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Legal Insight Vol. January 2026

AUTOMATIVE REGULATION

Excise Department Announcement on Characteristics of vehicles, requiring minimum ADAS installation for excise rate reduction

The Excise Department has introduced minimum Advanced Driver-Assistance System (ADAS) requirements as a mandatory condition for excise rate reduction, formally linking vehicle safety standards with tax incentives. The requirements apply across multiple vehicles categories, with differing thresholds depending on vehicle type.

For double-cab pickup trucks, excise rate reduction is available if at least one ADAS feature is installed, while passenger cars, vans, and passenger vehicles with seating capacity not exceeding ten persons must be equipped with at least two ADAS features from the prescribed list. In all cases, ADAS must be factory-installed or standard equipment, fully operational prior to tax declaration, and declared through the ECO Sticker system with supporting technical documentation.

Importantly, ADAS compliance alone is insufficient. Taxpayers must also submit complete and accurate documentation on carbon dioxide (CO_2) emissions and energy consumption as part of the excise tax assessment process. Failure to meet either the ADAS installation requirements or the CO_2 documentation obligations results in ineligibility for excise rate reduction and may lead to reassessment at the standard or higher excise rate. Overall, the regime underscores a compliance-driven approach, requiring concurrent satisfaction of safety and environmental criteria to obtain excise tax incentives.

Excise Department Announcement on Hybrid Electric Vehicle (HEV) and Mild Hybrid Electric Vehicle (MHEV)

The Excise Department's Notification dated 30 December 2025 establishes detailed eligibility criteria for excise rate reductions for Hybrid Electric Vehicles (HEV) and Mild Hybrid Electric Vehicles (MHEV), effective as a policy measure to align tax incentives with safety, environmental, and domestic manufacturing objectives.

For both HEV and MHEV passenger vehicles (not exceeding ten seats), excise benefits are conditional on meeting prescribed technical specifications, mandatory installation of at least two Advanced Driver-Assistance Systems (ADAS), compliance with carbon dioxide emission and energy efficiency standards, and successful ECO Sticker registration. The Notification clearly differentiate HEVs, which can use electric propulsion independently, from MHEVs, where the electric system only assists the internal combustion engine.

A critical legal requirement under both regimes is domestic manufacturing. Vehicles must be manufactured or assembled in Thailand, with specific high-value or medium-value components—particularly electric drivetrain, battery, or engine-related parts—subject to local production, investment thresholds, and phased timelines. Failure to satisfy any technical, safety, local content, or emissions condition results in loss of excise rate reduction and exposes manufacturers or importers to tax reassessment and penalties.

Overall, the Notification signals a stricter, compliance-driven incentive framework, making excise benefits enforceable and conditional, and reinforcing Thailand's broader policy goals on automotive safety, environmental performance, and industrial localization.

CANNABIS REGULATION

Tighter Oversight and Medical Focus on Cannabis

The Ministry of Public Health is advancing a new draft ministerial regulation aimed at strengthening regulatory oversight of cannabis in Thailand, with an emphasis on medical use and consumer protection amid a significant decline in commercial cannabis outlets.

The draft regulation, titled "Ministerial Regulation on Permits for Research, Export, Sale, or Processing of Controlled Herbs for Commercial Purposes," has received Cabinet approval and is currently under review by the Office of the Council of State prior to final enactment. Once effective, it will replace the 2016 ministerial regulation, which is considered inadequate for the current regulatory landscape.

The draft introduces targeted controls on the commercial export, sale, and processing of cannabis to safeguard public health and mitigate community impact. Key requirements include:

- Restricted sales venues: Commercial sales will be limited to medical facilities (with physician prescriptions and supervised dispensing), the pharmacies, herbal product outlets, and licensed traditional Thai medicine practitioner premises.
- Staffing requirements: At least one employee certified by the Department of Traditional and Alternative Medicine must be present during operating hours.
- Operational standards: Businesses must implement effective odor and smoke control systems, operate from legally owned or possessed premises, and maintain dedicated storage areas with controlled temperature and humidity, proper separation, and no direct floor contact.
- Transitional provisions: Existing licences remain valid until expiry; however, all renewals, new applications, and pending applications must comply with the new standards.

