

THAILAND

TRANSFER PRICING REGULATIONS IN THAILAND

MANDATORY REPORTING



I. OVERVIEW OF MANDATORY TP-RELATED REPORTING

Under the Revenue Code (RC) of Thailand and relevant rules¹, juristic persons meeting certain criteria are required to submit one or more of the following documents to the Revenue Department (RD). Juristic persons include private limited companies and permanent establishments (PEs) of foreign entities conducting business in Thailand.

A. RELATED PARTY DISCLOSURE FORM

Large companies (i.e., those with an annual revenue of THB 200,000,000 or more) with related companies² are required to submit an annual corporate income tax

¹ See Appendix I for the list of the Thai source rules most relevant to TP.

² "Related companies or juristic partnerships" is defined under the RC, in Section 71 bis, paragraph 2 as follows. (See Appendix V for examples of what related parties are, as published by the RD.)

"Companies or juristic partnerships that have relationships with each other under paragraph one refers to companies or juristic partnerships from two juristic persons upwards that have relationships with each other in the following descriptions:

- (1) A juristic person holds shares in or is a partner of another juristic person, either directly or indirectly, at not less than fifty percent of the total capital.
- (2) Shareholders or partners holding shares or being a partner in another juristic person, either directly or indirectly, at not less than fifty percent of the total capital, that hold shares or are a partner in another juristic person, either directly or indirectly, at not less than fifty percent of the total capital, or

return (CIT) and “Annual Disclosure Form for Companies or Juristic Partnerships with Related Parties per Section 71 bis of the Revenue Code”³ (Related Party Disclosure Form). Information concerning the related parties and transaction amounts must be included in the Related Party Disclosure Form. Failure to properly file this form may result in a fine not exceeding THB 200,000 (two hundred thousand).

B. LOCAL FILE⁴

Companies required to file the Related Party Disclosure Form may receive a notice from the RD to submit “...documents or evidence showing information necessary for analysis of the conditions of transactions between companies or juristic partnerships that have relationships with each other [...]”. This collection of evidence is referred to as a Local File. If a company receives such notice, it must generally submit the Local File within 60 days of receipt. The Local Files required by the RD are a near-equivalent⁵ of what the Organization for Economic Co-operation and Development (OECD) also refers to as a local file. Failure to properly file this form may result in a fine not exceeding THB 200,000 (two hundred thousand).

C. COUNTRY-BY-COUNTRY (CbC) REPORT

Thai CbC Report requirements are in accordance with the Country-by-Country Reporting XML Schema as prescribed by the OECD. The required information is listed in Appendix IV. CbC Reports must⁶ be submitted to the RD together with a Thai CIT (Form PND 50) if:

- (a) The consolidated group revenue in the relevant accounting period equals THB 28 billion (28,000,000,000) or more; and
- (b) The RD is unable to obtain a CbC Report through other channels, such as under an international data exchange agreement.

There are no penalty provisions related to the submission of CbC Reports.

II. THE FORMS IN DETAIL

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- (3) Juristic persons with relationships with each other in respect of capital, management, or control in a description that a juristic person may not operate business independently from another juristic person as prescribed in Ministerial Regulations.”

³ See Appendix IV for a translation of the disclosure form.

⁴ Here, “Local File” refers to what is referred to in RC, Section 71 ter, paragraph two, as “documents or evidence showing information necessary for analysis of the circumstances of transactions between companies or juristic partnerships that have relationships with each other”. (Relevant rules do not exactly use the term “Local File”.)

⁵ Notice of the DG of the RD relating to Income Tax (No. 407) specifies the required information. See Appendix IV for the information required in Local Files.

⁶ Such submission requirement arises under “Notice of the Director-General of the RD – Relating to Income Tax (No. 408) – Re Persons Filing Returns to File Country-by-Country Reports”

More detailed descriptions of these three document types are included below.

A. RELATED PARTY DISCLOSURE FORM

- (a) Basis:
 - (i) Section 71 ter, paragraph 1 of the Revenue Code⁷;
 - (ii) “Notice of the Director-General (DG) of the Revenue Department, Re Prescription of Form of Reporting of Information Relating to Related Companies or Juristic Partnerships and Total Value of Inter-Transactions in Each Accounting Period;” and
 - (iii) “Ministerial Regulations, No. 370 (2020), Issued under RC, Governing Fixing Amount of Revenues of Companies or Juristic Partnerships under Section 71 ter, Paragraph Three.”
- (b) Who: Companies which conduct business in Thailand (including PEs of foreign entities) are required to submit this form together with a CIT if:
 - (i) The company had an annual revenue of THB 200,000,000 (two hundred million) or more⁸; and
 - (ii) The company had a related party during the relevant tax year.
- (c) Required information: See Appendix V for an English translation of the form.
- (d) Timing: This form and the CIT must generally be submitted within 150 days from the last day of the relevant accounting period.
- (e) Language: The form is in the Thai language and should be completed in Thai.
- (f) Enforcement: Applies to accounting periods beginning on or after the 1st of January 2019.
- (g) Penalty: Failure to properly file this form may result in a fine not exceeding THB 200,000 (two hundred thousand).

