



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.

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