The Ministry of Public Health has confirmed that there are sufficient qualified medical professionals nationwide to support this framework and has assured continued access to cannabis for patients through hospital-based prescriptions.

Businesses operating in or entering the cannabis sector should closely monitor the finalisation of this regulation and assess compliance readiness in anticipation of its implementation.

CORPORATE

New Order Requires Three-Month Bank Statements for Incorporation of Partnerships and Limited Companies

The Central Partnership and Company Registration Office of the Department of Business Development has issued Order No. 2/2568 ("Order") on 1 December 2025 and will come into force on 1 January 2026. The Order prescribes rules and supporting documents for the incorporation of partnerships and limited companies involving foreign shareholders or foreign authorized signatories, and imposes more stringent documentation requirements for incorporation of partnerships and limited companies.

The Order applies to partnerships and limited companies where (a) foreign shareholders hold less than 50 percent of the registered capital, or (b) foreigners are appointed as authorized signatories. Partnerships and limited companies are required to submit bank statements of Thai shareholders for the three months prior to the share subscription payment date, which must clearly reflect a withdrawal or transfer corresponding exactly to the amount and date of the share payment.

Stricter Verification of Registered Head Office Addresses

Effective from 1 January 2026, the Department of Business Development (DBD) has implemented enhanced verification requirements for the registration and amendment of head office addresses of partnerships and limited companies.

Under the new framework, registrars are required to apply stricter verification procedures when reviewing applications relating to registered head office addresses, whether at incorporation or upon an address change. Registrars must verify submitted address details—such as house number, building, and location—against Thailand's national civil registration database.

Where an address cannot be verified or inconsistencies are identified, the registrar may delay or refuse the registration or amendment. Although the order is narrowly focused on address registration, it forms part of broader regulatory efforts to address risks associated with:

- Unauthorised use of third-party property;
- High-volume registrations at serviced or virtual offices;
- Nominee or proxy arrangements; and
- Corporate structures used to obscure beneficial ownership or facilitate unlawful activity.

Enhanced Scrutiny for Shared Addresses

The order also introduces heightened scrutiny for shared or high-density addresses. Where a single address is already registered as the head office of five or more partnerships or companies, registrars may require additional supporting documents, including:

- A letter of consent from the property owner or lawful occupier; and
- Evidence of the right to use the premises, such as ownership documents or lease agreements.

The rules do not prohibit multiple entities from using the same address, but seek to ensure that such use is legitimate, transparent, and properly authorised.

Practical Implications for Businesses

- Founders should ensure that registered office details are fully verifiable and consistent with civil registration records to avoid delay.

- Companies changing addresses should allow additional preparation time, particularly when relocating to shared premises.
- Serviced and virtual office providers should expect increased requests for consent letters and may need to standardise internal processes.
- Foreign investors using shared premises should anticipate increased scrutiny, reflecting Thailand's alignment with international transparency and AML standards.

These changes reinforce the integrity of Thailand's corporate registry by strengthening verification at an early stage of a company's legal existence. Careful planning and proper documentation will be essential to ensure smooth registrations and address amendments from 1 January 2026 onwards.

ENERGY & NATURAL RESOURCES

Proposed Amendments to Thailand's Petroleum Act Aim to Prevent Production Gaps and Energy Cost Volatility

The Department of Mineral Fuels (DMF) has completed draft amendments to the Petroleum Act intended to ensure continuity of petroleum production when licences expire. The proposed changes seek to prevent production gaps that have previously forced Thailand to rely on costly liquefied natural gas (LNG) imports, contributing to higher electricity prices.

Delays in renewing petroleum production licences reduce domestic gas supply and increase dependence on imported LNG for power generation. This, in turn, raises electricity production costs and places financial pressure on state agencies and consumers.

Although the draft amendments are complete, implementation must await the formation of a new elected government, as caretaker governments are prohibited from approving measures that bind the future government.

Under the current Petroleum Act framework, production licences may be renewed only once for a 10-year term, with no second renewal. This approach was introduced following political controversy over licence renewals without bidding, which led to the introduction of competitive bidding requirements and obligations for operators to bear decommissioning costs.

