



Losses can be deducted against gains from transfer of cryptocurrencies or digital tokens

The following report may be of interest to:

All clients

Summary:

Gains from the transfer of cryptocurrencies or digital tokens which exceed the cost of investment have been treated as assessable income under Section 40(4)(i) of the Revenue Code since 14 May 2018.

Ministerial Regulation No. 380, which was published in the Royal Gazette on 18 March 2022, was issued to allow losses from the transfer of cryptocurrencies or digital tokens to be deducted against gains therefrom in the same tax year. The gains and losses must result from transfers that have been executed on legally licensed cryptocurrency exchanges from 14 May 2018 onwards.

According to the Notification of the Director-General on Income Tax No. 424 (issued under the above regulation), dated 24 March 2022, but effective from 14 May 2018, the calculation of the gains and losses from the transfer of cryptocurrencies or digital tokens is required to be according to generally accepted accounting methods. Once a method has been selected for this purpose, it must be used throughout the tax year. In this regard, the outstanding value of cryptocurrencies or digital tokens at the end of a tax year would be treated as the cost carried forward to the following tax year.

Accounting records showing the gains and losses incurred must be maintained together with supporting documents as evidence for examination by officers, and contain at least the following information:

- The abbreviated names of the cryptocurrencies or digital tokens
- Date and time of transfer
- Type of transaction
- Quantity, price and value (in Baht) of the cryptocurrencies or digital tokens transferred
- Fee for transfer (in Baht)
- Cost of the cryptocurrencies or digital tokens



For further information, please contact:

Your regular PwC contact person