



BANKING & FINANCIAL

Expansion into Digital Bangkok: Regulatory Framework for AIS's Proposed ClicX Virtual Bank

AIS has indicated that it intends to expand into digital financial services through the establishment of ClicX Bank, a virtual banking platform developed in collaboration with strategic partners, including Krungthai Bank (KTB) and PTTPr. The initiative forms part of AIS's broader strategy to diversify beyond its core telecommunications business and to leverage digital infrastructure, including cloud computing, data centres and artificial intelligence, to support increasing demand for digital services.

From a regulatory perspective, the operation of ClicX Bank as a virtual bank will require compliance with the licensing framework and supervisory requirements imposed by the relevant financial regulators. As such, the establishment and operation of the platform will be subject to the applicable approval processes and regulatory conditions prior to the commencement of commercial operations.

Accordingly, the project reflects a strategic shift by AIS towards integrating telecommunications capabilities with digital financial services. However, the implementation of such business operations will depend on the successful completion of the licensing procedures and compliance with

regulatory requirements governing virtual banking activities.

In this regard, the consortium is expected to apply for and obtain a virtual bank license from the Ministry of Finance upon the recommendation of the Bank of Thailand. If granted, the virtual bank will be required to comply with the regulatory framework applicable to virtual banking operations, including prudential requirements, risk management standards, and supervisory oversight imposed by the Bank of Thailand. Therefore, the launch and operation of ClicX Bank will ultimately depend on the outcome of the regulatory approval process and the consortium's ability to satisfy the relevant licensing conditions.

Issuance of the BOT Notification No. 16/2569 Re: Guidelines on Risk Management for Cash-Related Transactions for Financial Institutions

The Bank of Thailand ("BOT") has issued the new Notification Re: Guidelines on Risk Management for Cash-Related Transactions for Financial Institutions ("Notification") which will be effective on 1 April 2026.

The primary objective of this Notification is to require the financial institutions to strengthen their risk management associated with cash-related transactions, in a manner that is robust,

end-to-end, and commensurate with the level of risk involved.

The key requirements are summarized below:

1. Oversight of Risk Management for Cash Transactions

Senior Management shall oversee and ensure that the financial institution establishes and implements robust risk management processes, guidelines, and operating procedures for cash-related transactions. This includes developing appropriate frameworks for managing affected customers, which must be commensurate with the customer's risk profile, the nature of the transaction, the geographic area, and the service delivery channels.

2. Risk Management Standards for Cash Transactions

Financial institutions shall maintain a risk management framework for cash-related transactions that is commensurate with the associated risk levels

3. Obligation to Report to the BOT

Financial institutions are required to report data concerning unusual financial behavior or cash-related transactions to the BOT in the prescribed format. This is to enable the BOT to effectively monitor and oversee the holistic risk management of the financial institution system.

COMPETITION

Price Controls and Regulatory Oversight under the law on control of price of goods and services of Thailand

Thailand is currently deploying the price control of goods mechanism under the law on control of price of goods and services to stabilize the price of goods amid external factors, particularly on oil price volatility, to prevent of increase household expenses. This measure is implemented in response to rising global oil prices, which directly affect production and transportation costs across multiple sectors. Currently, 59 items are classified as controlled goods under the law, covering a wide range of essential consumer products.

Certain essential goods, including the instant noodles, are subject to the 'controlled items,' thereby imposing clear legal obligations on producers and distributors to obtain prior approval from the Department of Internal Trade ("DIT") before any price adjustment. Productors and distributors are required to have justifiable grounds in order to increase the price of such products, preventing the businesses from raising the price unfairly. Failure to comply with such requirements may expose operators to administrative sanctions along with potential criminal liability under the law. The regulatory focus extends to goods with cost structures closely linked to energy and logistics including food products, agricultural commodities, consumer goods and construction materials.

The implementation of a tiered monitoring system illustrates a risk based regulatory

approach including Sensitive List, Priority Watch List, and Watch List. The framework allows the government to closely monitor goods that may be at risk of supply disruption or unfair practices such as hoarding to maintain the market fair and stable. Products that are more sensitive to price changes or shortages are subjected to stricter requirements such as daily inspection. Lower-risk items are subject to lower scrutiny. In parallel, the authorities are monitoring stock levels and discouraging hoarding to ensure fair distribution and adequate supply nationwide. The authorities have indicated that overall price levels remain manageable, with continued monitoring to maintain market stability.