However, the restriction on further renewals has resulted in delays in petroleum production, particularly at major gas fields in the Gulf of Thailand, increasing reliance on LNG imports.

The expiration of licences at the Bongkot and Erawan gas fields coincided with a sharp rise in global oil and gas prices in 2022 following the Russia–Ukraine conflict. LNG prices surged, prompting the government to require the Electricity Generating Authority of Thailand (EGAT) and PTT Plc to subsidise electricity prices at significant cost. While this mitigated short-term impacts on consumers, it created long-term financial burdens that were later passed back to electricity users.

If enacted, the proposed amendments could provide greater regulatory flexibility in licence renewals, reduce production disruptions, and enhance Thailand's energy security. Energy operators and investors should monitor developments closely, as the amendments may materially affect licence renewal strategies and long-term investment planning in the petroleum sector.

FINANCIAL REGULATION

Bank of Thailand Tightens Documentary Requirements for Large Foreign Currency Transactions

Effective from 29 December 2025, the Bank of Thailand (BOT) has instructed financial institutions to apply stricter documentary verification when purchasing, accepting, or depositing foreign currency received from overseas with a value of USD 200,000 or more (or equivalent). The measure aims to ensure transactions are genuine, properly documented, and consistent with their stated purpose, amid recent volatility in the Thai baht driven by significant cross-border currency flows.

For spot foreign currency transactions (excluding gold and foreign banknotes) of USD 200,000 or more, banks must obtain supporting documents for each transaction on the trade date or no later than the settlement date.

An exception applies to customers with an established transaction history and ongoing KYC/CDD processes, where banks may rely on Know Your Business (KYB) procedures. However, KYB cannot be relied upon where the transaction purpose involves:

- Investment in Thai real estate;
- Digital asset transactions;
- Other capital-related purposes (e.g. loans, lending, derivatives, or non-group investments); or
- Any purpose outside goods, services, income, transfers, donations, investments, banknotes, or deposits.

For digital asset transactions, banks must additionally obtain documents evidencing the source of the digital assets or the source of funds used to acquire them.

For gold-related transactions, banks must obtain documentation proving that the customer sold gold overseas for every transaction. Where transactions occur outside normal business hours, documents may be submitted on the next business day, while billing documents and customs declarations must be provided within two business days after settlement.

For foreign banknotes of USD 15,000 or more, banks must obtain evidence that the currency was physically brought into Thailand.

Forward foreign exchange transactions remain subject to existing foreign exchange control rules. However, where the transaction falls within the high-risk categories noted above, banks must obtain full supporting documentation and may not rely on KYB procedures.

When resident customers deposit foreign currency received from overseas into foreign currency deposit accounts, banks must apply the same verification and documentation standards as those applicable to spot foreign currency purchase transactions, depending on the transaction's nature and amount.

New Bank of Thailand Reporting Requirements for Large Gold Traders

On 26 January 2026, the Notification of the Exchange Control Officer, prescribing rules and conditions governing the purchase and sale of gold, both domestically and internationally.

Buyers or sellers of gold who import or export gold, whose average total value of domestic gold trading over the preceding five calendar years equals or exceeds THB 10 billion per annum, or an equivalent amount calculated based on prevailing market exchange rates, shall be subject to the following requirements:

1. Reports on information relating to gold trading transactions shall be submitted in accordance with the forms, procedures, and timelines prescribed by the competent officers, as published on the Bank of

Thailand's website or through the Bank of Thailand's electronic systems, unless otherwise prescribed by the competent officers

2. Ensure that such reporting is accurate and complete and retain the relevant data and support documents relating to gold trading transactions for a period of not less than three (3) years, in order to enable inspection by the competent officers upon request.

This Notification shall take effect from 27 January 2026.

INTELLECTUAL PROPERTY

Reclassification of Goods and Services under Nice Classification of Goods and Services

Effective on 1 January 2026, The Department of Intellectual Property ("DIP") of Thailand has updated the classification of goods and services in line with the Nice Classification of Goods and Services (13th Edition), pursuant to the Notification of the Minister of Commerce dated 14 November 2025.