B. LOCAL FILE ⁹

- (a) Basis:

⁷ See Appendix II for a translation of the Revenue Code Amendment Act (No. 47), which contains the addition of Section 71 ter to the RC.

⁸ Source: Ministerial Regulations No. 370

⁹ The title/term “TP Documentation” is not used in the RC. Rather, the required document is described in Section 71 ter of the RC as: “[...] documents or evidence showing information necessary for analysis of conditions of transactions between companies or juristic partnerships that are related to each other as required by the Director General [...]”

- (i) Section 71 ter, paragraph 2 of the RC (as added by the RC Amendment Act - No. 47)¹⁰;
 - (ii) “Notice of Director-General of the Revenue Department relating to Income Tax (No. 407) - Re Documents or Evidence Showing Necessary Information for Analysis of Transactions Rules Between Related Companies or Juristic Partnerships”
- (b) Summary: Within five (5) years after a Disclosure Form has been submitted to the RD, the RD may send a formal notice to a Company requiring the submission of “[...] documents or evidence showing information necessary for analysis of the conditions of transactions between companies or juristic partnerships that have relationships with each other [...]” (herein referred-to as the “Local File”). The Local File must generally be submitted to the RD within 60 days from receiving such notice.
- (c) Who: Companies meeting both of the following descriptions may be instructed to submit a Local File:
- (i) if the Company had annual revenue of THB 200,000,000 (two hundred million) or more¹¹, and
 - (ii) if the Company had a related party¹² during the relevant tax year.
- (d) Required information¹³: “Notice of the Director-General of the Revenue Department relating to Income Tax (No. 407): Re Documents or Evidence Showing Necessary Information for Analysis of Transactions Rules Between Related Companies or Juristic Partnerships” identifies what must be contained in a Local File. A Thai Local File is essentially the same as what the OECD refers to as a local file. See Appendix VI for a list of the information which must be included in a Local File.
- (e) Exempt information: Certain information as specified under Section 2(2)(g) of the relevant notice¹⁴, includes inter-alia, financial indicators (i.e., benchmark

¹⁰ See Appendix II for the translation of the act.

¹¹ Source: Ministerial Regulations No. 370

¹² See definition of “Related Parties” in Appendix II

¹³ See Appendix VI for what must be contained in a Local File.

¹⁴ “Notice of the DG of the RD relating to Income Tax (No. 407): Re Documents or Evidence Showing Necessary Information for Analysis of Transactions Rules Between Related Companies or Juristic Partnerships”

analysis) which are not required¹⁵ if either Case A or Case B (as detailed below) are met:

(i) CASE A: If:

- (1) The Company's business revenue did not exceed THB 500,000,000 (five hundred million) in the relevant tax year;
- (2) There have not been any related party transactions between the Company (e.g., a non-BOI¹⁶ Thai company) and another Company (e.g., a BOI promoted company) having a different CIT;
- (3) There have been no related-party transactions with Companies outside of Thailand; AND
- (4) Neither the Company nor the other Company, both having had related party transactions, had any tax loss-carryforwards.

(ii) CASE B: If there has been a qualifying advance pricing agreement ("APA").

(f) Submission timing: The RD has up to five (5) years to notify a Company to submit a Local File after the submission of its initial Disclosure Form. After receiving such notice, the company must submit a Local File within the following time frame:

- (i) For first-time filers, within 180 days from receiving the notice;
- (ii) More generally, within 60 days; or
- (iii) Within 120 days with the DG's permission.

(g) Language: Local Files must be submitted in the Thai language¹⁷.

(h) Enforcement: Applies to accounting periods beginning on or after the 1st of January 2021.

(i) Penalty: Failure to properly file this form may result in a fine not exceeding THB 200,000 (two hundred thousand)¹⁸.

¹⁵ Section 3, of "Notice of the DG of the RD relating to Income Tax (No. 407): Notice of the DG of the RD – Relating to Income Tax (No. 419): Re Person Filing Returns to File Country-by-Country Report"

¹⁶ Board of Investment of Thailand (BOI).

¹⁷ "Notice of the Director General of the RD – Relating to Income Tax (No. 407)", Section 4.

