.39-billion-baht Bangna Sustainable Logistics Center, powered entirely by renewable energy, reflects DHL's Strategy 2030 commitment to becoming the "Green Logistics of Choice" and underscores Thailand's position as a leading regional hub for sustainable trade and supply chain operations.

From a legal perspective, the project demonstrates the effectiveness of Thailand's renewable energy incentives, investment promotion schemes, and free-trade zone regulations in attracting green foreign investment. It also illustrates the growing intersection of sustainability, technology, and regulatory compliance—particularly in areas such as data protection, cybersecurity, and labor standards—as logistics operations become more digitalized and automated.

Amid shifting global trade patterns, DHL's investment reinforces the importance of supply chain resilience and diversification within Southeast Asia. Supported by Thailand's clear policy direction, advanced infrastructure, and skilled workforce, this development showcases how sustainable investment and regulatory stability can together strengthen the country's competitiveness as a long-term logistics and manufacturing hub.

INVESTMENT

BOI Launches New Initiative to Boost Talent for Next-Generation Industries in Thailand

The BOI has approved a measure to enhance the competitiveness of Thai entrepreneurs by supporting projects that contribute to supply chains in next-generation industries through technological development, manufacturing process improvement, increased productivity, and compliance with international standards. These measures are expected to strengthen domestic supply chain linkages, attract additional investment, boost investor confidence, and drive Thailand's economic growth in line with the Commission on the National Competitiveness Enhancement for Targeted Industries. The BOI has approved a new measure to develop a highly skilled workforce for next-generation industries. The initiative aims to respond to the rapidly changing skill demands of the industrial sector and support national strategic development. It targets the development of at least 100,000 individuals, including university students and existing workers, through upskilling, reskilling, and new skill-development programs under the government's "Quick Big Win" strategy.

The measure applies to key sectors such as biotechnology, advanced food processing, biofuels and biochemicals, next-generation automotive, advanced electronics, robotics, digital technology, healthcare services, defense, and green industries. Training can take the form of bootcamps, onsite or online programs, and internships, and curricula shall align with advanced technologies and knowledge that enhance technological competitiveness. Financial support will be granted for essential training costs, including curriculum development, evaluation systems, and practical training.

In addition to workforce development, the government has also introduced a measure to enhance the competitiveness of Thai entrepreneurs. This measure provides financial support covering 30–50% of actual investment or expenses, capped at 100 million baht per company. It supports three key areas: improving existing operations with modern technologies such as automation and digital systems, research and development activities, and transforming existing businesses towards new or green industries. This initiative aims to strengthen domestic supply chains, increase productivity, and improve Thailand's overall competitiveness.

Thailand Launches "Fast Pass" to Accelerate Investments and Drive Economic Growth

On 24 November 2025, Thailand's Economic Policy Committee has given the green light to a bold set of measures aimed at revitalizing the economy and positioning the country as a competitive investment hub. At the heart of this strategy is the Thailand Fast Pass program, a fast-track system designed to remove regulatory bottlenecks and accelerate large-scale investments in strategic sectors. The initiative will prioritize projects in data centers, industrial estate, clean energy, and electronics sectors. Thailand Fast Pass will create a special channel to expedite investment processes and address long-standing barriers, ensuring major projects move forward quickly. The program will start with 80 pilot projects worth over 480 billion baht, all of which have faced delays due to issues such as power supply, land availability, and visa processing. To resolve these, the government will implement legal reforms, expand power grids, and enhance the One Stop Service Center for visa and work permits by early 2026. Approval times are expected to drop by 20 to 50%.

Complementing Fast Pass, the committee endorsed two additional measures. Firstly, a 5-billion-baht capability-enhancement fund to upskill and reskill 100,000 individuals for new-generation industries, with training programs starting in early 2026. Secondly, the subsidy program covering 30 to 50% of investment costs, up to 100 million baht per company, helps Thai businesses adopt advanced technologies and transition to green industries.

