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Thailand Weighs Gold Tax to Trace Grey Capital

The Finance Ministry and the Bank of Thailand are considering taxes on gold imports and domestic gold trading as part of a broader effort to prevent "grey capital" from being channelled through the financial system. The proposal remains under study and no tax rate or final framework has been announced. According to the Finance Minister, the authorities are examining both gold-trading transactions and imports of bullion that has not been processed into jewellery. The stated objective is not primarily to raise government revenue, but to improve visibility over who is buying and selling gold and how transactions are conducted.

The proposal reflects concern that the existing gold market may provide insufficient transaction information for authorities seeking to identify suspicious financial flows. The government's Data Bureau committee has reportedly been monitoring relevant information and identified activity suggesting that gold transactions can be used to conceal illicit funds. A relatively low tax could therefore function not simply as a fiscal charge, but as a regulatory mechanism that creates a clearer transaction trail and gives authorities greater ability to identify participants and follow the movement of funds.

The initiative also forms part of a wider policy response to financial crime across different asset classes. The Finance Minister indicated that the government is examining channels used by grey capital beyond gold, including digital assets, where the Securities and Exchange Commission and the Bank of Thailand are also cooperating on transaction monitoring. This suggests an increasingly coordinated approach in which regulators seek greater transparency over assets and transactions that may sit outside conventional banking visibility, rather than treating each market as an isolated enforcement issue.

However, the proposal raises concerns over its potential impact on Thailand's established gold market. The Gold Traders Association has opposed the tax, arguing that it could weaken the domestic investment ecosystem and reduce Thailand's prospects of developing as a regional gold-trading hub. The association has also pointed to Thailand's previous experience with a gold tax, which was abolished in 1998, and questioned whether its reintroduction would be appropriate in the present economic environment. The government has acknowledged the need to consult the industry and balance stronger oversight against the risk of disrupting legitimate trading activity.

From a legal and business perspective, the eventual design of the measure will be more important than the headline introduction of a tax. Gold traders, importers, investors and financial institutions should monitor whether the government proceeds with a transaction tax, an import tax, or a combination of measures, as well as any accompanying reporting and identification requirements. Because the proposal remains under consideration, businesses should not yet treat a new gold tax as an enacted obligation. Nevertheless, the policy direction indicates that transaction traceability and source-of-funds transparency are becoming increasingly important components of Thailand's response to money laundering and grey capital.

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