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BANKING & FINANCE

Bank of Thailand Proposes Stricter Oversight of Large Cash Transactions

The Bank of Thailand (BOT) has recently initiated a public hearing on proposed measures aimed at strengthening oversight of large cash transactions conducted through financial institutions. The proposed framework would require banks and specialised financial institutions to implement stricter due diligence procedures, including ensuring that customers are physically present or have undergone proper identity verification before conducting cash transactions. The initiative reflects the regulator's ongoing efforts to curb suspicious financial activities and enhance the integrity of Thailand's financial system.

Under the proposed rules, financial institutions would be required to strengthen their risk management frameworks by closely monitoring and detecting abnormal cash transaction patterns. This includes assessing transaction frequency, transaction value thresholds, and customer risk profiles. Where unusual cash movements are identified—particularly those inconsistent with a customer's normal financial behaviour or lacking a clear economic rationale—financial institutions would be required to conduct enhanced monitoring and risk-based assessments. In cases where enhanced due diligence cannot be satisfactorily completed, the institution may be required to reject the transaction.

The proposal arises from concerns that cash transactions are inherently difficult to trace, potentially allowing them to be used as channels for criminal activities or illicit financial flows. The BOT has also reported instances of unusually large cash withdrawals, including transactions exceeding THB 250 million, some involving requests for specific banknote denominations. Such transactions have been flagged and reported to relevant authorities for further investigation.

From a regulatory perspective, the proposed measures signal increased scrutiny over financial flows and may require banks to enhance their compliance and internal control systems. The initiative also aligns with Thailand's broader legal framework addressing anti-money laundering and financial crime, particularly obligations imposed on financial institutions under applicable AML regulations to conduct customer due diligence and report suspicious transactions. If implemented, the measures may result in stricter verification procedures for customers and greater compliance responsibilities for financial institutions operating in Thailand.

COMPETITION

Thailand Issues New Trade Competition Guidelines for E-commerce Platforms

The Trade Competition Commission of Thailand (TCCT) has issued new guidelines under the Trade Competition Act aimed at curbing unfair trade practices and preventing monopolistic behaviour in multi-sided platform businesses, particularly in the e-commerce sector. The guidelines, expected to be published in the Royal Gazette in March 2026, are intended to strengthen regulatory oversight of digital platforms and promote fair competition between online marketplaces, merchants and logistics providers.

A key objective of the new guidelines is to increase autonomy for online sellers, allowing them to choose their own logistics providers rather than being forced to use delivery services designated by e-commerce platforms. The rules also define unfair non-price practices, such as coercing merchants to accept unreasonable conditions, charging unjustified fees, or imposing restrictions that limit sellers' ability to operate across multiple platforms.

The guidelines also address anti-competitive pricing behaviour, including selling below average total cost without justification and enforcing "rate parity" clauses that require sellers to maintain identical prices across different platforms. Additionally, platforms will not be allowed to dictate the prices of goods sold by vendors. Violations involving abuse of market dominance or cartel arrangements may result in criminal penalties of up to two years' imprisonment or fines of up to 10% of annual turnover, while other unfair trade practices may lead to administrative fines.

These regulatory developments reflect Thailand's efforts to ensure fair competition in the rapidly growing e-commerce market, which is projected to reach approximately THB 1.15 trillion in 2026. By addressing concerns over platform dominance and logistics restrictions, the guidelines aim to support merchants, improve market transparency and encourage more balanced competition across the digital commerce ecosystem.

CONSUMER PROTECTION

Thailand's New Alcohol Control Law Raises Questions for Businesses

Thailand's Alcoholic Beverage Control Act 2025, which came into force in November 2025, has introduced significant changes aimed at balancing economic activity with public health protection. The revision was intended to address concerns that the previous 2008 law was overly restrictive and unclear, particularly regarding advertising rules and permitted business practices. Industry representatives view the new law as an attempt to create a more balanced regulatory framework that both supports the alcoholic beverage sector and mitigates the social harms associated with excessive drinking.

One notable change concerns the long-standing restriction on alcohol sales between 2pm and 5pm. The government has temporarily lifted this ban for a 180-day trial period, primarily to stimulate tourism and economic activity. Authorities will assess the policy's impact and gather public feedback before deciding whether the relaxation should become permanent. Meanwhile, rules have been clarified to allow customers who began drinking before the restricted period to continue consuming alcohol for up to one hour after the ban begins.

The amended Act also expands the responsibilities of alcohol sellers, particularly in relation to refusing service to intoxicated individuals. Previously, the law prohibited selling alcohol to individuals under the age of 20 and to persons who had lost consciousness due to intoxication. The updated law broadens this provision by banning sales to anyone considered "drunk", which raises practical challenges for businesses in determining when a customer is legally intoxicated.

To support enforcement, authorities have proposed guidelines for assessing intoxication, including behavioural tests such as the "walk and turn" test. However, restaurant operators have expressed concern that the lack of clear procedures could expose them to legal liability if intoxicated patrons later cause harm. Businesses may need to implement additional measures, such as CCTV monitoring, to demonstrate compliance with the law.