¹⁸ RC, Section 35 ter (as added by the RC Amendment Act No. 47)

C. COUNTRY-BY-COUNTRY REPORTING

- (a) Basis:
 - (i) “Notice of the Director-General of the Revenue Department – Relating to Income Tax (No. 408) – Re. Persons Filing Returns to File CbC Reports”
- (b) Summary: A CbC Report must¹⁹ be submitted to the RD together with the submission of a Company’s Thai CIT (Form PND 50), if:
 - (i) Consolidated group revenue in the relevant accounting period is the equivalent of THB 28 billion (28,000,000,000) or more; and
 - (ii) The RD will not be able to obtain a CbC Report from other channels, such as under an international data exchange agreement.
- (c) Who: International businesses that are tax residents (or have PEs) in two or more countries and have a company in Thailand, or conduct business in Thailand, are required to submit a CbC Report together with its CIT (Form PND 50) if the RD is not able to obtain a CbC Report by other means in a timely manner (e.g., Through an international data exchange agreement with another country, in which the ultimate²⁰ company in that country has submitted a CbC Report in that other country.)
- (d) Required information: See Appendix IV for the form.
- (e) Timing: Companies required to submit a CbC Report must submit it together with the CIT. The CbC report must generally be submitted within 150 days from the last day of the relevant accounting period. Submissions must be made through the RD’s online system with few exceptions²¹.
- (f) Language: The form must be completed in English.²²
- (g) Enforcement: Applies to accounting periods beginning on or after the 1st of January 2021.
- (h) Penalty: There is no penalty provision under the notice requiring the submission of CbC reports. (However, Section 36 of the RC provides for

¹⁹ Such submission requirement arises under “Notice of the Director-General of the RD – Relating to Income Tax (No. 408) – R.e., Persons Filing Returns to File Country-by-Country Reports”

²⁰ The DG Notification (No 408), Section 1, defines “Ultimate Company” as “A company or a juristic partnership that has control, directly or indirectly, in other companies [...]”.

²¹ “Notice of the DG of the RD – Relating to Income Tax (No. 419): Re Person Filing Returns to File Country-by-Country Report”

²² “Notice of the Director-General of the RD – Relating to Income Tax (No. 408) – R.e., Persons Filing Returns to File Country-by-Country Reports”, Section 2

imprisonment not exceeding 1 month, a penalty not exceeding THB 2,000, or both, for non-compliance with a summons or order of the DG of the RD.)

Appendix I

The primary source rules in Thailand pertaining to transfer pricing are as follows:

Laws, Regulations, Notices, Instructions	Description	Notification Date
1. The Revenue Code ("RC") <ul style="list-style-type: none"> <li data-bbox="252 824 523 913">▪ Section 65 bis (4) <li data-bbox="252 925 523 1014">▪ Section 65 bis (7) <li data-bbox="252 1025 523 1115">▪ Section 65 ter (15) <li data-bbox="252 1126 523 1305">▪ Section 71 bis <li data-bbox="252 1317 523 1496">▪ Section 71 ter 	<ul style="list-style-type: none"> <li data-bbox="539 824 1185 913">Source of RD officer's power to adjust income upwards to Fair Market Value (FMV) <li data-bbox="539 925 1185 1014">Source of RD officer's power to adjust cost of imported goods <li data-bbox="539 1025 1185 1115">Source of RD officer's power to downward adjust expenses exceeding normal amounts <li data-bbox="539 1126 1185 1305"> <ul style="list-style-type: none"> <li data-bbox="555 1137 1169 1283">▪ Source of RD officer's power to adjust income and expense arising from related parties to that of arm's-length prices <li data-bbox="555 1249 1169 1283">▪ Defines "Related parties". <li data-bbox="539 1317 1185 1496"> <ul style="list-style-type: none"> <li data-bbox="555 1328 1169 1417">▪ Para. 1: Requirement to submit Related Party Disclosure Forms together with CIT returns <li data-bbox="555 1429 1169 1496">▪ Para. 2: Source of RD officer to instruct companies to submit local files. 	<ul style="list-style-type: none"> <li data-bbox="1209 757 1410 813">- <li data-bbox="1209 824 1410 880">1978 <li data-bbox="1209 925 1410 981">1951 <li data-bbox="1209 1025 1410 1081">1951 <li data-bbox="1209 1126 1410 1294">2018/11/18 (Start on or after 2019/01/01) <li data-bbox="1209 1317 1410 1485">2018/11/18 (Start on or after 2019/01/01)
2. Departmental Instruction, No. Paw. 113/2545 (2002)	<ul style="list-style-type: none"> <li data-bbox="762 1529 1177 1597">▪ The first TP guidelines in Thailand 	2002/05/16
3. RC Amendment Act, (No. 47)	<ul style="list-style-type: none"> <li data-bbox="762 1641 1177 1709">▪ Adds Section 35 ter, 71 bis, 71 ter to the RC. 	2018/11/18 (Start on or after 2019/01/01)