In addition, DIT is not only controlling prices but also assisting with supply chain management. For instance, it connects fertilizer producers directly with farmers. This demonstrates that the government's roles go beyond price control to also ensure sufficient supply in the market. Additional measures include facilitating access to key agricultural inputs, such as fertilizers, to support planting seasons and manage production costs.

In summary, the current Thailand legal framework regarding the statutory price control serves as a tool of economic stabilization. For business companies, this reinforces strict compliance with the approval procedures, robust cost documentation, and engage proactively with regulators, particularly in sectors to exposed to violate input costs.

Thailand Introduces Stricter Competition Rules for Digital Platforms

Thailand has implemented new trade competition guidelines governing multi-sided digital platforms under the Trade Competition Act, marking a significant regulatory development in the country's digital economy. The guidelines aim to address growing concerns over market concentration and anti-competitive practices in e-commerce and social commerce platforms. The framework targets major operators such as e-marketplaces and integrated platforms, where network effects have enabled control across multiple layers of the digital value chain, including sales, payments, and logistics.

The guidelines establish a comprehensive framework identifying both price-related and non-price-related conduct that may be deemed anti-competitive. On the pricing side, regulators have highlighted practices such as predatory pricing, resale price maintenance, and price parity clauses, as well as platform-imposed fees—including commissions, advertising charges, logistics fees, and payment processing costs—that may be considered unlawful if excessive, discriminatory, or lacking justification. These provisions reflect an effort to ensure transparency and fairness in platform pricing structures while preventing the abuse of market power.

In relation to non-price conduct, the rules impose restrictions on practices that limit fair competition among business users. These include self-preferencing by platform operators, algorithmic manipulation affecting product visibility, forced use of in-house

services (such as logistics or payment systems), and unjustified delisting or refusal to deal. The guidelines also address the increasing role of data and algorithms, signalling that the use of platform data to gain competitive advantage or discriminatory outcomes may trigger regulatory scrutiny. Notably, the framework adopts a broad enforcement approach, capturing not only explicitly listed conduct but also any behaviour that results in market distortion or unfair advantage.

From a legal and policy perspective, these guidelines represent a decisive step toward strengthening competition enforcement in Thailand's rapidly expanding digital economy. While the guidelines themselves do not prescribe penalties, violations fall within the scope of the Trade Competition Act, including both criminal and administrative sanctions for abuse of dominance and anti-competitive agreements. The impact on Thailand's legal system is substantial, as regulators move toward more proactive and sophisticated oversight of digital markets, aligning with global trends in platform regulation. For businesses, particularly platform operators, the new regime necessitates a reassessment of commercial practices, compliance frameworks, and data governance strategies in order to mitigate legal risks and ensure adherence to evolving competition standards.

CONSUMER PROTECTION

Thailand Introduces Standardised Intoxication Checks for Alcohol Sales

Thailand has introduced new regulatory measures under the Alcoholic Beverage

Control Act, empowering alcohol sellers to assess customer intoxication using standardised criteria and practical testing methods. The notification issued by the Department of Disease Control aims to provide clear, enforceable guidelines for determining when a person should be refused alcohol service. This marks a shift toward more structured compliance obligations for vendors, particularly in managing risks associated with overconsumption and public safety.

Under the new framework, a person may be deemed intoxicated based on observable physical and behavioural indicators following alcohol consumption. These include impaired balance, unsteady movement, slurred speech, and conduct that may endanger the individual or others. Additional indicators—such as bloodshot eyes, poor motor coordination, aggression, confusion, or inappropriate behaviour—further support a finding of intoxication. The regulation establishes a practical evidentiary threshold, allowing sellers to rely on visible symptoms rather than subjective judgment alone.

To operationalise these standards, the regulation introduces three recognised field sobriety-style tests that sellers may apply: the finger-to-nose test, the walk-and-turn test, and the one-leg stand with counting test. Each test includes specific failure criteria, such as inability to maintain balance, deviation from instructed movement, or visible tremors. A finding of intoxication may be made where the individual fails the applicable test based on prescribed indicators, thereby providing sellers with a defensible basis for refusing service in compliance with the law.