Further uncertainty remains regarding alcohol advertising rules and other operational details because several subordinate regulations have yet to be issued. These implementing rules are expected to clarify the scope of permissible advertising and other compliance requirements. Under the Act, all necessary subordinate legislation must be finalised by November 2026, though the timeline may be affected by ongoing political transitions.

DIGITAL ASSETS

Thailand Moves to Recognise Digital Assets in Derivatives Market

Thailand is taking a significant step toward integrating digital assets into its financial system following the cabinet's approval of a proposal to allow digital assets, including cryptocurrencies and digital tokens, to be used as underlying assets in the derivatives market. The initiative requires amendments to the Derivatives Trading Act and forms part of broader efforts by regulators to modernise Thailand's capital markets while strengthening investor protection and regulatory oversight.

Under the proposed framework, the Securities and Exchange Commission (SEC) will expand the scope of permissible reference assets for derivatives contracts to include digital assets, enabling licensed market participants to develop derivative products linked to cryptocurrencies. In parallel, the SEC is reviewing the regulatory framework governing derivatives brokers, exchanges and clearinghouses to ensure that licensing and supervision mechanisms remain suitable for products referencing emerging asset classes.

The regulatory changes will also reclassify carbon credits as "goods" rather than "variables" under the derivatives framework, allowing for the creation of both cash-settled and physically delivered carbon credit futures. This development is expected to align with Thailand's broader climate policy objectives and the draft Climate Change Act, while supporting the country's transition toward carbon neutrality.

From a legal perspective, the proposed amendments signal Thailand's intention to treat digital assets as a recognised asset class within the regulated capital market rather than as standalone speculative instruments. If implemented, the reforms may facilitate the introduction of new financial products such as cryptocurrency-linked derivatives and exchange-traded funds (ETFs), while also requiring market participants to comply with additional licensing, compliance and investor protection requirements under Thailand's securities and derivatives regulatory framework.

ENERGY

Thailand to Establish Standards for EV Charging and Hydrogen Infrastructure

Thailand's Department of Energy Business (DOEB) is developing national standards for electric vehicle (EV) charging stations and hydrogen fuel infrastructure to support the country's transition toward clean energy. The initiative aims to create unified safety protocols and clear regulatory guidelines for investors in the downstream energy sector. Authorities believe standardized systems will help ensure safety, improve service accessibility for drivers, and encourage further investment in alternative energy infrastructure.

Officials emphasized the importance of preventing technological fragmentation in EV charging systems. Drawing lessons from the early mobile phone industry, where incompatible charging connectors caused inconvenience for users, regulators aim to establish a single standard to ensure compatibility across charging networks. In January, the DOEB announced new installation standards for EV charging stations at petrol stations, which will take effect in April. These guidelines include requirements on station design, installation procedures, emergency power cut-off systems, and clearer approval processes across relevant government agencies.

The development of EV infrastructure aligns with Thailand's national EV policy known as "30@30," which aims for electric vehicles to account for 30% of total automotive production by 2030. Under this policy, Thailand targets the production of approximately 725,000 zero-emission cars, 675,000 electric motorcycles, and 34,000 electric buses and trucks. Recent figures also show rapid growth in EV adoption, with newly registered battery electric vehicles increasing significantly year-on-year, reflecting the country's accelerating shift toward electric mobility.

In addition to EV charging infrastructure, the government is also preparing regulations for hydrogen fuel as part of its long-term energy strategy. Hydrogen development is currently in a sandbox phase led by private investors, and authorities plan to incorporate hydrogen-related activities into the Fuel Control Act. Draft legislation expected between 2026 and 2027 will establish legal frameworks governing hydrogen storage, pipelines, and service stations. Despite challenges such as high production costs and infrastructure requirements, hydrogen is viewed as an important component of Thailand's broader plan to achieve net-zero greenhouse gas emissions by 2050.

IMMIGRATION

Thailand Considers Reducing Visa-Free Stay Period to 30 Days

Thailand is considering revising its visa-free entry scheme by reducing the permitted stay period from 60 days to 30 days for nationals of 93 countries. The proposal is currently being reviewed by a committee established by the Prime Minister and chaired by the Permanent Secretary of the Ministry of Foreign Affairs, with input from relevant agencies including the Ministry of Tourism and Sports and the Immigration Bureau.

According to the Ministry of Tourism and Sports, the proposed change is intended to address potential loopholes in the existing visa-free framework, which may be exploited by individuals engaging in unlawful activities in Thailand. Authorities have indicated that, although the visa-free scheme was originally expanded in 2024 to stimulate tourism, the average stay of foreign tourists in Thailand is approximately 21 days, suggesting that a 30-day visa-free period would remain sufficient for most visitors. Tourists wishing to remain longer may still apply for an extension under existing immigration procedures.

From a regulatory perspective, the proposed revision reflects increasing government scrutiny of the misuse of visa-free entry, including cases involving nominee businesses, unlicensed tour operators and foreign individuals working without proper permits. The Immigration Bureau has already intensified monitoring of visitors making repeated short-term entries into Thailand, particularly those engaging in "visa runs" to extend their stay without appropriate visas.