4.	Notice of the Director-General (“DG”) of the Revenue Department (“RD”): Re Prescription of Form of Reporting of Information Relating to Related Companies or Juristic Partnerships and Total Value of Inter-Transactions in Each Accounting Period	<ul style="list-style-type: none"> Introduction of the Related Party Disclosure Form itself 	2019/11/07 (End on or after 2019/01/01)
5.	Ministerial Regulations (“MR”), No. 369 (2020), Issued under the RC - Governing Adjustment of Revenues and Expenses of Companies or Juristic Partnerships Having Mutual Relationships	<ul style="list-style-type: none"> Defines “non-arm’s-length arrangements” Requires officer to initially reference internal comparable data, then external comps. Allows use of foreign external comps. 	2020/11/06
6.	MR, No. 370 (2020), Issued under RC - Governing Fixing Amount of Revenues of Companies or Juristic Partnerships under Section 71 ter, Paragraph Three	<ul style="list-style-type: none"> Announcement that, Related Party Disclosure Form, and Local File not required if revenue is 200 million Baht or less. 	2020/11/06 (Beginning on or after 2019/01/01)
7.	Notice of the DG of the RD - Relating to Income Tax (No. 400), Re Bases, Procedures, and Conditions on Adjustment of Incomes and Expenses of Related Companies or Juristic Partnerships	<ul style="list-style-type: none"> Rules and procedures for making TP adjustments. Lists TP methods Requires use of the Arm’s-length principal 	(Beginning on or after 2021/01/01)
8.	Notice of the DG of the RD relating to Income Tax (No. 407): Re Documents or Evidence Showing Necessary Information for Analysis of Transactions Rules Between Related Companies or Juristic Partnerships	<ul style="list-style-type: none"> Lists required information for Local Files; Exempts companies with revenues of 500 million Baht (and satisfying other conditions) or less from presenting financial indicators. 	2021/09/30 (Beginning on or after 2021/01/01)



9.	Notice of the DG of the RD - Relating to Income Tax (No. 408), Re Person Filing Returns to File Country-by-Country Report	<ul style="list-style-type: none"> ▪ Introduction of Country-by-Country Reporting Form; ▪ Requires submission of CbC reports together with PND 50; ▪ Exempt if group consolidated revenue does not exceed 28 billion Baht. 	2021/09/30 (Beginning on or after 2021/01/01)
10.	Notice of the DG of the RD – Relating to Income Tax (No. 419): Re Person Filing Returns to File Country-by-Country Report	<ul style="list-style-type: none"> ▪ Requires online filing of CbC Reports; ▪ Addresses situations where Thai representative is appointed 	2022/01/20 (Beginning on or after 2021/01/01)
<p>Notes:</p> <ul style="list-style-type: none"> ▪ Informal pamphlets, annotated instructions, etc., although published by the RD are not presented here. ▪ The Regulations of the Ministry of Finance – Governing the Exchange of Information under Section 10 ter of the Revenue Code (2021) sets out procedural rules on the automatic exchange of Country-by-Country Report with foreign competent authorities. 			

Appendix II

Revenue Code Amendment Act (No. 47)
B.E. 2561 (2018)

His Majesty King Maha Vajiralongkorn Bodindradebayavarangkun

Given this 18th day of November 2018,
Being the 3rd year of the present Reign.

His Majesty King Maha Vajiralongkorn Bodindradebayavarangkun has been graciously pleased to proclaim that,

Whereas it is deemed expedient to amend the Revenue Code,

Be it, therefore, enacted by H.M. the King, with the advice and consent of the National Legislative Assembly acting as the Parliament, as follows:

Section 1. This Act shall be called “Revenue Code Amendment Act (No. 47) B.E. 2561 (2018)”.

Section 2. This Act shall be enforced on and from the day following the date of its publication in the Government Gazette onwards.

Section 3. The following shall be added as Section 35 ter of the Revenue Code:

“Section 35 ter. Whoever fails to comply with Section 71 ter or files reports or documents or evidences under Section 71 ter by showing inaccurate and incomplete information without reasonable grounds therefor shall be liable to fine not exceeding Baht two hundred thousand.”

Section 4. The following shall be added as Section 71 bis and Section 71 ter of the Revenue Code:

“Section 71 bis. In the case where companies or juristic partnerships with relationships with each other have commercial or financial requirements differently from that should have been specified if said companies or juristic partnerships had operated businesses independently, in a description that can be believed that there are transfers of profits, the Assessment Officer shall have the power to adjust the incomes and expenses of said companies or juristic partnerships so as to obtain the amounts of incomes receivable and expenses payable should said companies or juristic partnerships have operated businesses independently, as if they had received and paid such amounts for use in making computation of the net profit payable under Section 65 or the assessable income liable to tax payment under Section 70 or Section 70 bis, however, according to the bases, procedures, and conditions prescribed in Ministerial Regulations.”