Key Reclassifications

Under the new Notification, several categories of goods have been reclassified, including:

- Eyeglasses and lenses: reclassified from Class 9 to Class 10
- Rescue vehicles: reclassified from Class 9 to Class 12
- Electrically heated clothing: reclassified from Class 11 to Class 25

In addition, the DIP has introduced other minors but significant reclassifications affecting specific goods.

The updated classification applies only to trade mark applications filed or designated on or after 1 January 2026. Applications filed before this date are not affected.

The DIP has also announced a grace period until 31 January 2026, during which applications may retain the original class as filed. However, applicants may be required to submit a written response if objections are raised under the new Notification.

Applicants are advised to carefully review goods and services classifications and consult with local trade mark agents prior to filing to ensure compliance with the updated rules. Incorrect classification may result in objections or delays in the registration process.

We will continue to monitor developments and review trade mark filings to ensure proper classification under the new Notification, helping to minimise objections related to specifications of goods or services.

INTERNATIONAL TRADE

Thai Customs to Tighten Local Content Rules in Free Zones and Increase Enforcement Measures

The Customs Department of Thailand is preparing to tighten local content criteria for goods produced in free zones, aiming to prevent the misuse of Thai origin privileges, particularly for exports to the United States.

Speaking at a seminar on enhancing import and export standards, the Director-General of the Customs Department highlighted growing concerns that certain operators are falsely claiming Thai origin by exploiting loopholes in existing free zone rules.

Tightening of Local Content Criteria

Under current rules, goods are deemed to originate in Thailand if they contain at least 40% domestic raw materials and labour. However, Customs has identified practices where imported goods—particularly from China—are temporarily stored in free zones, sold domestically with added profit, and then re-exported while claiming Thai origin.

According to the Customs Department, such practices provide no real economic benefit to Thailand and expose the country to trade and compliance risks.

To address this, the Customs Department is drafting a Ministry of Finance's notification to amend the local content calculation for free zones. Key proposed changes include:

- Calculating local content strictly based on domestic raw materials and labour; and
- Excluding profits from domestic sales and other artificial value additions from the local content calculation.

The Customs Department also plans to increase penalties for illegal goods, including products lacking required licences or falsely claiming origin.

Currently, some illegal goods—such as e-cigarettes—are subject to minimal or no fines, resulting in enforcement costs being borne by the authorities. To strengthen deterrence, the Customs Department plans to impose monetary penalties even where goods are confiscated.

Notably, penalties will be calculated on a per-unit, per-product basis, rather than by reference to the declared value of goods and to reduce risks of undervaluation.

The Customs Department has also reported increased duty collection following new rules on low-value imported goods, collecting approximately THB 300 million in import duties within the first 20 days, excluding VAT. Full-year revenue is projected at THB 3.6–4 billion, exceeding earlier estimates.

In addition, the Customs Department is considering raising import duties on low-value parcels, which currently exceed 200 million items per year, to promote fair competition between domestic and overseas operators.

INVESTMENT PROMOTION

Revision of EV3 and EV3.5 Incentive Measures (Thailand)

The AmendedEV3 and EV3.5 incentive schemes, approved on 25 November 2025 and implemented by the BOI, reflect Thailand's effort to balance electric vehicle market growth with fiscal discipline and its long-term ambition to become a regional EV manufacturing and export hub. The amendments introduce greater flexibility in registration timelines while tightening the conditionality of incentive benefits.

Key changes include extended registration deadlines for domestically produced EVs, conditional subsidy payments linked to production and localization milestones, and mechanisms allowing production compensation across EV3 and EV3.5 projects. Temporary relief for imported battery cells is extended to mid-2026, subject to reduced localization thresholds and mandatory localization plans. The Amendments also refine export treatment and provide an exit option for participants who have not received subsidies, subject to repayment of excise tax benefits.

From a legal perspective, the amended schemes signal a shift toward stricter enforcement and monitoring of incentive conditions. Incentives are no longer automatic but contingent on measurable compliance, thereby mitigating oversupply risks while reinforcing Thailand's broader EV industrial and export policy.

PAYMENT SYSTEMS

Thai SEC Advances Regulatory Framework for Crypto ETFs, Futures, and Tokenised Investments

The Securities and Exchange Commission (SEC) is preparing to introduce a new set of regulations in early 2026 to support the rapid growth of digital asset investments in Thailand. The initiative reflects Thailand's efforts to align its capital market framework with global trends as digital assets gain wider institutional and retail acceptance.