These initiatives are not just short-term solutions. They represent a systematic approach to building a modern investment ecosystem that supports sustainable growth. The Thailand Fast Pass system is expected to be operational by December 2025, marking a significant step toward achieving the government's Quick Big Win policy and strengthening Thailand's position in the global economy.

IMMIGRATION & WORK PERMIT

Thailand Temporarily Lifts Afternoon Alcohol Sales Ban to Support Tourism

On 13 November 2025, Thailand's Alcoholic Beverage Control Committee (ABCC) approved a draft announcement to temporarily lift the long-standing ban on afternoon alcohol sales. The relaxation will apply for 180 days from the effective date of the announcement, which is expected to take effect in early December 2025.

This policy change forms part of broader economic stimulus measures approved by the Cabinet on 21 October 2025, aimed at revitalising the tourism and hospitality sectors. Following the Cabinet's resolution, the Department of Disease Control under the Ministry of Public Health proposed revisions to alcohol sales regulations to ease operational restrictions for businesses catering to tourists, while maintaining core public health safeguards.

Once the announcement becomes effective, the prohibition on alcohol sales during the traditional afternoon window will be temporarily lifted. Businesses such as restaurants, cafés, bars, and retail outlets will be permitted to sell alcoholic beverages continuously during operating hours, without the previous midday interruption, for the duration of the 180-day period.

This change is intended to:

- Align alcohol sales regulations with actual tourism demand patterns,
- Reduce operational complexity for hospitality operators, and
- Enhance customer experience, particularly in key tourist destinations.

The removal of the afternoon restriction is expected to benefit lunch-time and late-afternoon service, allowing establishments to operate more flexibly and efficiently.

Importantly, the temporary relaxation does not represent a full deregulation of alcohol control laws. Several key restrictions will remain unchanged, including:

- Midnight cutoff for alcohol sales,
- Advertising and marketing prohibitions under the Alcoholic Beverage Control Act,
- Seller obligations, such as age verification, intoxication assessment, and compliance with licensing requirements.

Authorities have emphasised that enforcement of these rules will continue, and businesses must remain vigilant to ensure full compliance during the relaxation period.

The 180-day measure is designed as a targeted and time-limited initiative. During this period, relevant agencies will collect data on its impact, including:

- Tourism and hospitality revenue,
- Public health indicators, and
- Public order and safety concerns.

This information will be submitted to the ABCC for evaluation. Based on the findings, the committee may consider whether to extend or formalise the revised alcohol sales hours beyond the initial 180-day period.

Urgent Work Permit Applications Available via Thailand's e-Work Permit System

The Department of Employment (DOE) has introduced an electronic submission process for urgent work permit applications through Thailand's e-Work Permit system (eworkpermit.doe.go.th). This update allows foreign nationals and employers to apply online for work that must be completed within 15 days, significantly reducing administrative time and paperwork for short-term assignments.

The new process applies to urgent or special work under Section 61 of the Foreigners' Working Management Emergency Decree B.E. 2560 (2017), as amended.

Section 61 permits foreign nationals to perform work that is necessary, urgent, or of a special nature for a period not exceeding 15 days, subject to notification and approval by the DOE. While this provision offers flexibility for short-term engagements, approval must be obtained prior to commencement of work. Non-compliance may result in administrative penalties for both employers and foreign workers.

Urgent work permit applications (Form BT.34) may be submitted electronically via the e-Work Permit platform. Applications can be filed by foreign workers, employers, or authorized representatives.

Applicants must select the menu option for "Notification of work that is necessary, urgent, or a special task with a work duration to be completed within 15 days," identify an existing registered foreign worker or register a new one, and upload all required supporting documents. Once submitted, applications are reviewed sequentially by the responsible officer, assistant registrar, and registrar.

Upon approval, the work permit is issued electronically and can be accessed through the system's e-Tracking function, eliminating the need for in-person collection.