The companies or juristic partnerships that have relationships with each other under paragraph one refers to companies or juristic partnerships from two juristic persons upwards that have relationships with each other in the following descriptions:

(1) A juristic person holds shares in or is a partner of another juristic person, either directly or indirectly, at not less than fifty percent of the total capital.

(2) Shareholders or partners holding shares or being a partner in another juristic person, either directly or indirectly, at not less than fifty percent of the total capital, that hold shares or are a partner in another juristic person, either directly or indirectly, at not less than fifty percent of the total capital, or

(3) Juristic persons with relationships with each other in respect of capital, management, or control in a description that a juristic person may not operate business independently from another juristic person as prescribed in Ministerial Regulations.

In the case the Assessment Officer has adjusted the incomes and expenses of the companies or juristic partnerships that have relationships with each other under paragraph one and it results in the companies or juristic partnership having paid taxes or having withholding taxes withheld and remitted of an amount exceeding the amount they should have paid, or of an amount they are not liable to pay, the said companies or juristic partnerships shall have a right to file an application for a refund thereof within three years from the last day of the period of filing of tax returns prescribed by law, or within sixty days from the date of being notified of such adjustment by the Assessment Officer in writing, however, according to the regulations prescribed by the Director-General.

Section 71 ter. A company or a juristic partnership that has relationships with other company or juristic partnership in the description of companies or juristic partnerships that have relationships with each other under Section 71 bis, paragraph two, whether such relationships remaining throughout the accounting period or having inter transactions within the accounting period, shall prepare a report of information concerning the companies or juristic partnerships that have relationships with each other and the total value of inter transactions in each accounting period as per the form prescribed by the Director-General, and submit same to the Assessment Officer together with the filing of returns within the period prescribed under Section 69.

Within five years from the date of filing report of information concerning companies or juristic partnerships that have relationships with each other under paragraph one, the Assessment Officer, with approval of the Director-General, may send a notice to the companies or juristic partnerships under paragraph one to submit documents or evidences showing information necessary for analysis on the conditions of transactions between companies or juristic partnerships that have relationships with each other as prescribed by the Director-General, and the person receiving such notice must comply therewith within sixty days from the date of receipt of said notice, except in the case of necessity to an extent that it is unable to comply therewith within the said period, the Director-General may permit an extension of said period further, but it must not exceed one hundred and twenty days from the date of receipt of such notice. However, specifically in the case of receiving the notice for the first time, the person receiving the notice shall comply therewith within one hundred and eighty days from the date of receipt of said notice.

The provisions of this Section shall not apply to company or juristic partnership having incomes from business or derived from business conducted within an accounting period not

exceeding the amount, or of any other descriptions, as prescribed in Ministerial Regulations, the amount of income of which must be prescribed at not less than Baht two hundred million.”

Section 5. The provisions of Section 3 and Section 4 shall be enforced on the incomes of companies or juristic persons whose accounting period begins on or after 1st January 2019 onwards.

Countersigned:
General Prayuth Chan-o-cha
Prime Minister

Note: This Act is enacted because at present many large companies or juristic partnerships that have relationships with each other in respect of capital, management, or control, have commercial or financial requirements in making transactions between them differently from that should have been specified if such companies or juristic partnerships had operated business independently, thereby enabling them to transfer profits between each other to evade taxes they are liable to pay, and there is a tendency to use such method increasingly and continuously to an extent that it may affect the collection of income taxes and the treasury status of the State. As such, in order to prevent and to rectify such problems, it is deemed suitable to prescribe bases on collection of juristic person income tax for such a case, so that it be in line with international principle and guideline for compliance. Hence, it is a necessity that this Act be enacted. [Ref.: Government Gazette, Volume 135, Legislation Issue, Part 97 Kor., Page 46-49, of 21st November 2018]

Appendix III

Notice of Director-General of Revenue Department
Relating to Income Tax (No. 407)

Re Documents or Evidences Showing Necessary Information for Analysis of Transactions
Rules Between Related Companies or Juristic Partnerships

By virtue of Section 71 ter, paragraph two, of the Revenue Code, amended by the Revenue Code Amendment Act (No. 47) B.E. 2561 (2018), the Director-General of Revenue Department hereby prescribes documents or evidences showing necessary information for analysis of transaction rules between related companies or juristic partnerships as follows:

Section 1. In this Notice,

“Related companies or juristic partnerships” means companies or juristic partnerships that have relationships with each other under Section 71 bis, paragraph two, of the Revenue Code.

“controlled transaction” means a transaction between related companies or juristic partnerships.