From a legal and regulatory perspective, these measures significantly enhance clarity and enforceability within Thailand's alcohol control regime. Businesses will need to ensure that staff are adequately trained to apply the prescribed tests and document observations where necessary, particularly in the event of disputes. More broadly, the regulation reflects Thailand's increasing emphasis on preventive public health enforcement and risk management, strengthening the legal framework governing alcohol sales while promoting safer public environments.

CORPORATE AND COMMERCIAL

Legal Implications for Supply Chain Contracts in Thailand regarding the Hormuz Blockage Situation

The closure of the Strait of Hormuz since 28 February 2026 has created significant disruption to global energy and shipping markets, with immediate legal implications for businesses operating in Thailand. As a highly import-dependent economy, particularly in energy and raw materials, Thailand faces both commercial and contractual pressures across key sectors such as manufacturing, petrochemicals, and logistics. This geopolitical event has shifted from a macroeconomic concern to a legal risk issue, requiring businesses to reassess contractual obligations, particularly where performance has been delayed or rendered more difficult.

Under Thai law, force majeure is governed by the Civil and Commercial Code (CCC), requiring a party to demonstrate that the event was unforeseeable, beyond its control, and

directly caused the failure to perform. While the Hormuz blockade may qualify as a force majeure event—particularly war, hostilities, or blockades—its application is not automatic. Thai courts interpret such claims narrowly, and indirect consequences such as increased costs, delays due to rerouting, or supply shortages may not suffice unless clearly covered by contractual language. In addition, strict compliance with notice requirements and evidence of mitigation efforts remain critical to preserving a valid legal defence.

Beyond force majeure, the disruption has exposed businesses to heightened risks in shipping, insurance, and logistics. Vessel rerouting, increased freight costs, and war-risk premiums have significantly altered the risk allocation landscape under commercial contracts and Incoterms. Many standard marine insurance policies exclude war-related risks, placing uninsured exposure on parties who have not secured appropriate extensions. In disputes, particularly those involving delivery delays or demurrage, Thai courts will closely examine whether the affected party has taken reasonable steps to mitigate the impact and maintain performance where possible.

From a legal and regulatory perspective, the Hormuz crisis underscores the importance of proactive risk management within Thailand's commercial framework. Businesses should urgently review contracts, issue force majeure notices where applicable, assess insurance coverage, and document all mitigation efforts and communications with counterparties. More broadly, this situation highlights the need for Thai businesses to strengthen contractual resilience and align with international best practices in risk allocation and supply chain

governance. As global trade disruptions become increasingly frequent, Thailand's legal system will play a critical role in balancing contractual certainty with commercial realities in times of crisis.

Ministry of Commerce of Thailand Tightens Enforcement Against Nominee Structures in Foreign Investment

On 26 March 2026, the Department of Business Development, under the Ministry of Commerce of Thailand ("DBD"), issued the Order of the Office of the Central Company and Partnership Registration No. 1/2569 ("DBD Order No. 1/2569"), marking a significant step toward enhanced enforcement against nominee arrangements in foreign investment structures.

The Order is intended to protect the public from potential harm and to safeguard economic stability by addressing the long-standing practice of using Thai nationals as nominee shareholders to conceal or facilitate foreign control over business operations.

Under DBD Order No. 1/2569, a registration officer is empowered to require an investment confirmation letter from a managing partner or director who executes an application for registration of certain amendments, particularly in the following circumstances:

I. Partnerships: Where, prior to the amendment, all partners are Thai nationals or foreign partners collectively hold not more than 50% of the total capital, and the proposed amendment results in foreign partners

holding 50% or more of the total capital, without a foreign being a managing partner in that partnership.

II. Companies: Where, prior to the amendment, all authorized directors are Thai nationals, and the proposed amendment involves changes to the board of directors or directors' signing authority, resulting in foreign nationals becoming authorized directors or jointly authorized signatories of the company.

This enhanced scrutiny reflects a clear regulatory shift toward examining the substance of ownership and control, rather than relying solely on formal shareholding structures. Lastly, DBD Order No. 1/2569 will come into force on 1 April 2026.

DIGITAL ASSETS

Thailand SEC Strengthens Digital Asset Oversight: Governance, Market Access, and AML Compliance

In March 2026, Securities and Exchange Commission of Thailand (SEC) introduced a series of regulatory updates aimed at strengthening oversight of digital asset businesses across three key areas: corporate governance, investor classification, and anti-money laundering (AML) compliance. These measures reflect a coordinated effort to align digital asset regulation with the standards applicable to traditional financial institutions, reinforcing transparency, accountability, and systemic integrity within Thailand's evolving digital asset ecosystem.