If implemented, the revised policy may signal a shift toward balancing tourism promotion with stronger immigration enforcement. Businesses in the tourism, hospitality and service sectors that rely on long-stay foreign visitors may wish to monitor further regulatory developments, particularly as the government continues to refine visa policies aimed at both supporting tourism recovery and preventing unlawful economic activities.

Thailand Introduces Comprehensive Visa Reforms to Boost Tourism and Long-Stay Visitors

The Thai cabinet has approved a comprehensive visa package proposed by the Ministry of Foreign Affairs to stimulate tourism, attract long-stay visitors and support economic growth. The measures, which will be implemented in phases, aim to enhance Thailand's appeal to tourists, remote workers and foreign residents.

Key initiatives include visa-free entry for nationals of 93 countries for up to 60 days and an expanded Visa on Arrival scheme covering 31 territories. The government has also introduced the Destination Thailand Visa (DTV) to accommodate remote workers and digital nomads, while the Non-Immigrant ED Plus Visa allows foreign students to work while studying in Thailand.

In addition, the government plans to streamline the visa system by reducing the number of non-immigrant visa categories from 17 to 7 by

August 31 this year. Digital immigration processes have also been expanded, including e-visa services at all Thai embassies and consulates and the full implementation of the Thailand Digital Arrival Card (TDAC).

Looking ahead, the government intends to expand the Visa on Arrival scheme to additional countries and revise eligibility criteria for long-stay retirement visas, further strengthening Thailand's position as a destination for tourism, remote work and long-term residence.

INTELLECTUAL PROPERTY

Thailand Introduces AI System to Reduce Trademark Application Rejections

Thailand's Department of Intellectual Property (DIP) has introduced a new digital system to assist applicants in checking their trademarks before submitting registration requests. The initiative aims to reduce the number of rejected applications and minimize unnecessary costs and delays for businesses and individuals seeking trademark protection. According to the department, trademark filings increased to 55,668 applications in 2025, representing an 8.5% year-on-year rise, with more than 40,000 applications successfully approved.

A significant portion of rejections occurs when proposed trademarks are identical or too similar to marks that have already been registered. In 2025 alone, 4,484 applications were rejected for this reason, resulting in wasted time and expenses for applicants. To address this issue, the DIP has launched an artificial intelligence (AI)-powered image search tool on its website, allowing applicants to upload their trademark designs and compare them against existing records in the national trademark database.

The AI system analyzes visual similarities and provides results ranked from the most to the least similar trademarks currently registered. This feature allows applicants to conduct a preliminary assessment of whether their proposed mark may face potential conflicts before proceeding with a formal application. However, the final determination on trademark registration will still be made by official examiners during the review process.

In addition, the Department has launched a "Trademark Checker" function that links directly to the trademark database and provides guidance on preparing registration applications. The system offers information on relevant classes of goods and services, helping applicants better structure their filings while improving the overall efficiency of the trademark registration process in Thailand.

INTERNATIONAL TRADE / CUSTOMS

Anti-Dumping regulations in Thailand

Thailand's anti-dumping regulation is structured in alignment with the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 ("GATT"). The legal framework of Thailand governing anti-dumping and countervailing measures is primarily set out in the Anti-Dumping and Countervailing Act B.E. 2542 (1999), and the Anti-Dumping and

Countervailing Act B.E. 2562 (2019) (collectively, the "ADA").

The Department of Foreign Trade ("DFT"), under the Ministry of Commerce, serves as the competent investigating authority responsible for the administration and enforcement of anti-dumping and countervailing measures in Thailand. The Anti-Dumping and Countervailing Committee (the "Committee") acts as the decision-making body with statutory authority to consider investigation findings, render final determinations, and recommend the imposition of anti-dumping duties through the issuance of relevant notifications.

An anti-dumping investigation is initiated upon the filing of a properly documented petition by or on behalf of the domestic industry, provided that the application contains sufficient prima facie evidence and is formally accepted by DFT in accordance with ADA and its subordinate regulations.

Procedurally, the investigation process incorporates due process safeguards for all interested parties, including exporters, importers, foreign producers, and domestic producers. Such interested parties are entitled to submit written information, evidence, objections, and legal arguments, respond to questionnaires, and participate in hearings within the prescribed timelines. DFT is required to consider all relevant submissions on record before reaching its preliminary and final determinations.

In this regard, Thailand's anti-dumping framework demonstrates a rules-based investigative mechanism that balances trade remedy enforcement with procedural fairness and transparency, in line with international trade law standards.

Thailand Considers Increasing Import Duties on Luxury Goods

Thailand's Customs Department is reviewing the possibility of increasing import duties on luxury goods as part of efforts to enhance government revenue and reconsider the country's previous policy of positioning itself as a regional "shopping paradise." Current import duty rates on luxury products vary significantly by category—for example, handbags are subject to a 20% duty, clothing 30%, watches 5%, cosmetics 30%, while certain items such as jewellery may be duty-free—raising questions about the consistency and policy rationale behind the existing tariff structure.

The proposed review also comes amid broader reforms to Thailand's customs and tax framework. Since 1 January 2026, imported goods of any value—previously exempt if valued at THB 1,500 or less—have become subject to import duties and value-added tax under new de minimis tax collection rules. According to the Customs Department, this measure has already resulted in increased tax collection and reduced under-declaration of import values for low-value goods ordered through cross-border e-commerce platforms.