“uncontrolled transaction” means a transaction between related companies or juristic partnerships that the contracting parties of said transaction are not related companies or juristic partnerships.

“person liable to submit document or evidence” means a company or a juristic partnership that has a relationship with other company or juristic partnership under related companies or juristic partnerships description, and has been notified in writing by the Assessment Officer with approval of the Director-General to submit document or evidence showing necessary information for analysis of transaction rules between related companies or juristic partnerships under Section 71 ter, paragraph two, of the Revenue Code.

Section 2. The following documents or evidences shall be documents or evidences showing necessary information for analysis of transaction rules between related companies or juristic partnerships under Section 71 ter, paragraph two, of the Revenue Code:

(1) Document or evidence showing information relating to person liable to submit document or evidence of the following items:

Local organization chart, including the number of workers, value chain, as well as key trade partners, key trade competitors, business strategies, and economic situations. Structure of related companies or juristic partnerships that have transactions with the person liable to submit document or evidence, including a company or a juristic partnership who is the direct shareholder of the person liable to submit document or evidence and the highest-ranking shareholder of the person liable to submit document or evidence.

Explanations relating to business restructuring between related companies or juristic partnerships occurred within the accounting period or the previous accounting period, if such has been proceeded, including the difference of the nature of business operation and the business strategies during, before, and after the said business restructuring, as well as impacts to the business operations of the person liable to submit document or evidence.

Explanations relating to the transfer of intangible assets that the person liable to submit document or evidence has received the transfer from, or has transferred same to, related companies or juristic partnerships during the accounting period, if such has been proceeded,

as well as impacts to the business operations of the person liable to submit document or evidence.

(2) Documents or evidences showing information concerning controlled transactions of the person liable to submit document or evidence, as follows:

- (a) List of categories of controlled transactions, contracting parties, countries or economic zones of the contracting parties, and value amount received from, or paid to, the contracting parties.
- (b) Explanations concerning each category of the transactions under (a) and the policy on price fixing applied to the fixing of prices of each category of transaction, together with the hypothesis applied to the price fixing, unless such transaction categories are the transactions under (a) which are insignificant.
- (c) All contracts relating to each category of transaction required to prepare the explanations under (b), together with summary of key essence of the contracts, as well as the conditions on prices under the contracts.
- (d) Analysis of duties, assets, and risks of the person liable to submit document or evidence and the contracting parties relating to the categories of transactions required to prepare the explanations under (b), and the difference of duties, assets, and risks from the previous accounting period, if such is the case.
- (e) Financial information used in the method of price fixing so chosen for each category of transaction required to prepare the explanations under (b).
- (f) The method of price fixing chosen by the person liable to submit document or evidence for each category of transaction required to prepare the explanations under (b), as well as the reasons therefor and the reasons why other methods of price fixing duly approved are not used, and also specifying the contracting parties of controlled transactions used in the testing of price fixing method, if necessary, according each method of price fixing so chosen.
- (g) Items and explanations of comparable uncontrolled transactions, or comparable independent companies or juristic partnerships, and information relating to financial indicators of transactions of said companies or juristic partnerships, including the period of returns receivable if operated independently, as well as explanations on the method of searching and the source of information of said comparable uncontrolled transactions or comparable independent companies or juristic partnerships.

(3) Other documents or evidences than (1) and (2) showing necessary information for analysis of transaction rules between related companies or juristic partnerships as notified

in writing by the Assessment Officer with approval of the Director-General that they be submitted additionally.

Section 3. The person liable to submit document or evidence is not required to submit documents or evidences showing the information under No. 2 (2) (g), if in the accounting period specified by the Assessment Officer in the notice to submit documents or evidences under this Notice there appear any of the following facts:

(1) In the case the person liable to submit document or evidence falls under the following descriptions:

- (a) Having income from the business or related to the business operated in the accounting period not exceeding Baht five hundred million.
- (b) There are no controlled transactions with the companies or juristic partnerships that are subjected to pay juristic person income tax at the rate differently from those of the person liable to submit document or evidence.
- (c) There are no controlled transactions with the companies or juristic partnerships established abroad, and
- (d) There are no net losses in previous accounting periods which are brought forward as expenses in making calculation of net profit for payment of juristic person income tax in said accounting period, and the contracting parties of the controlled transactions must not have net losses in such description as well.

(2) In the case the person liable to submit document or evidence has requested for the preparation of agreement on price fixing in advance under the agreement or commitment on exemption of double taxation, and the authorized officers of Thailand or the Thailand Trade Economic Office have prepared such agreement with the authorized officers abroad or the Trade Economic Office abroad as requested by the person liable to submit document or evidence, however, specifically the information relating to the controlled transactions under the said agreement on price fixing made in advance which is still valid for the said accounting period according to the period specified in such agreement.