The most significant development is the revision of the definition of “major shareholder” for licensed digital asset operators. Moving beyond a purely quantitative threshold of 10% voting rights, the SEC adopts a substance-over-form approach by capturing individuals who exercise control through indirect holdings or coordinated arrangements. The expanded criteria include related persons such as spouses, cohabiting partners, and minor children, as well as parties acting in concert. The introduction of a pro rata calculation for indirect shareholding further enhances regulatory visibility over complex ownership structures. Operators are required to review their shareholder base and seek regulatory approval for newly captured major shareholders within 180 days.

In parallel, the SEC has expanded the definition of institutional investors to include digital asset business operators, investment planners, and consultants, while also broadening the scope of “investment capital” to incorporate digital assets such as investment tokens and government tokens. This development integrates digital asset participants into Thailand’s broader capital market framework, enabling them to access a wider range of financial products under a lighter regulatory treatment. At the same time, the SEC has proposed the adoption of the “Travel Rule,” requiring digital asset operators to collect, transmit, and retain originator and beneficiary information for transfers, in line with international standards set by the Financial Action Task Force (FATF).

From a legal and regulatory standpoint, these developments mark a significant maturation of Thailand’s digital asset regime. Operators must

promptly reassess ownership structures, update internal compliance frameworks, and prepare for enhanced AML obligations. More broadly, the reforms signal Thailand’s commitment to aligning with global regulatory standards, strengthening market confidence, and mitigating financial crime risks. While compliance burdens are expected to increase, these measures will likely enhance the credibility and resilience of Thailand’s digital asset sector within the international financial system.

ESTATE PLANNING

Thailand Modernises Public Will Procedures under Ministerial Regulation

Thailand has introduced a significant procedural reform to its inheritance framework through the Ministerial Regulation on Making Wills and Declarations of Intent Regarding Inheritance. This marks the first major revision of public will procedures in over 60 years, replacing the 1960 regulation. While the reform does not amend the substantive inheritance principles under the Civil and Commercial Code—such as statutory heirship rights—it modernises administrative processes, enhances evidentiary safeguards, and standardises procedures across district offices, thereby improving legal certainty for both Thai nationals and foreign residents.

Under Thai law, a Public Will remains one of the recognised forms of testamentary disposition, executed before a district in the presence of at least two witnesses. The updated regulation strengthens this process by introducing standardised forms, clearer registration procedures, and expanded authority for officials to verify the testator’s

identity, legal capacity, and intent. In particular, officials may now request additional documentation where concerns arise regarding coercion, mental capacity, or the authenticity of supporting evidence. The regulation also clarifies procedures for related declarations, including disinheritance, revocation of disinheritance, and renunciation of inheritance, thereby consolidating administrative practice.

From a practical standpoint, the regulation imposes more structured compliance requirements, particularly relevant to expatriates with assets in Thailand. Testators must provide comprehensive documentation, including valid identification, civil status records, and details of assets, beneficiaries, and executors. Witness qualifications are also more clearly defined, requiring individuals to be of legal age, competent in Thai, and free from conflicts of interest. As all proceedings are conducted in Thai, non-Thai speakers are effectively required to engage interpreters or legal advisors to ensure accuracy and avoid disputes. These procedural enhancements aim to reduce ambiguity and strengthen the evidentiary value of registered wills.

The reform represents a broader policy effort to improve administrative efficiency and reduce probate-related disputes, particularly in cross-border estate scenarios. For foreign nationals, the absence of a Thai-compliant will has historically resulted in delays and increased legal costs in estate administration. By enhancing clarity, consistency, and enforceability, the new regulation facilitates more efficient succession planning and aligns Thailand's inheritance procedures with international expectations. Overall, the reform strengthens the integrity of Thailand's legal infrastructure, supporting its position as an increasingly attractive jurisdiction for foreign

investment, residency, and long-term asset holding.

INTERNATIONAL TRADE & CUSTOMS

Proposed Reformation to Thailand's Free Zone Regime by Strengthening Local Content and Substantial Transformation Requirements

Thailand is in the process of revising its regulatory framework governing Free Zones, with particular emphasis on the calculation of local content and the qualification criteria for duty exemption on goods released into the domestic market. These proposed amendments follow growing regulatory concerns that the existing rules may allow Free Zone operators to benefit from customs privileges despite limited economic contribution within Thailand. As such, the reforms are designed to ensure that Free Zone incentives are aligned with genuine domestic value creation and prevent the misuse of duty exemption mechanisms.

