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Legal Insight Vol. February 2026

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.

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