



**Heading :**

*The following report  
may be of interest to :*

**Summary :**



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**Benefits or gains from digital tokens or cryptocurrencies are subject to tax**

All clients

Royal Ordinance No. 19, B.E. 2561 (2018), has been issued to include the following categories of income as assessable income under Section 40(4) (h) and (i), respectively, of the Revenue Code:

- Share of profits or any benefits from holding or possessing digital tokens.
- Gains from the transfer of cryptocurrencies or digital tokens which exceed the cost of investment.

Furthermore, 15% withholding tax will be imposed on payments of the above share of profits, benefits or gains which are derived by individuals according to an additional clause included in Section 50 of the Revenue Code.

This Royal Ordinance is effective from 14 May 2018 onwards.

**Observations**

- This regulation is applicable only to individuals as income earners subject to tax. A similar regulation is expected to be issued later for juristic persons.
- In the digital economy, transactions generally take place through the internet on the digital world, i.e. no physical place of business. The nature of the digital economy is generally borderless. It is difficult or perhaps impossible to identify where is the source of income according to the existing principle of taxation.

Since Section 50 of the Revenue Code applies to income paid in Thailand, the issue under this new regulation that is not clear is whether the location of the payment is the source of income for tax collection purposes.

- How can the payer know what the cost of the investment of the payee was so as to withhold the tax on the gains?
- Since Section 50 is not a final tax, individuals both resident and non-resident who have had tax withheld under this regulation are required to file their annual personal income tax returns with the 15% withholding tax available as a tax credit.

**For further information, please contact:**

Your regular PwC contact person.