Under the current legal framework, goods manufactured in Free Zones may qualify for import duty exemption if they satisfy two key conditions: (i) a local content threshold of at least 40% of the ex-factory price, and (ii) the presence of substantial transformation. Notably, the definition of "local content" is relatively broad, encompassing not only Thai-origin raw materials and labour, but also ASEAN-origin inputs, production costs, and even profit margins. This expansive calculation methodology has, in practice, enabled certain operators to meet the threshold without

undertaking meaningful manufacturing activities within Thailand.

The proposed amendments seek to introduce a more stringent and substance-based approach to local content determination. In addition to maintaining the 40% threshold, the Customs Department is considering imposing a minimum Thai-origin content requirement, ranging from 10% to 20% of the ex-factory price. Importantly, this requirement would be limited strictly to Thai-origin raw materials and domestic labour, thereby excluding other elements such as profit or indirect costs. This shift reflects a policy intention to more directly incentivise the use of domestic inputs and strengthen the link between Free Zone privileges and actual economic activity within the country.

In parallel, the authorities are proposing clearer and more rigorous criteria for determining “substantial transformation.” Specifically, the adoption of a tariff classification change test—whether at the chapter (2-digit), heading (4-digit), or subheading (6-digit) level—would serve as an objective benchmark for assessing whether sufficient manufacturing has occurred. This approach is consistent with internationally recognised rules of origin and would effectively exclude minimal processes, such as packaging or simple assembly, from qualifying for duty exemptions. As a result, businesses operating in Free Zones will be required to reassess their production processes to ensure compliance with the enhanced standards.

The legal and practical implications of these proposed reforms are significant for Thailand’s trade and customs regime. While the stricter requirements may increase compliance costs

and necessitate supply chain adjustments for Free Zone operators, they are likely to enhance the credibility and integrity of Thailand’s customs system. From a legal perspective, the reforms represent a clear shift toward alignment with international trade principles, particularly in relation to origin rules and anti-circumvention measures. In the broader context, these developments are expected to strengthen Thailand’s position as a responsible trading jurisdiction, reduce exposure to trade disputes, and reinforce the robustness of its legal framework governing cross-border manufacturing and customs incentives

Thailand Updates Certificate of Origin Procedures under TCFTA and AKFTA

The Department of Foreign Trade of Thailand (DFT) is implementing important updates to the issuance of Certificates of Origin (C/O) under the Thailand–Chile Free Trade Agreement (TCFTA) and the ASEAN–Korea Free Trade Agreement (AKFTA). These amendments are primarily aimed at aligning Thailand’s origin certification framework with the Harmonized System (HS) 2022, ensuring that Product Specific Rules (PSRs) remain consistent with current international tariff classifications. The amended rules will take effect from 1 April 2026 for TCFTA and 1 May 2026 for AKFTA, replacing earlier frameworks and preserving exporters’ access to preferential tariff treatment.

A key feature of the updated framework is the enhancement of procedural mechanisms surrounding the issuance of C/O documents. These include provisions for retroactive

issuance (within one year), back-to-back certificates, treatment of exhibition goods, third-country invoicing, and the issuance of replacement certificates marked as “certified true copies.” In addition, exporters are required to retain supporting documentation for at least three years, reinforcing auditability and compliance. These measures reflect a broader effort to standardise documentation practices and ensure consistency with international trade requirements.

From a compliance perspective, exporters must carefully reassess their operations to ensure continued eligibility for preferential tariff benefits. This includes reviewing HS classifications under the updated system, recalculating regional value content where applicable, and verifying the accuracy of supply chain documentation. Failure to align with the amended PSRs or documentation requirements may result in the temporary loss of preferential duty treatment, potentially affecting cost competitiveness in key export markets such as Chile and South Korea.

From a legal and policy standpoint, these updates represent a continued effort by Thailand to modernise its trade administration and align with evolving international standards. While businesses may face short-term compliance adjustments, the long-term impact is expected to be positive, particularly through the continued use of electronic C/O systems that enhance efficiency and transparency. More broadly, the reforms strengthen Thailand’s trade facilitation framework, support exporters’ global competitiveness, and reinforce the credibility of its rules of origin regime within the international trading system.