Section 4. In submitting the documents or evidences under No 2, it must be in Thai language and to the Assessment Officer sending the notice under Section 71, ter, paragraph two, of the Revenue Code, at the Large Business Tax Administration Division, Revenue Department, or at the Revenue Area Office within the locality where the said companies or juristic partnerships are located.

Section 5. The submission of documents or evidences under No. 4 shall be regarded as complete upon having received the receipt no. of submission of said documents or evidences.

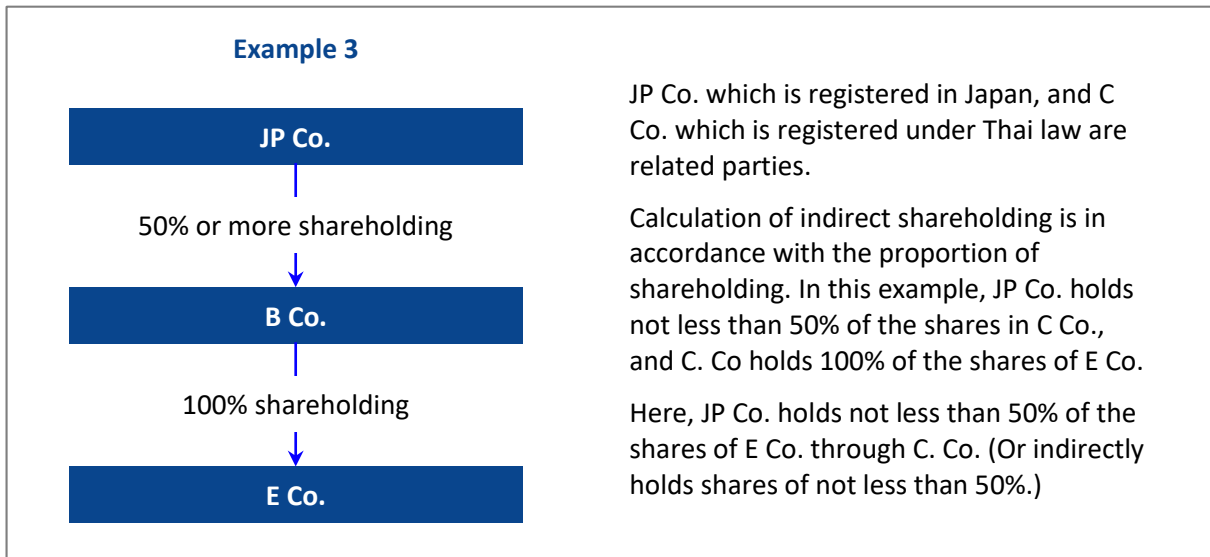
Section 6. This Notice shall be enforced on the incomes of the companies or juristic partnerships whose accounting period begins on or after 1st January 2021 onwards.

Notified this 30th day of September 2021
Ekniti Nitithanprapas
Director-General of Revenue Department

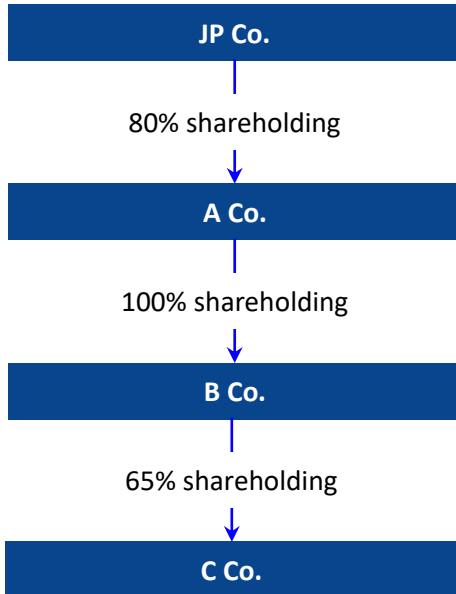
Appendix IV

Examples of Related Parties

Source: Thailand Revenue Department – TP Disclosure Form instructions



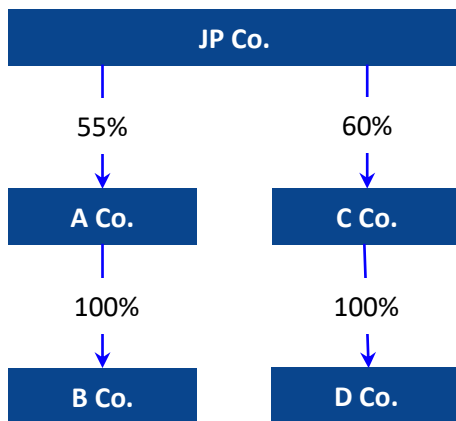
Example 6



Question: Are JP Co., which was registered in Japan, and C Co., established under Thai laws, related parties?

