



# Tax News Flash

#01/2026



## Three new regulations issued addressing foreign currency conversion, Excluded Entity characteristics, and specific rules for MOCEs, Investment Entities, and Stateless Entities under the Top-up Tax Decree

This flash may be of interest to:  
All clients

### Summary

On 24 December 2025, the Thai Revenue Department issued three additional Notifications of the Director-General of the Revenue Department (DGNs) on the Emergency Decree on Top-up Tax, B.E. 2567 (2024) (the ‘Top-up Tax Decree’), bringing the total count to date to eight. The new DGNs provide additional guidance on various aspects, including:

1. Rules for converting foreign currency to Thai Baht for monetary thresholds and for top-up tax payments and refunds.
2. Characteristics of Excluded Entities under Section 27 of the Top-up Tax Decree.
3. Rules, procedures, and conditions specifically for Minority-Owned Constituent Entities (MOCEs), Investment Entities, and Stateless Entities under Section 41 of the Top-up Tax Decree.

All three DGNs take effect for top-up tax determination for fiscal years starting on or after 1 January 2025.

### Highlights:

<b>1. DGN No. 6 – Exchange rate for converting foreign currency to Thai Baht</b>	<b>DGN no. 6 addresses exchange rates to be used for converting foreign currency into Thai Baht, specifically:</b> <ol style="list-style-type: none"><li>1. Where monetary thresholds refer to Thai Baht equivalents to Euro currency for any accounting period, the Euro threshold must be converted into Thai Baht by using the average rate between the buying and selling rates for December of the prior year as announced by the Bank of Thailand (BOT).</li><li>2. Where items of account in financial statements or used in the top-up tax calculation are in a functional currency other than Thai Baht for any accounting period and are used for comparing to thresholds per item 1, the items must be converted into Thai Baht using the average buying and selling rates for the applicable functional currency in December of the prior year as announced by the BOT.</li><li>3. <b>Any top-up tax calculated in foreign currency and payable or to be refunded must be converted using the BOT rate on the last business day before the payment date or the refund approval date.</b></li></ol>
<b>2. DGN No. 7 – Characteristics of Excluded Entities</b>	DGN no. 7 outlines the characteristics of Excluded Entities that are not classified as Constituent Entities as listed under Section 27 of the Top-up Tax Decree, specifically for: <ol style="list-style-type: none"><li>1. Governmental Entities</li><li>2. International Organisations</li></ol>

	<p>3. Non-Profit Organisations  4. Pension Funds  5. Investment Funds that are ultimate parent entities (UPEs)  6. Real Estate Investment Vehicles that are UPEs</p> <p>The regulation thereby aligns the definitions of these Excluded Entities with those stipulated in Article 10.1 of the GloBE Rules for each category.</p>
<p><b>3. DGN No. 8 – Determination of rules, procedures, and conditions specifically for Specific entities</b></p>	<p>DGN no. 8 addresses the rules, procedures, and conditions for MOCEs, Investment Entities, and Stateless Entities by:</p> <ul style="list-style-type: none"> <li>• Expanding on certain definitions to align with Articles 10.1, 10.2, and 10.3 of the GloBE Model Rules</li> <li>• Requiring separate ETR and top-up tax calculations, which aligns with Articles 5.6, 7.4, and 5.1.1. of the GloBE Model Rules</li> <li>• Allowing for exclusions and elections for certain Investment Entities, mirroring Articles 7.5 and 7.6 of the GloBE Model Rules</li> <li>• Including the mechanics for attributing profits and covered taxes to the UPE’s ownership share and for allocating taxes, which are consistent with Articles 2.2, 4.3, and 7.4 of the GloBE Model Rules.</li> </ul> <p>Additionally, the regulation provides criteria for determining relatedness and control to align definitions conceptually with principles of consolidation/control used to define a Group and CE under GloBE Model Rules specifically under Articles 1.2 and 10.1, including the respective OECD Commentary.</p>

**Source:** <https://www.rd.go.th/68005.html>

**For further information, please contact:**

**Ms. Orawan Phanitpojjamarn**  
Partner  
Email: [orawan.phanitpojjamarn@pwc.com](mailto:orawan.phanitpojjamarn@pwc.com)

**Mr. Sukrit Srisakulchawla**  
Associate Director  
Email: [sukrit.srisakulchawla@pwc.com](mailto:sukrit.srisakulchawla@pwc.com)