US Tariff Authority and Its Implications for Thai Exporters

Recent developments in United States trade law have introduced renewed uncertainty into the global tariff regime following a US Supreme Court ruling on 20 February 2026. The Court determined that the use of the International Emergency Economic Powers Act (IEEPA) to impose tariffs exceeded the Executive’s statutory authority, reaffirming that tariff imposition is a power reserved for Congress. However, the ruling stopped short of addressing the legal status of previously imposed tariffs, leaving unresolved questions regarding potential refunds and retrospective enforcement.

In response, the US Administration has relied on alternative statutory mechanisms to sustain its trade measures. Notably, a temporary 10% import tariff has been implemented under Section 122 of the Trade Act of 1974, which permits limited tariff measures to address balance-of-payments concerns. In addition, longstanding provisions such as Section 232 (national security) and Section 301 (unfair trade practices) continue to provide robust legal bases for tariff imposition. These frameworks demonstrate that, notwithstanding judicial limitations, the United States retains broad discretion to pursue protectionist trade policies through multiple legislative channels.

For Thai exporters, the evolving US tariff landscape underscores the importance of heightened compliance with rules of origin and product classification requirements. Increased regulatory scrutiny by US authorities is anticipated, particularly in relation to supply chain transparency and the prevention of circumvention practices. Businesses must therefore reassess their operational structures and documentation processes to mitigate the

risk of tariff exposure under shifting legal bases.

From Thailand's perspective, these developments carry both regulatory and systemic implications. Domestic authorities are likely to intensify origin verification and enforcement efforts to align with international trade expectations and reduce exposure to trade disputes. More broadly, the situation highlights the need for Thailand to maintain a robust and adaptable legal framework capable of responding to dynamic global trade policies, thereby reinforcing the credibility and competitiveness of its export sector.

TAXATION

Oil Excise Tax Cuts in Focus

Thailand's consideration of potential reductions in oil excise taxes reflects a measured policy response to rising energy costs amid ongoing global uncertainties. In this regard, excise tax continues to serve as a key fiscal mechanism to moderate domestic fuel prices and support overall economic stability.

Notwithstanding these objectives, any reduction in excise tax carries direct fiscal implications. As such tax is imposed on a per-litre basis, reductions result in an immediate decrease in government revenue irrespective of movements in global oil prices. Previous measures, particularly in relation to diesel, have demonstrated the potential for significant revenue impact, highlighting the need to balance short-term economic support with longer-term fiscal sustainability.

From a commercial perspective, adjustments to excise tax rates may materially affect businesses operating in energy-intensive sectors, including logistics, transportation, and

manufacturing. Fluctuations in fuel costs may influence operating margins, pricing structures, and financial projections, particularly where contractual arrangements do not adequately account for tax variability.

In addition, such tax measures are generally implemented through subordinate legislation or other regulatory instruments, which may be introduced on relatively short notice. Businesses should therefore ensure that appropriate internal processes are in place to monitor regulatory developments and maintain compliance with applicable tax requirements.

Overall, the evolving approach to fuel excise taxation underscores the broader interplay between fiscal policy, energy security, and external economic pressures, all of which remain key considerations for businesses operating in Thailand.

Thailand's Planned Excise Tax Reform: Strengthening Revenue and Modernising Tax Policy

The Thai Government is currently considering significant reforms to its excise tax system as part of a broader effort to strengthen fiscal revenue for fiscal year 2026. Excise tax remains a key source of government income, with a target collection of approximately THB 578.2 billion for the year. Notably, early fiscal performance has already exceeded expectations, driven by strong domestic consumption and tourism-related spending. Building on this momentum, the Ministry of Finance aims to increase excise tax revenue by approximately 7.6% through structural reforms, rate adjustments, and enhanced enforcement mechanisms.

A central component of the proposed reform is the restructuring of the excise tax framework to improve efficiency and close gaps in revenue collection. This includes potential adjustments to tax rates across a range of goods and services, alongside strengthened tax administration. The Excise Department has conducted policy studies and is expected to submit the reform plan to the Cabinet for consideration. These measures reflect a broader shift toward a more systematic and performance-driven excise regime, aimed at ensuring sustainable revenue generation in line with Thailand's fiscal objectives.