In the longer term, the Customs Department is considering proposing amendments to the Customs Act to allow the Minister of Finance to set a unified import duty rate for parcel shipments or e-commerce goods, potentially ranging between 30% and 40%. In the short term, the government may issue ministerial notifications to increase import duty rates on certain products up to their statutory maximum levels where the applied rates have previously been reduced.

From a legal and commercial perspective, these developments reflect the government's intention to strengthen tax enforcement and create a more level playing field for domestic businesses, particularly small and medium-sized enterprises affected by low-cost imports sold through online channels. If implemented, higher duties on luxury goods and cross-border e-commerce products could affect importers, retailers and online platforms operating in Thailand, requiring businesses to reassess pricing strategies, supply chains and customs compliance obligations.

Furthermore, the proposed policy direction may also signal a shift in Thailand's trade and fiscal strategy, balancing trade liberalisation under existing free trade agreements with the need to protect domestic industries and maintain tax revenue. Businesses engaged in cross-border trade should therefore closely monitor potential regulatory developments, particularly any amendments to the Customs Act or ministerial notifications that may alter import duty rates and customs compliance requirements.

INVESTMENT

BOI approves the Research and Development on Heat-Assisted Magnetic Recording (HAMR) Project to enhance the production capability of HDD

The Board of Investment of Thailand (BOI) has approved the investment promotion for a THB 2.3 billion research and development (R&D) project on Heat-Assisted Magnetic Recording (HAMR) technology by a major American hard disk drive (HDD) manufacturer. This highlights Thailand's increasingly investor-friendly legal framework for high-technology and innovation-driven industries. The project aims to increase HDD storage capacity from 32 TB to 100 TB by 2029 to support Data Centers, AI, and digital infrastructure.

This R&D project will also play a significant role in developing human capital and strengthening Thailand's smart electronics supply chain through the development of suppliers and the use of locally produced raw materials and components exceeding 60%. In addition, the company will collaborate with Thai educational institutions and research agencies to develop modern manufacturing technology curricula and provide opportunities for Thai researchers to work alongside leading global technology firms. This initiative is expected to enhance the competitiveness of Thailand's HDD industry and reinforce the country's role as a global manufacturing and export base for HDD products.

In this relation, such project is granted by investment promotion which becomes eligible for significant tax and non-tax incentives, including corporate income tax exemptions, import duty exemptions on machinery and raw materials, and streamlined visa and work permit facilitation for foreign experts.

Calls for Industrial Restructuring as Thailand Faces Rising Global Competition

Thailand's industrial sector has entered 2026 amid growing concerns about weakening demand, increasing import competition and uncertainty in global trade conditions. Industry representatives have reported declining purchase orders and mounting pressure from imported goods, particularly from China. For example, Thailand has experienced a significant influx of steel imports, which has placed pressure on domestic producers and reduced the competitiveness of local manufacturing operations.

Economic indicators also suggest a cautious outlook for the sector. The Manufacturing Production Index for 2025 recorded a slight contraction, while GDP growth for 2026 is projected to remain modest at around 1.6 – 2%. In addition, Thai manufacturers must increasingly prepare for international regulatory developments, such as the European Union's Carbon Border Adjustment Mechanism (CBAM), which introduces carbon-related trade requirements that could affect export-oriented industries such as steel and heavy manufacturing.

Industry leaders have therefore called for a structural transformation of Thailand's manufacturing sector, encouraging businesses to shift from the traditional Original Equipment Manufacturer (OEM) model toward an Original Brand Manufacturer (OBM) strategy. Under this approach, Thai manufacturers would focus on developing their own brands and higher value-added products rather than primarily producing goods for foreign companies. This transition is also expected to involve greater investment in digital transformation, innovation, and environmentally sustainable production processes.

From a regulatory and policy perspective, the proposed shift aligns with Thailand's broader economic development strategy, including investment promotion initiatives and industrial policies aimed at supporting high-value industries such as automotive, electronics, medical devices, food technology and bio-based products. The transformation of the manufacturing sector may also require continued government support through investment incentives, sustainability policies and measures that enhance the competitiveness of Thai businesses in the evolving global economy.

Investment Promotion Measures for Thai–Foreign Joint Ventures in Automotive Parts Manufacturing

The Board of Investment (BOI) has introduced new investment promotion measures aimed at encouraging foreign investors in the automotive parts sector to collaborate with Thai entrepreneurs through joint venture structures. The policy is intended to expand business opportunities for Thai companies and enhance domestic technological capabilities in line with modern automotive industry trends.

New investment promotion applications must meet the following conditions:

1. The project must fall under Category 3.4 (manufacture of engines, equipment, or parts) and/or Category 3.5 (manufacture of vehicle parts)
2. A new legal entity must be incorporated after the effective date of the announcement and must be structured as a joint venture between a foreign juristic person and a Thai juristic person. The Thai juristic person must hold at least 20% of the registered capital throughout the corporate income tax incentive period. The Thai shareholder must have operated in the automotive and auto parts industry for at least 3 years prior to the application date and must have at least 60% Thai natural person shareholding.
3. The project must have a minimum investment of THB 100 million, excluding land costs and working capital.
4. Applications must be submitted from the first working day of 2026 until the last working day of 2027.