The SEC plans to issue formal guidelines to support the establishment of crypto exchange-traded funds (ETFs) in Thailand and to enable crypto futures trading on the Thailand Futures Exchange (TFEX). Crypto ETFs are viewed as particularly attractive, as they allow investors to gain exposure to digital assets without managing digital wallets or private keys, thereby reducing operational and cybersecurity risks.

In parallel, the SEC is expanding the scope of tokenised investment products, moving beyond existing investment tokens to include bond tokens and tokenised fund units. Thailand's first green token is also expected to be launched to support ESG-linked and sustainable finance initiatives. Issuers of bond tokens will be encouraged to participate in the SEC's regulatory sandbox.

To support secondary market development, the SEC is working with the Stock Exchange of Thailand (SET) to enable spot trading of carbon credits, further integrating digital innovation with sustainability objectives. For crypto ETFs, the SEC is considering the introduction of market makers to ensure sufficient liquidity, potentially including digital asset exchanges, financial institutions, and entities holding cryptocurrencies.

The SEC is also moving towards formal recognition of digital assets as an underlying asset class under the Derivatives Act, paving the way for crypto futures trading on TFEX under the Futures Trading Act. The regulator has emphasised that crypto should be treated as another asset class, rather than purely a speculative instrument, with appropriate portfolio allocation and risk management.

Alongside product innovation, the SEC plans to tighten oversight of financial influencers, distinguishing clearly between factual information sharing and licensed investment advice. Any recommendation relating to securities or investment returns will require proper authorisation.

The SEC is also collaborating with the Bank of Thailand on a sandbox for tokenisation and distributed ledger technology. Enforcement remains a priority, with digital asset operators suspending 47,692 mule accounts in 2025, reflecting heightened regulatory scrutiny.

The Merchant Fraud Management (MFM) Regulatory in Thailand's Electronic Payment Ecosystem

Electronic payments for goods and services in Thailand have grown rapidly, with transaction volumes increasing continuously. In this ecosystem, regulated payment service providers—particularly those enabling merchants to accept electronic payments—play a central operational role (e.g., card acquiring via EDC terminals, QR Code acceptance, and online direct debit).

The Bank of Thailand (BOT) identifies that insufficient "Know Your Merchant" (KYM) practices and weak merchant risk governance can generate systemic harm, especially as digital fraud techniques diversify. The risks include:

1. Unauthorized payment fraud (fraudsters transact by impersonating the customer), and
2. Authorized payment fraud (victims are deceived into initiating payment themselves), as well as merchant-side abuses such as fake merchants (no real goods/services), and sales of copyright-infringing goods.

The BOT issues the MFM requirements relying on its supervisory authority over regulated payment services.

The announcement applies to regulated providers offering electronic payment acceptance and related services, including: Electronic payment acceptance service providers, covering:

1. Acquirers,
2. Payment facilitators, and
3. Payee/collection service providers, and
4. e-Money service providers.

The framework is designed to cover both: (1) merchants with direct contractual relationships with the provider, and (2) merchants participating through connectivity structures, including master merchant / sub-merchant arrangements.

The framework is structured around (i) governance and policy design, (ii) implementation actions, and (iii) response and ecosystem coordination.

1. Policy and risk management framework
2. Actions: risk assessment, KYM onboarding, and ongoing monitoring
3. Response: incident reporting, fairness, and remediation
4. Information exchange and ecosystem coordination
5. Awareness raising
6. Reporting to the BOT and disclosure of sanctions
7. Data protection and recordkeeping

After the announcement takes effect, if a provider cannot fully comply with the policy-and-framework requirements under the governance section, it must complete implementation within 180 days from the effective date, without applying for a waiver, and promptly notify the BOT once compliant (in writing or electronically). For existing merchants onboarded before the effective date, providers must review and implement required actions within an appropriate timeframe based on each merchant's risk level.