Specific sectoral reforms are also under consideration. In particular, the Government is evaluating changes to the current two-tier cigarette tax system, which combines ad valorem and specific tax components, with a possible transition to a single-tier structure. Additional reforms may include amendment to automobile excise tax based on vehicle type and CO₂ emissions, as well as adjusting tax treatment for petroleum products, alcohol, environmentally harmful goods, and luxury items. These proposals indicate a policy direction that integrates both revenue generation and behavioural objectives, such as environmental sustainability and public health.

From a legal and policy perspective, the proposed reforms signal a continued evolution of Thailand's tax framework toward greater efficiency, transparency, and alignment with modern fiscal policy objectives. Businesses operating in affected sectors should closely monitor developments, as changes to tax structures and rates may have direct implications for pricing, compliance, and investment planning. More broadly, the reform

underscores Thailand's commitment to strengthening its revenue base while adapting its legal system to address emerging economic, environmental, and regulatory challenges.

Thailand Considers Sodium Tax on Snack Foods with Transitional Relief Measures

The Excise Department of Thailand is currently evaluating the introduction of a sodium-based excise tax targeting snack foods with excessive salt content, as part of a broader public health initiative to address rising non-communicable diseases. The proposed measure aims to regulate sodium levels in widely consumed products, in response to data indicating that average daily sodium intake among Thais significantly exceeds World Health Organization (WHO) recommendations. The policy reflects a growing trend toward the use of fiscal tools to influence consumer behaviour and promote healthier dietary practices.

A key feature of the proposal is the inclusion of a one-year transitional period, allowing food manufacturers to reformulate products and adjust production processes prior to full enforcement. The tax framework is expected to adopt a tiered structure, with sodium thresholds varying by product category and aligned with international standards. This phased approach mirrors Thailand's prior implementation of the sugar tax on beverages, which was introduced incrementally to provide industry stakeholders with sufficient time for compliance and innovation.

The development of the sodium tax has involved extensive stakeholder consultation, including engagement with public health authorities, international organisations, and private sector representatives. These consultations have focused on designing a balanced and effective framework that encourages reformulation without imposing disproportionate economic burdens. In particular, the measure is intended to incentivise manufacturers to invest in research and development of lower-sodium alternatives while maintaining product affordability and market competitiveness.

From a legal and policy perspective, the proposed sodium tax represents a continuation of Thailand's strategic use of excise taxation as a regulatory instrument for public health. While the measure is currently pending further legislative approval, it signals an increased willingness by Thai authorities to intervene in product composition through fiscal policy. If implemented, the tax is likely to have significant implications for the food manufacturing sector, requiring enhanced compliance, product reformulation, and supply chain adjustments. More broadly, it reinforces the evolution of Thailand's legal framework toward preventive regulation, aligning taxation policy with long-term public health objectives and strengthening the role of law in shaping consumer protection and welfare.

Thailand Introduces New Tax Incentives to Accelerate Solar Rooftop Adoption and Energy Efficiency Investments

The Thai government has taken another step to promote renewable energy and energy efficiency by issuing the Royal Decree. The Royal Decree grants targeted income tax exemptions for qualifying expenditures incurred from 3 March 2026 to 31 December 2028. The measure is intended to support household solar rooftop installations and broader investment in energy-efficient machinery, equipment, and materials.

In particular, natural persons are granted personal income tax exemptions for expenses incurred in the purchase and installation of solar power generation systems on buildings, which a person may occupy or use, provided that such systems are connected to the electricity distribution networks of the Metropolitan Electricity Authority (MEA) or the Provincial Electricity Authority (PEA), at the actual expense amount but not exceeding THB 200,000. The right may be exercised only once, in the tax year in which the grid connection is completed.

For the business sector, the Royal Decree provides a corporate income tax exemption for companies and juristic partnerships in an amount equal to 50% of the qualified expenditure paid for investment in high-efficiency machinery or equipment, or in materials or equipment for energy conservation that results in energy savings, provided that such machinery, materials, or equipment must be certified with a 5-Star Energy Efficiency labelled by the Department of Alternative Energy Development and Efficiency (DEDE),

and the Electricity Generating Authority of Thailand (EGAT).

Notably, the tax benefits under these provisions are subject to specific limitations. In particular, taxpayers are not permitted to claim overlapping benefits for the same expenditure under any provision of other royal decrees or ministerial regulations issued by virtue of the Revenue Code. Accordingly, while the Royal Decree offers attractive tax incentives, taxpayers should carefully assess the eligibility criteria and structure their investments to ensure compliance and maximize the available tax benefits.

