

Tax News Flash

#06/2024



Cabinet approves revisions to DTAs with Norway and the Netherlands



This flash may be of interest to:

All clients



Summary

On 24 December 2024, the Cabinet approved and authorised the signing of separate draft agreements between Thailand and the Kingdoms of Norway and the Netherlands to eliminate double taxation and prevent tax evasion and avoidance.

Thailand had already established double taxation agreements with numerous countries, including Norway and the Netherlands. However, having joined the Inclusive Framework on Base Erosion and Profit Shifting (BEPS) as a member in 2017, Thailand is required to align its agreements with the minimum standards set by BEPS.

Norway and the Netherlands chose not to use the Multilateral Convention to Implement Treaty Related Measures to Prevent Base Erosion and Profit Shifting (MLI) to amend their agreements but preferred a bilateral review and amendment process. So, the Ministry of Finance negotiated and drafted new agreements to comply with the BEPS standards.

The revisions in the draft agreements differ from the previous versions in several key areas, including the modification of primary objectives to prevent the improper use of the agreements. This involves addressing tax evasion and avoidance, planning to evade taxes, and shifting profits to countries with lower tax burdens as well as the non-imposition of taxes in both contracting countries.

These revisions aim to provide clearer guidelines and stronger safeguards against tax evasion, enhancing the integrity and effectiveness of the double tax agreements.



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