

E-Commerce Tax / Foreign E-Service Providers Are Liable for the VAT

The Act on Amendment to the Revenue Code (No. 53) B.E. 2564 was published in the Government Gazette on 10th February 2021. The Act is effective from 11th February 2021, except for its provisions on the requirements on filing of the VAT return and remittance of the collected VAT, which will become effective on and from 1st September 2021.

The Act requires electronic service (“**E-Service**”) providers who provide services from abroad to customers in Thailand (“**Foreign E-Service Provider**”) to collect and pay the VAT under the Revenue Code (“**RC**”). The major principles of the Act are summarized below.

1. Warrants notices to pay tax, forms, tax invoices, reports, evidence documents or any other letters between the Revenue Department (“**RD**”) and tax payers can be made by electronic means, subject to the rules and procedures to be prescribed under ministerial regulations.
2. The “E-Service” means a service, including an intangible property, which is delivered automatically in essence via the Internet or other electronic networks, and such service could not be provided without information technology.
3. The “E-Platform” means an electronic marketplace, channel or any other process used by E-Service providers for providing their E-Services to users.
4. The Foreign E-Service Provider who provides services to non-VAT registrants in Thailand is liable for payment of the VAT to be calculated from the output tax without deduction of the input tax (Pay-Only System) and is required to file the monthly tax returns with the RD.
5. The Foreign E-Service Provider is prohibited from issuing a tax invoice to a person who is not a VAT registrant.
6. If the Foreign E-Service Provider provides its services through an E-Platform, whereby the service offering, payment of service fees, service delivery, and other act to be prescribed by the Director-General of the RD, are made in a continuous process, the E-Platform service provider is liable for payments of the VAT for and on behalf of all the Foreign E-Service Provider.
7. If the Foreign E-Service Provider provides its services to a VAT registrant in Thailand, such VAT registrant must remit to the RD the VAT payable by the Foreign E-Service Provider.



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