



## Reduction of withholding tax rate

### The following report may be of interest to:

All clients

### Summary:

Ministerial Regulation No. 373, which was published in the Royal Gazette on 11 June 2021, has been issued to grant a reduction, and an extension of the reduction, of the withholding tax rate provided that the remittance of the tax is made via the e-withholding tax system, as follows:

- Reduction of the withholding tax rate from 5% to 2% from 1 October 2020 to 31 December 2022 on the following payments of assessable income:

Assessable income	Recipient
Rental of assets under Section 40(5) (Gor), excluding rental of ships under the law that are used for international carriage of goods	<ul style="list-style-type: none"><li>- Corporate entities carrying on business in Thailand, except foundations and associations</li><li>- Individuals</li></ul>
Prizes won in contests, competitions, lucky drawings, or other like activities	<ul style="list-style-type: none"><li>- Corporate entities carrying on business in Thailand, except foundations and associations</li><li>- Individuals</li></ul>
Remuneration for public actors	<ul style="list-style-type: none"><li>- Individuals who have domicile in Thailand</li></ul>

- Extension of the period of reduction of the withholding tax rate from 3% to 2% for payments of assessable income by corporate entities, which was originally from 1 October 2020 to 31 December 2021, to be until 31 December 2022.

Details of the assessable income and the recipients eligible for this reduced rate are shown in the table below.

# PwC Tax Insight # 21/2021

## Tax Update

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Assessable income	Recipient
Income under Section 40(2), e.g. hire of work, service rendered	Corporate entities carrying on business in Thailand, except foundations and associations
Goodwill, copyright or any other rights under Section 40 (3)	Corporate entities carrying on business in Thailand, except foundations and associations
Income under Section 40 (6), e.g. income from liberal professions, such as law, medicine, engineering, architecture, accountancy and fine arts	<ul style="list-style-type: none"><li>- Corporate entities carrying on business in Thailand, except foundations and associations</li><li>- Individuals who are residents of Thailand</li></ul>
Income from hire of work under Section 40 (7) or (8)	<ul style="list-style-type: none"><li>- Corporate entities established under Thai law, except foundations and associations</li><li>- Corporate entities established under a foreign law and carrying on business in Thailand with a permanent branch office in Thailand</li><li>- Individuals</li></ul>
Income from the provision of services under Section 40 (8), excluding remuneration for public actors (other than those as noted above), advertising, non-life insurance premiums and transportation.	<ul style="list-style-type: none"><li>- Corporate entities carrying on business in Thailand, except foundations and associations</li><li>- Individuals</li></ul>
Prizes, discounts, or any benefits given for the purpose of sales promotion.	<ul style="list-style-type: none"><li>- Corporate entities carrying on business in Thailand, except foundations and associations</li><li>- Individuals</li></ul>



**For further information, please contact:**

Your regular PwC contact person



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