Eligible projects will receive an additional corporate income tax exemption of up to 3 years, provided that the total exemption period does not exceed 8 years.

Positive Outlook for Tech and Healthcare Investments in Thailand

Thailand continues to present a strong and attractive environment for foreign investment, particularly in the technology, healthcare, and sustainability sectors. According to the Department of Business Development (DBD), foreign investment reached a record high in 2025, reflecting sustained investor confidence in the country's economic and regulatory framework. Key areas attracting significant capital include computer services, data centers, contract manufacturing, and engineering services—sectors that align closely with Thailand's push toward digital transformation and high-value industries.

Looking ahead, foreign investment is expected to remain robust in advanced technology, healthcare and environmentally sustainable businesses, supported by Thailand's modern infrastructure and investor-friendly policies. For foreign investors, careful legal structuring and regulatory compliance remain essential to successfully establish and operate businesses in these sectors. With the right legal guidance, Thailand continues to offer compelling opportunities for long-term and strategic investment.

TikTok Reaffirms Long-Term Investment in Thailand

TikTok has reaffirmed its long-term investment commitment in Thailand, with a total planned outlay exceeding THB 270 billion, underscoring strong global confidence in the country's digital economy. The announcement followed high-level discussions between Thai authorities and TikTok representatives during the World Economic Forum in Davos, focusing on digital infrastructure, data hosting, and the platform's role in supporting SMEs and digital entrepreneurship.

From a regulatory perspective, the investment highlights Thailand's continued attractiveness for large-scale technology and data-driven businesses, supported by investment promotion measures from the Board of Investment (BOI). TikTok's expansion in areas such as data hosting, content development, and digital skills development reflects broader policy alignment between the public and private sectors on digital transformation, consumer protection, and online safety. The development reinforces Thailand's positioning as a regional digital hub and signals continued opportunities for foreign investors in high-technology and platform-based industries.

TAXATION

Corporate Income Tax Exemption for Investment in Hotel Property Improvements

The Notification of the Revenue Department, aims to stimulate investment by hotel operators in improving and upgrading assets used in their business operations. Corporate income tax exemption is provided in respect of expenses incurred for the "addition, alteration, expansion, or improvement" of assets related to hotel operations under the law governing hotels. Importantly, such expenses must be distinguished from repair expenses merely maintaining assets in their original condition.

(1) The Notification limits the exemption to two categories of assets: permanent buildings used in hotel business operations under the Hotel Act; and
(2) fixtures or furniture that form integral parts of and are permanently affixed to such buildings, and which cannot be removed without causing damage or altering the structure or condition of the asset.

This limitation reflects a tax policy objective of supporting investment in long-term capital assets that enhance competitiveness and service standards in the hospitality sector. The measure imposes a clear timeframe. Eligible expenses must arise from contracts, purchase orders, work orders, or similar agreements executed between 29 October B.E. 2568 (2025) and 31 March B.E. 2569 (2026).

Where the works constitute building modification under the Building Control Act, the application for a construction or modification permit—or notification must also be submitted within the same period. The Notification further prohibits commencement of improvement works before 29 October 2025 in cases where permits were previously obtained, thereby preventing retroactive claims in respect of pre-existing projects.

In cases where the works do not qualify as building modification under the Building Control Act and its ministerial regulations, the expenses must still arise from contractual arrangements executed within the prescribed period. These conditions demonstrate the Revenue Department's intention to ensure that only genuinely new investments within the policy window benefit from the incentive.

Corporate Income Tax Exemption to Promote Digital Adoption by SMEs

In advancing Thailand's digital economy policy, the government has employed targeted tax incentives as a mechanism to stimulate technological adoption among small and medium enterprises (SMEs). The Royal Decree issued under the Revenue Code introducing corporate income tax exemptions for digital expenditures represents a structured fiscal measure intended to reduce the cost of digital transformation while safeguarding against duplication of tax privileges. The framework reflects a deliberate balance between economic stimulus and tax discipline.

The Royal Decree grants a corporate income tax exemption to companies or juristic partnerships qualifying as small enterprises.

Eligibility is defined through objective financial thresholds: paid-up capital must not exceed five million baht as of the last day of the accounting period, and annual revenue from the sale of goods and provision of services must not exceed thirty million baht in that accounting period. These cumulative criteria ensure that the measure is narrowly targeted at genuine SMEs and prevent larger entities from artificially qualifying for the incentive.

The substantive benefit consists of a tax exemption equal to one hundred percent of expenses incurred for qualifying digital investments. Eligible expenditures include the purchase or development of computer software, hardware, and smart devices, as well as fees for software services, hardware services, smart device services, and other digital services. Notably, the Royal Decree expressly excludes "computer equipment" from eligibility, indicating legislative intent to prioritize productivity-enhancing digital technologies rather than general-purpose hardware acquisitions. The measure thus encourages digital integration and innovation rather than routine capital expenditure.