Thailand Proposes Battery Excise Tax Reform to Support Clean Energy Transition

The Excise Department of Thailand is advancing a proposal to introduce a new excise tax structure for batteries and energy storage devices, aimed at strengthening the country's competitiveness in the clean energy and advanced manufacturing sectors. Although the draft legislation has not yet been submitted to the Cabinet due to the current government transition, the proposal forms part of Thailand's medium-term fiscal framework for 2027–2030. The initiative reflects a broader policy shift toward aligning taxation with industrial development and environmental sustainability objectives.

The proposed tax framework introduces a differentiated excise regime based on technical performance criteria, particularly energy density and battery life cycle. Under this

approach, batteries with higher energy storage capacity and longer operational lifespans would benefit from reduced tax rates, while lower-efficiency products would face relatively higher tax burdens. This structure is designed to incentivise the production and use of high-performance, environmentally friendly batteries, thereby encouraging technological advancement and supporting Thailand's transition toward cleaner energy systems.

In addition to environmental objectives, the proposal seeks to enhance the competitiveness of domestically manufactured battery energy storage systems. By calibrating tax rates to favour higher-quality products, the regime is expected to support local manufacturers and reduce reliance on imported batteries. The measure also aligns with Thailand's broader industrial policy targeting growth sectors such as electric vehicles, renewable energy, and energy storage infrastructure, where battery technology plays a critical role.

From a legal and policy perspective, the proposed reform represents an evolution in Thailand's use of excise taxation as a strategic economic instrument. By linking tax outcomes to product efficiency and sustainability metrics, the government is embedding regulatory incentives directly into the fiscal system. If implemented, the measure is likely to accelerate innovation, attract investment in high-value manufacturing, and reinforce Thailand's position in the regional clean energy supply chain. At the same time, it will introduce new compliance considerations for manufacturers and importers, highlighting the increasing intersection between tax policy, industrial regulation, and environmental governance in Thailand's legal framework.

Thailand's 2026–2030 Excise Tax Framework Promotes Safer and Greener Vehicles

The Excise Department of Thailand has introduced a revised automobile excise tax structure for the 2026–2030 period, aimed at promoting vehicle safety and environmental sustainability. The framework integrates tax incentives for vehicles equipped with Advanced Driver Assistance Systems (ADAS), while continuing to apply CO₂ emissions as a core determinant of tax rates. This dual-policy approach reflects the government's intention to align fiscal measures with broader industrial and public policy goals, including road safety enhancement and emissions reduction.

A central feature of the new regime is the preferential tax treatment for vehicles that meet specified safety and localisation criteria. ADAS—comprising systems such as automatic braking, lane-keeping assistance, blind-spot detection, and adaptive cruise control—serves as a qualifying factor for reduced excise rates. Battery electric vehicles (BEVs) must be equipped with at least four of the six recognised ADAS features and utilise key domestically produced components to qualify for the lowest tax rate of 2%, compared to 10% for non-compliant vehicles. Internal combustion engine (ICE) vehicles face less stringent requirements, needing only two ADAS features, reflecting cost and technical constraints within the segment.

In parallel, the tax structure maintains a CO₂-based rate system, with higher emissions resulting in increased tax burdens. For

example, ICE vehicles emitting less than 100 g/km are subject to a 13% excise tax (increased from 12%), while those without ADAS face significantly higher rates of up to 25% for the same emission level. The framework also provides for incremental tax increases through 2030, particularly for non-compliant vehicles, thereby creating a long-term incentive for manufacturers to invest in cleaner technologies and safety enhancements. Periodic reviews every two years ensure regulatory adaptability and transparency.

From a legal and policy perspective, this reform represents a sophisticated use of excise taxation as a regulatory instrument to shape both industry behaviour and consumer choice. By linking tax benefits to safety technology adoption and environmental performance, Thailand is effectively embedding public policy objectives into its fiscal regime. The impact on Thailand's legal and economic landscape is likely to be significant, driving innovation in the automotive sector, strengthening domestic supply chains, and reinforcing the country's transition toward sustainable mobility. At the same time, manufacturers must navigate increasingly complex compliance requirements, underscoring the growing role of regulatory strategy in automotive market participation.

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