PROPERTY & LAND LAW

Thailand's 2027–2030 Land Appraisal Prices: Moderate Increases Expected Despite Transit Expansion

The Treasury Department is preparing a new round of land and building appraisal prices for 2027–2030, which will take effect on 1 January 2027, replacing the current appraisal used since 2023. The amended prices are expected to be finalised by 1 December 2026 and will continue to serve as the tax base for land and building tax assessments nationwide.

Land prices along mass transit lines in Bangkok and surrounding areas are expected to increase by no more than 10% on average, reflecting ongoing economic slowdown despite improved accessibility from expanded rail networks. Appraisals are conducted every four years and take into account economic conditions, infrastructure development, environmental factors, and actual transaction prices in each locality.

The Treasury Department has also indicated an intention to narrow the gap between appraisal prices and market prices. Under the current framework, appraisal values are estimated to be 30–40% below market prices. For the upcoming appraisal cycle, the department aims to reduce this discrepancy to no more than 20%, with adjustments implemented gradually to mitigate sudden tax burdens on property owners.

Under existing appraisal prices, the highest land value in Bangkok is Wireless Road at THB 1 million per square wah, while the lowest is in Bang Khunthian district at THB 500 per square wah. Provincially, the highest valuation is on Prachathipat Road, Songkhla (THB 400,000 per square wah), and the lowest is in Omkoi district, Chiang Mai (THB 25 per square wah).

Property owners, developers, and investors should anticipate gradual increases in land and building tax exposure beginning in 2027, particularly in transit-oriented areas. Early review of asset portfolios and tax planning strategies may help manage the impact of higher appraisal values, especially where market prices significantly exceed current Treasury valuations.

The Land Department is preparing to amend the Land Code of Thailand

On 23 December 2025, the Land Department published the first draft of the Bill amending the Land Code (No. …) B.E. … (the "Draft") on its website for the purpose of conducting a first public hearing among relevant stakeholders. The public consultation period runs from 25 December 2025 to 24 March 2026.

The Draft proposes several material amendments to the Land Code, addressing the following key issues:

1. **Reducing encroachment on state land and promoting sustainable growth** — by allocating sufficient land for housing and livelihoods to the public, tailored to the differing needs of each locality and administered by provincial governors;

2. **Strengthening anti-corruption measures** — through the abolition of land reservation certificates and land possession notifications (Sor.Kor.1), which have been susceptible to misuse in the unlawful issuance of land rights documents;

3. **Expanding access to land rights** — by introducing additional channels allowing individuals who have occupied and utilized land after the Land Code came into force, but lack documentary evidence of land rights, to apply for land title deeds at the local Land Office where the land is situated;

4. **Modernizing land administration** — by mandating the adoption of electronic land title deeds;

5. **Safeguarding legal certainty of land ownership** — by preventing the arbitrary revocation of ownership rights in respect of accreted land along riverbanks; and

6. **Reducing land boundary disputes before the courts** — by empowering land officials to resolve boundary disputes in cases where both the disputed land plot and the adjoining plot have been surveyed using a real-time satellite-based positioning network.

Stakeholders are invited to submit comments during the public consultation period. We will continue to monitor developments and provide updates as the Draft progresses through the legislative process.

SUCCESSION LAW

New Ministerial Regulation on Wills and Inheritance Procedures in Thailand

In January 2026, Thailand introduced a new ministerial regulation governing the preparation, registration, and administration of wills and inheritance-related documents at district offices (Amphur). The regulation, published in the Royal Thai Government Gazette, is in force nationwide and standardises administrative practices that had previously been applied inconsistently across districts.

While the regulation does not amend the substantive inheritance rules under the Civil and Commercial Code, it has important practical implications for both Thai and foreign individuals who rely on administrative wills, inheritance declarations, or related procedures.

The regulation establishes a uniform framework governing how district officers and district directors in Bangkok process wills and inheritance-related declarations. It formalises official authority and standardises procedures across the country, with a focus on improving evidentiary reliability and reducing disputes.

In particular, the regulation:

- Standardises procedures for disinheritance, revocation of disinheritance, and renunciation of inheritance; and
- Emphasises verification of identity, legal capacity, and free intent, granting officials authority to suspend or refuse proceedings where capacity or voluntariness is in doubt.