Additional safeguards reinforce the targeted nature of the incentive. Service providers must be registered in the Digital Services Registry maintained by the Digital Economy Promotion Agency (DEPA), ensuring regulatory oversight and quality control within the digital services ecosystem. Moreover, qualifying contracts must be executed within the prescribed period from 1 January 2026 to 31 December 2027. The temporal limitation underscores the stimulus-oriented character of the measure rather than its establishment as a permanent structural tax reform.

While the tax exemption is generous, the Royal Decree imposes important restrictions to prevent overlapping benefits. A taxpayer claiming the exemption must not receive other tax incentives relating to the same subject matter under any other royal decree issued pursuant to the Revenue Code. This reflects the principle of non-duplication of tax benefits, which preserves neutrality and protects the tax base from erosion through cumulative deductions.

Government Rules Out Immediate VAT Increase

The incoming administration has confirmed that it has no plans to increase Thailand's value-added tax (VAT) rate from the current 7% to 10% in the near term, despite recent proposals from a Senate sub-committee suggesting a gradual tax hike. Party executives explained that the government's immediate priority is to revive the economy and support households and businesses rather than raise tax burdens during a period of economic uncertainty.

Officials acknowledged that discussions on tax reform have taken place, particularly as Thailand faces long-term fiscal challenges such as persistent budget deficits, rising household and public debt, and increasing costs associated with an ageing population and green economic transition. Some policymakers have proposed that a higher VAT rate could generate significant additional revenue—potentially hundreds of billions of baht—which could be used to fund social welfare programmes or stimulate economic development.

However, government representatives stressed that any reconsideration of VAT policy would only occur once economic conditions clearly improve. Authorities intend to focus on restoring growth and strengthening economic confidence before introducing any major tax restructuring measures.

Hotel Operators Call for Restructuring of Land and Building Tax

Hotel operators in Thailand have urged the government to revise the current land and building tax framework, arguing that the existing structure places a heavy financial burden on businesses. The Thai Hotels Association (THA) stated that requesting temporary tax discounts each year does not address the underlying issue, and instead proposed that the tax system be restructured to be based on business revenue rather than land appraisal values, similar to the former property tax regime.

The land and building tax has been in effect since 2019, though full-rate collection only began in 2024 following several temporary reductions during the pandemic. Under the current system, taxes are calculated based on official land appraisal prices determined by the Treasury Department, which are reviewed every four years, with the next revision scheduled for 2027. Although land prices are expected to increase by less than 10%, hotel operators say the tax still significantly increases fixed costs for many businesses.

Industry representatives argue that the current tax calculation method disproportionately affects small hotels, retail shops, and affordable rental apartments located in prime areas. Even businesses facing weak consumer demand are required to pay taxes based on land value rather than their actual income, making it difficult to adjust during periods of economic slowdown.

The THA also questioned whether land appraisal values, originally designed for collateral evaluation and property transfer pricing, are appropriate for tax calculations. According to the association, linking tax obligations more closely to business revenue would better reflect economic realities and allow businesses to manage tax burdens more effectively during periods of uneven economic recovery.

Hotel operators therefore plan to raise the issue with the finance minister once the new government is formed, seeking a broader review of the tax structure to ensure it remains appropriate and does not impose excessive burdens on businesses and consumers.

Proposed Gold Import Tax Draws Industry Criticism

A proposal to impose import duties on gold has drawn strong opposition from Thailand's gold trading industry, with stakeholders warning that the measure could undermine the country's long-standing ambition to remain a regional gold trading hub. The proposal, currently under study by the Customs Department of Thailand, forms part of broader efforts to expand the government's tax base and generate additional fiscal revenue.

Industry representatives argue that the imposition of even a modest import duty would have immediate effects on the domestic gold market. According to the Gold Traders Association, a tax of only 1% could significantly increase the price of gold in Thailand. With domestic gold prices approaching 77,000 baht per baht weight, such a levy could raise prices by more than 1,000 baht, potentially discouraging investors and reducing trading activity in the local market. Industry leaders stress that gold is widely regarded as an investment asset and a store of value held by central banks around the world, rather than a conventional commodity suitable for import tariffs.

The Customs Department has clarified that the proposal remains at the study stage and that no specific tax rate has been finalized. Officials noted that, based on current import volumes, a 1% duty on gold imports could generate approximately 13 billion baht in annual revenue. The initiative is part of a broader policy discussion aimed at identifying new revenue sources, particularly through taxation of goods considered non-essential or primarily consumed by higher-income groups.

Despite this fiscal rationale, market participants have cautioned that introducing import duties could have unintended economic consequences. Analysts and traders have pointed to international examples, particularly India, where higher taxes on gold imports were introduced to reduce the country's trade deficit but subsequently weakened its position in the global gold market. Industry experts warn that similar measures in Thailand could shift trading activities to other regional markets, thereby reducing Thailand's competitiveness as a trading hub.

As a result, industry stakeholders have urged the government to conduct further consultations with the private sector before adopting any tax measures affecting gold imports. They argue that maintaining Thailand's attractiveness as a gold trading center requires stable and supportive tax policies that facilitate market liquidity and international participation.