The DOE has clarified that employers acting as coordinators for foreign film productions, mega events, or concerts may submit applications on behalf of foreign workers. In such cases, the foreign workers are not required to register or log into the e-Work Permit system themselves. This exception is intended to accommodate large-scale, short-term projects involving multiple foreign personnel.

The electronic submission of urgent work permit applications offers greater efficiency, improves tracking, and reduces paperwork for time-sensitive assignments. However, employers should note that the substantive requirements of Section 61 remain unchanged. The 15-day work period is strictly enforced, and work exceeding this duration requires a standard work permit.

Employers should also ensure that the nature of the work genuinely qualifies as urgent or special, as misuse of Section 61 may attract regulatory scrutiny.

The DOE's update enhances flexibility and compliance for short-term foreign work in Thailand. Employers engaging foreign nationals for urgent assignments should take advantage of the new e-Work Permit process while ensuring strict adherence to eligibility criteria and duration limits.

REAL ESTATE & HOSPITALITY LAW

New Draft Laws on "Non-Hotel Accommodations" and "Hotels"

The Thai government is moving to modernize and regulate the short-term accommodation market, especially amid the continued rise of the sharing economy and Airbnb-style rentals.

1. Two Draft Bills Underway

- First draft law: Targets small, non-hotel accommodations (e.g. homestays, hostels, campervans, floating houses, tents).
    - Operators must register and obtain permission.
    - A trained caretaker is required, with standards on hygiene, fire safety, and building security.
    - Intended to raise standards but may increase compliance costs for small operators.
- Second draft law (Hotel Accommodation Bill): Modernizes the existing Hotel Act.
    - Classifies operators into three groups:
        - Small (≤8 rooms) – homestays, tents, long-term condo rentals
        - Medium (9–40 rooms) – includes condos rented daily or weekly
        - Large (>40 rooms) – must hold a full hotel license
    - Enables condominiums to legally rent out units short-term by simply registering, without needing a hotel license.

2. Policy Direction: From Ban to Regulation

Authorities recognize that banning Airbnb-type rentals is impractical, shifting instead to bring them under regulation and taxation to ensure fairness with hotels.

3. Implications for Condo Living

While legal short-term rental could unlock investment opportunities and new tax revenue, it raises privacy and safety concerns for residents who live long-term. Increased guest turnover could strain shared facilities and blur the line between "home" and "business."

4. Market Impact

If enacted, the laws could transform condominiums into investment assets for short-term leasing, prompting developers to design buildings specifically for investors. However, it may also intensify conflicts between residents and investors and reshape the Thai real-estate market permanently.

TAXATION

VAT-Exemption Regime for Data Center Operation under Royal Decree No. 759

Recently, the data-center industry has played an increasingly significant role in Thailand's economy and has attracted substantial foreign investment. The Thai Government issued a Royal Decree granting a value-added tax (VAT) exemption for data-center operations under Thai Revenue Code. This VAT exemption is provided in addition to the corporate income tax (CIT) incentives available under the Investment Promotion Act administered by the Board of Investment (BOI).

<u>Key Conditions</u>

To qualify for the VAT-exempt regime, the applicant must meet all of the following conditions:

1. Qualified Data-Center Services
   The business must provide server space and related equipment for the storage, processing, and transmission of electronic data via internet networks, or provide supporting services, including:
   a. Data-backup services to prevent disruptions or data loss;
   b. Network-connection services with internet service providers or cloud-service providers; or
   c. System-administration services and information-security management.
2. Thai Entity Requirement
   The company must be incorporated under Thai law.
3. VAT Registration The company must be registered for VAT purposes.
4. BOI or Other Eligible Promotion: The company must obtain a BOI Promotion Certificate for Data-Center Operations or be promoted under the law on enhancing national competitiveness for targeted industries, or other laws as specified by the Director-General.
5. Application Deadline
   The application for the VAT exemption must be submitted to the Director-General within five years from the date the Royal Decree came into effect.
   - Effective date: 9 November 2022 (B.E. 2565)
   - Deadline to apply: 9 November 2027 (B.E. 2570)

The Royal Decree aims to prescribe the rate of value-added tax applicable to server-space services provided to data-center operators, with the objective of promoting investment and strengthening the competitiveness of Thailand's data-center industry as a regional digital hub.