Recognised Forms of Wills

The regulation expressly recognises and regulates the following instruments that may be processed through district offices:

- Administrative wills made before a district officer and witnesses
- Secret or sealed wills deposited with district offices for safekeeping
- Wills by persons with communication limitations, subject to enhanced witnessing requirements
- Oral wills, permitted only in exceptional or emergency circumstances

Each category is subject to prescribed procedures, official forms, and record-keeping requirements. All submissions must be registered, assigned official reference numbers, and properly sealed. Non-compliance may affect the administrative validity of the process.

Although the regulation applies at the administrative level, it has direct implications for court-supervised probate proceedings. Administrative wills registered at district offices are commonly relied upon as key evidence during probate, particularly in cases involving foreign nationals, cross-border heirs, or assets in multiple jurisdictions.

Where no will exists, succession is governed by Thailand's intestacy rules, requiring court appointment of an estate administrator and submission of supporting documentation, often involving translations and legalisation.

Clearly and procedurally compliant documentation generally results in faster and more efficient probate, while deficiencies increase the risk of delays and disputes.

The regulation enhances procedural certainty but raises compliance expectations for individuals relying on administrative processes. Individuals with assets in Thailand—especially foreign nationals and cross-border families—should note that:

- Administrative wills will be subject to more consistent scrutiny nationwide;
- Capacity and intent assessments are likely to be more formalised; and
- Advance preparation and documentation are increasingly critical.

TAXATION

E-Payment Tax Administration in the Digital Economy

The e-Payment tax is a legal mechanism that requires financial institutions, electronic payment service providers (e-Wallets), and payment gateways to report information relating to account holders whose deposit or incoming transfer transactions meet the thresholds prescribed by the Revenue Department. Such information is used as supporting data for the examination of income tax compliance. The principal objective of this legislation is to enhance the efficiency of tax collection in line with economic activities conducted through digital payment systems.

Under the e-Payment regime, financial institutions are responsible for submitting relevant account information to the Revenue Department when transaction activities fall within the prescribed criteria. Account holders are not required to prepare or submit documents to the Revenue Department in advance.

However, where an account is reported under the e-Payment rules, the Revenue Department may request additional documentation or clarification from the account holder to verify the accuracy of income tax reporting. Such requests are made pursuant to the general powers of assessment officers under the Revenue Code.

Financial institutions are required to submit account information to the Revenue Department when **either one** of the following conditions is satisfied:

(1) <u>More than 3,000 deposits or incoming transfer transactions per year</u>

Where an account records more than 3,000 deposit or incoming transfer transactions within a calendar year, the financial institution must report the account information to the Revenue Department for income tax review purposes.

(2) <u>More than 400 deposit or incoming transfer transactions per year with an aggregate amount exceeding THB 2 million</u>

This condition applies only where **both** thresholds are met:

(i) the number of deposit or incoming transfer transactions exceeds 400 times per year; and
(ii) the total transaction amount exceeds THB 2 million per year.

Furthermore, transaction counts are calculated on an aggregated basis across all accounts held with the same financial institution. For example, if Mr. A holds three accounts with one bank, recording 2,000, 1,000, and 2,000 incoming transfers respectively, the total number of transactions amounts to 5,000 per year. As such, Mr. A’s accounts collectively fall within the reporting threshold.

Regulatory and Tax Treatment of the Gold Business in Thailand

Unlike the capital market, which is subject to direct supervision by the Securities and Exchange Commission, or the banking sector, which is regulated by the Bank of Thailand, the gold business in Thailand does not fall under a single, dedicated regulatory authority. Nevertheless, this does not imply regulatory absence. On the contrary, gold trading businesses are required to comply with a fragmented but comprehensive legal framework enforced by multiple state agencies, including the Revenue Department, the Department of Business Development, and the Anti-Money Laundering Office, as well as sectoral rules and ethical standards imposed by the Gold Traders Association.

From a legal standpoint, the primary regulatory exposure of gold businesses arises under tax law, exchange control law, business registration law, and anti-money laundering legislation. Under the

Revenue Code, a gold shop with annual turnover exceeding THB 1.8 million is legally required to register for value added tax (VAT). Although gold bullion is generally eligible for VAT exemption, such exemption is not automatic. Traders dealing in gold bullion with a purity of 96.5 percent or higher must formally apply for VAT exemption by filing Por.Por.01.3 with the Revenue Department. Failure to comply with these procedural requirements may result in the loss of exemption rights and exposure to tax assessments and penalties.