Tour Operators Call for Removal of VAT on Outbound Tour Packages

Thailand's outbound tour operators are urging the government to remove value-added tax (VAT) on overseas tour packages sold to Thai travellers, arguing the tax is unnecessary and places local operators at a competitive disadvantage. According to the Thai Travel Agents Association (TTAA), outbound tour packages are generally not subject to VAT in other countries, as the actual consumption of services—such as accommodation, transport and activities—takes place abroad.

Industry representatives note that the obligation arises from provisions in Thailand's Revenue Code, which extend VAT liability to outbound tour operators even though the services are consumed outside the country. The TTAA argues this creates an unfair situation for travellers who purchase tour packages through licensed operators, while independent travellers who organise their own trips are not required to pay the tax.

The TTAA previously submitted proposals to the government requesting the removal of the tax, and discussions with the Ministry of Finance are expected to continue. Tour operators also highlight that travellers already incur several additional costs when travelling abroad, including passenger service charges at airports, which are expected to increase significantly by mid-2026.

Despite these concerns, Thailand's outbound tourism market remains strong in early 2026, particularly for destinations such as Japan and China. Industry participants believe that removing VAT from outbound tour packages would reduce travel costs, support the tourism industry, and align Thailand's tax policy with international practices.

Thailand Imposes Import Taxes on Low-Value Online Goods

Thailand has introduced new tax measures on imported goods purchased online, effective 1 January 2026. The Customs Department removed the previous tax-exempt threshold of 1,500 baht, meaning all imported goods are subject to both import duties and 7% value-added tax (VAT). The policy aims to improve government revenue collection and create fairer competition between domestic businesses and foreign sellers that previously benefited from tax-free low-value shipments.

Under the new system, consumers purchasing goods from international online platforms will typically see the import duties and VAT included in the product price. Import duty rates vary depending on the product category, generally ranging from 10–30% of the cost, insurance and freight value, in addition to the 7% VAT. As a result, prices for some imported goods—particularly clothing and consumer items—may increase, though online marketplaces are expected to introduce promotions or marketing incentives to remain competitive.

E-commerce platforms have also begun strengthening compliance measures to ensure products meet Thai regulatory standards. For example, platforms such as Lazada use artificial intelligence systems to identify products that require regulatory approval, such as items needing certification from the Thai Industrial Standards Institute or the Food and Drug Administration. Despite these efforts, authorities acknowledge that some sellers attempt to bypass controls by misclassifying products under unrelated categories.

The policy is also intended to protect Thai small and medium-sized enterprises (SMEs), which previously faced intense competition from low-priced foreign imports that entered the country tax-free. With approximately 200 million parcels imported annually—most of them ordered through online platforms—the government expects the new tax regime to reduce unfair pricing advantages while increasing public revenue.

Thailand's approach also aligns with a broader global trend of tightening rules on low-value imports. Several major economies have revised or removed their own de minimis thresholds to address similar concerns over lost tax revenue and the rapid growth of cross-border e-commerce. Authorities hope the new system will create a more balanced marketplace while ensuring that imported goods comply with domestic regulations.

TECHNOLOGY

Accelerating Digital Reforms in Thailand's Telecommunications Industry

Thailand's telecommunications sector has called on the new government to accelerate digital reforms to enhance competitiveness and attract foreign investment. Industry leaders emphasize the need for regulatory easing and more efficient administrative processes, particularly to support investment in digital infrastructure. For instance, the current process of landing submarine cables requires coordination with multiple government agencies, prompting calls for a one-stop service to streamline approvals and facilitate foreign investment.

Industry representatives also highlighted concerns about excessive competition among telecom operators, which can lead to inefficient overinvestment in infrastructure. They suggest that government oversight may be necessary to ensure more balanced and efficient industry development. Additionally, authorities are encouraged to carefully manage international data connectivity and traffic flows, as completely open systems without monitoring channels may create challenges for investigating illegal online activities.

Another key issue is technological readiness. Experts note that while the global industry is advancing toward 5.5G and 6G networks, Thailand has yet to auction the necessary spectrum bands. Emerging technologies such as autonomous vehicles also require coordinated development across telecommunications, transport infrastructure, and vehicle technology. However, progress remains slow due to unclear government direction and the need for legal amendments and infrastructure investment.

Finally, industry leaders stress the importance of developing a skilled workforce to support digital transformation. Upskilling the Thai workforce, establishing clear policies on data sovereignty, and addressing geopolitical considerations are viewed as essential steps for Thailand to remain competitive in the rapidly evolving global digital economy.

In addition, clearer regulatory frameworks and long-term policy direction from the government will be critical to support the development of future digital ecosystems in Thailand. Industry stakeholders note that projects involving next-generation telecommunications networks, smart infrastructure, and autonomous mobility systems require significant investment and long implementation periods. As such, consistent regulatory support, timely spectrum allocation, and coordination among relevant agencies will be necessary to provide certainty for both domestic and foreign investors. Establishing clear strategies in these areas could help Thailand strengthen its position as a regional digital hub and promote sustainable growth in the telecommunications and technology sectors.