New Certification Requirements for Thailand's 150% Tax Deduction on STEM Employee Salaries

Since 2021, Thailand has introduced a series of policy measures aimed at enhancing national competitiveness by attracting and retaining highly skilled professionals, particularly in science, technology, engineering, and mathematics (STEM). These initiatives support

Thailand's transition toward a digital, innovation-driven economy by incentivizing investment in qualified human capital within designated target industries.

One of the key measures is the 150% tax deduction for salary expenses paid to qualified STEM employees, granted under Royal Decree No. 777. While the incentive remains available, recent regulatory developments have introduced additional compliance requirements that businesses must carefully address.

Under Royal Decree No. 777, companies operating in target industries are entitled to claim a 150% corporate income tax deduction on salary expenses paid to eligible STEM employees during the period 1 January 2023 to 31 December 2025. This effectively allows businesses to deduct an additional 50% of qualifying salary costs, subject to a cap of THB 100,000 per employee per month.

The incentive is intended to encourage investment in research, development, and technology-driven activities by reducing employment-related tax costs for companies engaging qualified STEM professionals.

As of 22 September 2025, the Thai Revenue Department has introduced a significant compliance update through the Notification of the Director-General on Income Tax No. 46.

Under the new rules, both the STEM employee and the relevant job position must be officially certified by either the Office of National Higher Education Science Research and Innovation Policy Council (NXPO), or the Digital Economy Promotion Agency (DEPA).

This certification requirement is designed to ensure that the tax incentive is granted only to genuinely qualified professionals performing roles that fall within approved STEM-related functions. The incentive itself remains unchanged, but eligibility is conditional upon obtaining and maintaining proper certification.

To successfully claim the deduction, companies must secure certification from the relevant authority and retain supporting documentation in accordance with the Revenue Department's audit standards. Employment contracts, job descriptions, payroll records, and certification documents must be consistent and readily available for inspection.

Failure to obtain or maintain proper certification may result in denial of the additional tax deduction, reassessment of tax liabilities, and potential administrative penalties during a tax audit.

Thailand's 150% tax deduction for STEM employee salaries remains a valuable incentive for companies investing in innovation and advanced human capital. However, the introduction of certification requirements significantly increases compliance complexity.

Businesses intending to claim the deduction should proactively review their employment structures, assess certification eligibility, and ensure alignment with NXPO or DEPA standards to mitigate tax risk and preserve the benefit.

Thailand Approves Draft Tax Incentives to Promote Visual Arts and Creative Economy

Thailand's Cabinet approved in principle two significant tax measures proposed by the Ministry of Finance aimed at promoting the visual arts and supporting local artists. These initiatives form part of the government's broader soft power strategy, seeking to strengthen

Thailand's cultural presence while stimulating the domestic creative economy.

Although the measures are currently at the draft legislation stage, they have already generated strong interest due to their potential to energise the art market, encourage private patronage, and improve the financial sustainability of artistic careers in Thailand.

First Measure: Personal Income Tax Deduction for Art Purchases

To encourage art appreciation and private investment in Thai art, the draft legislation introduces a personal income tax deduction of up to THB 100,000 per year for the purchase of eligible Thai artworks.

The incentive applies to artwork purchases made between 1 January 2025 and 31 December 2027, provided that the artworks are acquired directly from qualifying sources, namely:

- National Artists in the field of visual arts
- Silpathorn Award-winning artists
- Artists registered with the Office of Contemporary Art and Culture
- Companies, partnerships, juristic persons, foundations, or associations engaged in selling or auctioning artworks created by the above artists

To claim the deduction, a buyer must obtain a valid tax invoice or official receipt containing sufficient details of both the artwork and the artist. This documentation will be required by the Revenue Department when filing the annual tax return.

