

Client Alert

November 2019

Second public hearing planned on draft act to reduce tax evasion

What's changed?

The Ministry of Finance has published the “Draft Act to Amend the Revenue Code re: Exchange of Information under International Requests and Automatic Exchange of Information” ("**AEOI Act**") on the Revenue Department's website, to conduct a second public hearing until 31 October 2019. This version of the AEOI Act has initially been approved by the cabinet and went through the first public hearing during 25 July – 9 August 2018.

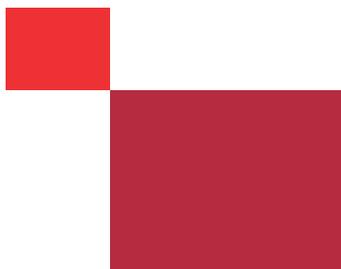
What it means for you

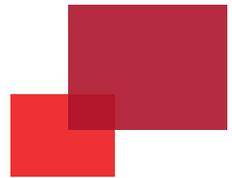
The AEOI Act gives the Director-General the power to exchange information received from tax audits and filings with tax authorities in other countries. This unlocks the legal restriction under the Revenue Code and allows Thailand to commence its common reporting standards ("**CRS**") compliance with other countries. The exact date when Thailand will fully commence its CRS compliance and be ready to join the international community is unknown. However, it is expected that Thailand will be fully prepared in 2020.

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What is CRS?

A global standard (international agreement) for automatic exchange of financial account information.

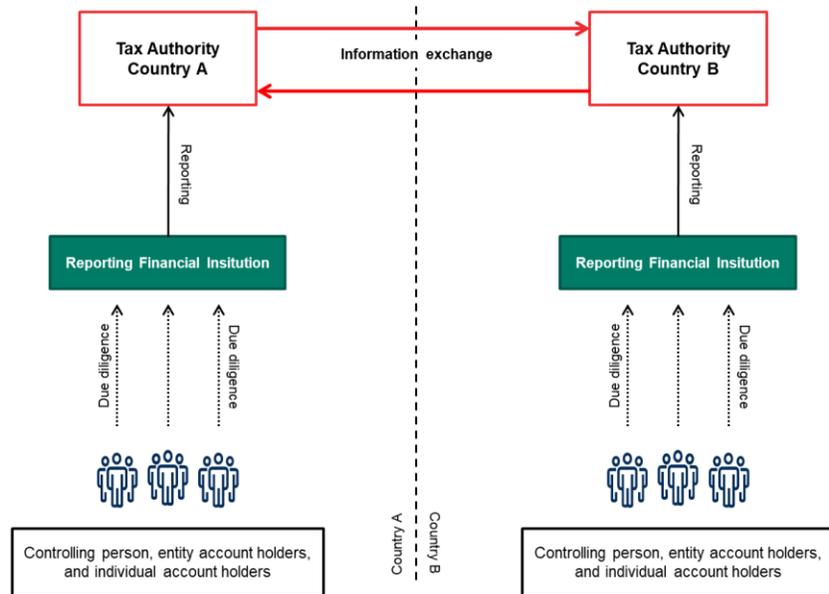
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Source: *Standard for Automatic Exchange of Financial Information in Tax Matters: Implementation Handbook (2nd Edition)*

According to the Organisation for Economic Co-operation and Development (OECD), the Automatic Exchange of Information will reduce the possibility of tax evasion. It provides for the exchange of non-resident financial account information with the tax authorities in the account holders' country of residence. As a prospective participating jurisdiction, Thailand will send and receive pre-agreed information each year, without having to send a specific request. Based on the OECD's guidelines, the information will enable the Revenue Department to: discover undetected tax evasion; recover tax revenue lost to non-compliant taxpayers; and strengthen international efforts to increase transparency, cooperation, and accountability among financial institutions and tax administrations. If you are a fully-compliant taxpayer, there should be no need for concern.

Actions to take

You may access the public hearing in the link below.

<http://www.rd.go.th/publish/26322.0.html>

For more information, please contact our Tax Practice Group.