NCSA Introduces "Zero Trust" Cybersecurity Guidelines: Implications for Organisations in Thailand

Thailand's National Cyber Security Agency (NCSA) has recently introduced "Zero Trust" cybersecurity guidelines aimed at strengthening cybersecurity practices among organisations in both the public and private sectors. The guidelines target companies listed on the Stock Exchange of Thailand, as well as government agencies and private enterprises that manage sensitive digital systems. This initiative reflects increasing concerns over cyber threats and the growing scale of data breaches affecting organisations in Thailand.

The Zero Trust approach is based on the principle of "Never Trust, Always Verify," requiring continuous verification of users and devices attempting to access organisational systems, regardless of whether they are located within or outside the organisation's network. Unlike traditional security models that primarily rely on perimeter security or multi-factor authentication (MFA), the Zero Trust model assumes that user accounts or devices may already be compromised and therefore requires continuous authentication and monitoring throughout system access.

The introduction of these guidelines follows reports from the NCSA that approximately 40 billion usernames and passwords were leaked globally between 2025 and January 2026, including around 170 million compromised accounts associated with Thailand. In addition to login credentials, cybercriminals are increasingly targeting sensitive financial information such as cryptocurrency wallets and trading accounts, which are frequently sold through intermediaries on dark web marketplaces.

Although the guidelines are currently not legally binding, they signal an important policy direction in Thailand's cybersecurity regulatory landscape. Organisations designated as Critical Information Infrastructure (CII) operators are required to implement appropriate technical and organisational security measures. In this context, the adoption of Zero Trust principles may become an increasingly relevant benchmark for organisations seeking to strengthen cybersecurity governance and demonstrate compliance with Thailand's evolving regulatory expectations.

Thailand Eyes Becoming Global AI and Digital Infrastructure Hub

Thailand has the potential to emerge as a global hub for artificial intelligence (AI) and digital infrastructure, driven by growing investment in data centres and its strategic geopolitical position. According to the Digital Council of Thailand (DCT), the country has already attracted interest representing up to 5 gigawatts of potential data centre capacity, which could translate into hundreds of billions of baht in infrastructure and supercomputing investment.

Industry leaders have emphasised that Thailand's neutral geopolitical stance amid rising global tensions—particularly between major powers such as the United States and China—has made the country an attractive location for international technology companies seeking stable investment destinations. Major global technology firms, including Microsoft, Google, Amazon, Alibaba and Huawei, are reportedly exploring opportunities to expand their digital infrastructure in Thailand.

Suphachai Chearavanont, co-founder of the Digital Council of Thailand, noted that the country holds several advantages over regional competitors These advantages include a robust electricity grid and geographic access to renewable energy sources from neighbouring countries. However, he emphasised that Thailand must develop a comprehensive national master plan to fully capitalise on these opportunities. Such a plan should integrate AI governance, large-scale data centre investment, and policies supporting clean energy to attract long-term investment from global technology leaders.

Experts also highlighted the importance of strengthening Thailand's digital capabilities and regulatory framework. In particular, policymakers have been encouraged to develop clearer data localisation laws to ensure that sensitive digital information can be securely stored within the country. At the same time, collaboration between global technology companies and Thai universities could help accelerate knowledge transfer and strengthen the country's research and development ecosystem.

In addition to regulatory reforms, the Digital Council of Thailand has proposed a number of policy initiatives to strengthen Thailand's position in the digital economy. These include integrating AI and computer science education into school curricula from an early stage, increasing the proportion of graduates in science, technology, engineering and mathematics (STEM) fields, and promoting the development of local startups and digital platforms. The council also plans to present a policy white paper to the incoming government outlining measures to develop digital talent, improve cybersecurity, and reduce Thailand's digital trade deficit, which currently reflects the country's heavy reliance on foreign digital platforms and technologies.

TRANSPORT REGULATION

Thailand to Introduce Online Driving Licence Renewals

Thailand's Department of Land Transport (DLT), in collaboration with the Ministry of Public Health (MOPH), plans to introduce an online system for renewing driving licences starting in June 2026. The initiative aims to improve public service efficiency and reduce congestion at transport offices. According to the DLT, motorists under the age of 55 whose licences have not expired for more than one year will be eligible to renew their licences electronically without having to visit a transport office for a physical fitness test.

The reform is intended to address the large number of licence renewal applications each year, which exceed 2.5 million for private cars and motorcycles. By allowing eligible drivers to complete the process online, the government aims to reduce unnecessary travel and provide services that better align with the country's digital transformation efforts.

To support the new system, the DLT will establish an electronic document-sharing model with the MOPH through an API linkage. This system will enable real-time verification of electronic medical certificates issued by public hospitals, ensuring the authenticity and accuracy of required documents. However, during the initial phase, the system may be limited to medical documents issued by hospitals operated by the MOPH rather than private clinics.

Although the renewal process will become more convenient, certain safety requirements will remain in place. Drivers renewing their licences online will still be required to complete a visual aptitude test, particularly for eyesight, though this may not require visiting a transport office. In addition, the DLT is working with medical professionals to revise physical fitness testing guidelines to ensure that all drivers continue to meet standardized health and safety requirements.

Overall, the initiative reflects the government's broader efforts to modernise public administration and promote digital government services. By integrating technology and inter-agency data systems, the new online renewal platform is expected to enhance convenience for citizens while maintaining regulatory oversight and road safety standards

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