This measure is designed to stimulate demand in the domestic art market, provide artists with greater income opportunities, and reinforce the perception of Thai art as a valuable cultural and economic asset.

Second Measure: Increased Deductible Expenses for Artists

The second initiative focuses on improving tax treatment for artists themselves. From the 2025 tax year onwards, individuals earning income under Section 40(6) of the Revenue Code (income from professional services, including artistic work) will be entitled to deduct 60% of their income as expenses, an increase from the current 30%.

Notably, this enhanced deduction applies without restrictions on the type of artist and offers more equitable tax treatment across creative professions. The measure aims to reduce financial pressure on artists, support ongoing creative output, and encourage innovation within Thailand's cultural sector.

Thailand Updates VAT Return Form Effective 1 March 2026

The Revenue Department of Thailand has announced significant updates to the monthly VAT return form (PP.30) and its accompanying attachment, which will take effect from 1 March 2026. The amendment is designed to enhance accuracy, transparency, and administrative efficiency in VAT reporting, particularly for amended filings and refund processes.

These changes will affect all VAT-registered businesses required to submit monthly VAT returns and should be factored into compliance planning ahead of the effective date.

One of the most notable changes is the introduction of additional detailed fields for tax calculations in amended VAT returns. The amended PP.30 form includes separate input boxes for individual VAT amounts, allowing taxpayers to clearly specify adjusted figures for output tax, input tax, and resulting VAT payable or refundable.

This granular structure is intended to reduce calculation errors, facilitate internal reviews, and improve the Revenue Department's ability to verify amendments. While this change increases form complexity, it also provides greater clarity and traceability for amended filings.

To streamline VAT refunds, the Revenue Department has designated PromptPay as the primary refund mechanism. Taxpayers may link their PromptPay account directly to their tax identification number, enabling faster and more secure refund payments.

This shift reflects a broader policy move toward digital tax administration. However, businesses should ensure that their PromptPay registration details are accurate and properly linked in advance to avoid delays in receiving VAT refunds after the new system takes effect.

The updated PP.30 form introduces more detailed address disclosure requirements, including a newly added "intersection" field. This enhancement aims to improve taxpayer identification accuracy and reduce discrepancies in taxpayer records.

While the change may appear administrative, incorrect or incomplete address details which may lead to processing delays or follow-up inquiries from the Revenue Department.

The attachment accompanying PP.30 has been redesigned to support amended filings more effectively. The amended attachment requires clearer and more detailed breakdowns of input and output VAT, allowing both taxpayers and tax officers to better understand the basis of amendments.

This update signals increased scrutiny of amended VAT returns and underscores the importance of maintaining proper VAT documentation and reconciliation records.

Businesses should begin preparing for these changes well ahead of March 2026. Key action points include reviewing internal VAT reporting systems, updating tax compliance procedures, ensuring PromptPay accounts are correctly linked, and training accounting personnel on the revised form structure.

Particular attention should be given to amended VAT filings, as the enhanced disclosure requirements may increase the likelihood of audit or verification.

The amended PP.30 form represents a shift toward greater transparency and digital integration in Thailand's VAT compliance framework. Early preparation will be essential to ensure smooth compliance and minimize administrative risk once the new requirements take effect.

TELECOMMUNICATIONS

NBTC Approves Additional Frequencies for Wireless Microphones

The National Broadcasting and Telecommunications Commission (NBTC) has approved three draft announcements to expand the allocation of frequencies for wireless microphones, reinforcing Thailand's efforts to modernize its broadcasting and telecommunications framework. The drafts cover technical and safety standards for radio and digital communication equipment, including Digital Enhanced Cordless Telecommunications (DECT) technology, and introduce additional frequency bands—particularly those exceeding 200 kHz—to support Wireless Multichannel Audio Systems.