In addition, where a gold business engages in ancillary financial activities—such as pawnbroking or money lending—it becomes subject to the Specific Business Tax regime. In such cases, interest income derived from these activities is taxable at a rate of 2.75 percent, reflecting the legal classification of such operations as financial services rather than mere commodity trading.

Beyond existing tax obligations, recent policy developments indicate a potential expansion of the tax base through the introduction of a Special Business Tax on gold trading, particularly transactions conducted via online platforms. Acting upon policy direction from the Ministry of Finance and the Bank of Thailand, the Revenue Department has been tasked with examining the legal feasibility and collection mechanisms for such tax. Current proposals suggest that the tax rate would not exceed three percent of the transaction value. Importantly, as a matter of law, no such "gold tax" has yet been enacted or enforced. Any future implementation remains contingent upon the issuance of subordinate legislation and the completion of a mandatory transaction-reporting system.

From an exchange control perspective, regulatory scrutiny has intensified significantly. In late 2025, the Bank of Thailand exercised its authority under exchange control law by issuing a notification prescribing rules and procedures governing gold trading transactions. Effective from 1 March 2026, domestic online gold transactions settled in Thai baht are subject to statutory thresholds. Transactions not exceeding THB 50 million per day per person per platform may proceed without prior approval. Transactions exceeding this threshold, however, require prior authorization from a competent official, supported by prescribed documentation, with discretionary power vested in the authority to request additional evidence. Where settlement is made in foreign currency, a formal waiver must be obtained in advance.

Thailand's New Subordinate Legislation Implementing the OECD Global Minimum Tax

In 2024, Thailand enacted the Emergency Decree on Additional Tax B.E. 2567 (2024) to implement the OECD Global Minimum Tax under the Global Anti-Base Erosion (GloBE) framework. To give effect to the Emergency Decree, the Cabinet has approved in principle four items of subordinate legislation addressing (i) the scope of in-scope multinational enterprise (MNE) groups, (ii) the exclusion of certain entities from constituent entity status, (iii) the allocation of residual top-up tax within Thailand, and (iv) detailed adjustments to income, expenses, and covered taxes for GloBE purposes.

In the case of business combinations, a merged group is deemed to meet the threshold where the aggregate consolidated revenue of the ultimate parent entities of the merging groups equals or exceeds EUR 750 million (or its Thai Baht equivalent) in at least one of the four accounting periods preceding the merger. Similar treatment applies where a standalone entity merges with an MNE group, based on the combined or consolidated revenue in the accounting period prior to the merger. For demergers, a newly formed group is subject to the Additional Tax if the revenue threshold is met in the first post-demerger period, or, in the second to fourth periods, in at least two accounting periods since the demerger year.

A separate Draft Royal Decree clarifies entities excluded from the definition of "constituent entity." Exclusions apply to certain holding or investment entities of the Emergency Decree (excluding pension service entities) where ownership thresholds of 95 percent or 85 percent are met, and where activities or income consist almost entirely of asset holding, investment, or excluded dividends and capital gains.

The Draft Ministerial Regulation on the Allocation of Residual Additional Tax prescribes a formula for allocating residual top-up tax to Thai constituent entities of the same MNE group where none reports accounting profit. Allocation is based equally on (i) the proportion of employees in Thailand, calculated on a full-time equivalent basis, and (ii) the proportion of tangible assets located in Thailand. Detailed rules govern the treatment of employees, independent contractors, permanent establishments, and the measurement of tangible assets based on average net book value, excluding cash and financial assets.

Finally, the Draft Ministerial Regulation on Adjustments to Income, Expenses, and Covered Taxes establishes comprehensive rules on Adjusted GloBE Income, Adjusted Covered Taxes (including deferred tax adjustments), restructuring and flow-through entities, distribution tax systems, investment entities, prior-period adjustments, transitional rules, and the Domestic Minimum Top-up Tax (DMTT). These provisions are expressly aligned with the OECD Model GloBE Rules, Commentary, and Administrative Guidance.

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