This regulatory move addresses growing frequency congestion caused by widespread wireless microphone use in conferences, education, entertainment, and broadcasting. Legally, it reflects the NBTC's mandate under the Telecommunications Business Act to manage spectrum resources efficiently, ensure fair public access, and uphold international technical and safety standards.

By enhancing spectrum efficiency and modernizing technical requirements, the NBTC strengthens Thailand's capacity to host large-scale events and international conferences. The initiative supports the country's policy to position itself as a global hub for events, concerts, and media production, offering modern, interference-free communication technology on par with international benchmarks.

TOURISM REGULATION

Thailand's "Tourist DigiPay" – Regulating Crypto Use in Tourism

Thailand's new *Tourist DigiPay* initiative, jointly developed by the SEC, the Bank of Thailand, and the AMLO, introduces a regulated system allowing foreign visitors to convert digital assets into Thai baht for spending. This marks a progressive yet controlled step in integrating cryptocurrency into the real economy while maintaining strict legal safeguards.

Legally, the scheme emphasizes compliance through *Know Your Customer (KYC)* and *Customer Due Diligence (CDD)* requirements, ensuring that all digital asset and e-money operators meet anti-money laundering (AML) and counter-terrorism financing (CTF) standards. Blockchain forensic tools will be used to monitor transactions and detect suspicious activity, reinforcing transparency and accountability.

Spending caps—set at 500,000 baht per month for merchant QR codes and 50,000 baht for small vendors—reflect prudent risk management, preventing misuse while supporting typical tourist spending. Moreover, restrictions on high-risk sectors such as gold shops, casinos, and entertainment venues further align with Thailand's AML regulations.

By operating within a regulatory sandbox, *Tourist DigiPay* allows authorities to test innovation under close supervision, balancing digital progress with legal integrity. This initiative positions Thailand as a leader in compliant crypto adoption and promoting tourism while strengthening financial oversight and investor confidence.

Thailand Tightens Visa Exemption Rules to Curb Abuse and Attract Quality Visitors

Effective from 14 November 2025, the Thai government will implement significant and long-term changes to its visa exemption policies. The revised framework is designed to attract so-called "quality visitors"—including highly skilled professionals, genuine retirees, and high-spending tourists—while strengthening enforcement against crime and the misuse of tourist visa exemptions by individuals residing in Thailand unlawfully.

These changes mark a clear policy shift away from tolerance of repeated short-term entries and toward stricter immigration compliance.

Stricter Limits on Visa-Exempt Entries

The new policy directly impacts travellers who previously relied on frequent exit-and-re-entry practices under the visa exemption scheme.

Air arrivals:

Recent guidance indicates that visa-exempt entry by air will be limited to two (2) entries per calendar year. Depending on nationality, eligible travellers may still receive a stay of 30, 60, or 90 days per entry, but repeated arrivals will be closely scrutinised.

Land border crossings:

Entry via land borders—such as from Myanmar, Laos, or Malaysia—will be subject to even tighter controls. Travellers are generally permitted no more than two (2) land-border entries per year, often with a 15-day stay granted. Same-day exit and re-entry are considered high-risk behaviour and may result in refusal of entry.

Enhanced documentation requirements:

Immigration officers are required to verify that entrants are genuine tourists. Travellers must be prepared to present:

- An onward or return flight ticket,
- Proof of sufficient financial means for the intended stay, and
- Confirmation of hotel or alternative accommodation bookings.

Failure to provide adequate documentation may lead to denial of entry, even where visa exemption would otherwise apply.

With these changes, long-term stays in Thailand through repeated visa exemptions are no longer viable. Foreign nationals intending to enter Thailand more than twice per year should apply for a visa that accurately reflects the purpose of their stay via the Thai e-Visa official website (www.thaievisa.go.th) prior to travel.

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