Answer: Yes. JP Co. and C Co. are related parties because JP Co. indirectly holds 52% of the shares in C Co, through A Co. and B Co

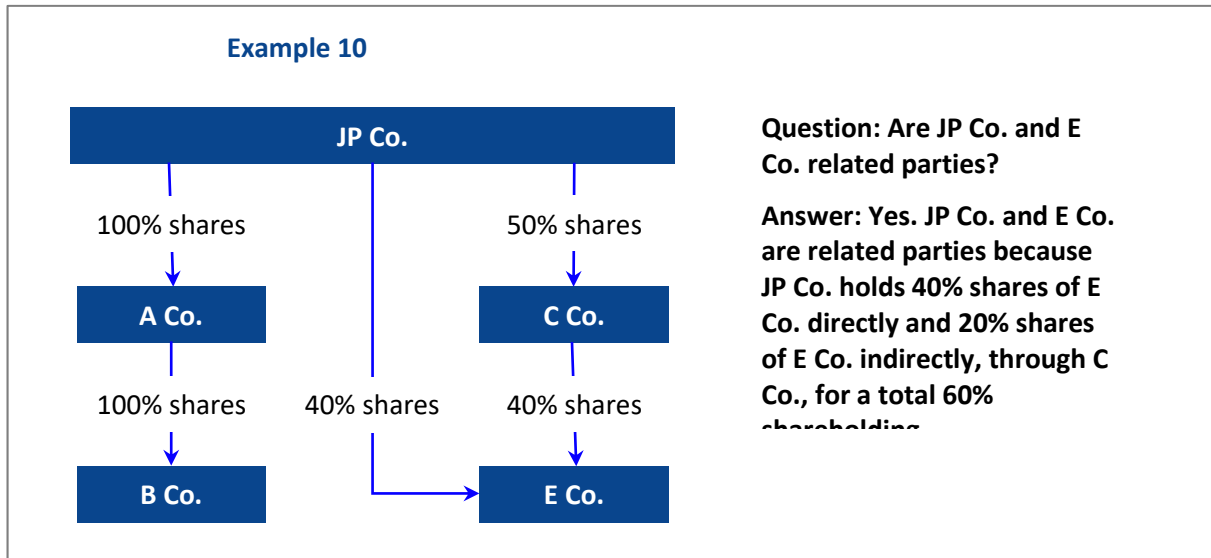
Example 8



Question: Are B Co. and D Co. related parties?

Answer: Yes. B Co. and D Co are related parties because JP Co. indirectly holds both companies' shares in the following manner:

JP Co. indirectly holds 55% of the shares of B Co. through A Co. Likewise, JP Co. indirectly holds 60% of the shares of D Co. through C Co.



Answers to Question 1:

- 1) B Co. and JP Co. are related parties because JP Co. directly holds 100% of the B Co. shares. {Revenue Code, Section 71 bis, (1)}
- 2) B Co. and ML Co. are related parties because B Co. directly holds 50% of the shares of ML Co. {RC, Section 71 bis, (1)}
- 3) B Co. and C Co. are related parties because they have a common shareholder (JP Co.), which directly holds 100% of B Co. as well as 100% of C Co. {RC, Section 71 bis, (2)}

Answers to Question 2:

- 1) ML Co. and B Co. are related parties because B Co. directly holds 50% of the shares of ML Co. {RC, Section 71 bis, (1)}
- 2) ML Co. and C Co. are related parties because C Co. directly holds 50% of the shares of ML Co. {RC, Section 71 bis, (1)}
- 3) ML Co. and JP Co. are related parties because JP Co. indirectly holds a total of 100% of the shares of ML Co. through B Co. and C Co. {RC, Section 71 bis, (1)}



Local File Requirements – Thailand

(1) Document or evidence showing information relating to person liable to submit document or evidence of the following items:
(a) Local organization chart, including the number of workers, value chain, as well as key trade partners, key trade competitors, business strategies, and economic situations.
(b) Structure of related companies or juristic partnerships that have transactions with the person liable to submit document or evidence, including a company or a juristic partnership who is the direct shareholder of the person liable to submit document or evidence and the highest-ranking shareholder of the person liable to submit document or evidence.
(c) Explanations relating to business restructuring between related companies or juristic partnerships occurred within the accounting period or the previous accounting period, if such has been proceeded, including the difference of the nature of business operation and the business strategies during, before, and after the said business restructuring, as well as impacts to the business operations of the person liable to submit document or evidence.
(d) Explanations relating to the transfer of intangible assets that the person liable to submit document or evidence has received the transfer from, or has transferred same to, related companies or juristic partnerships during the accounting period, if such has been proceeded, as well as impacts to the business operations of the person liable to submit document or evidence.
(2) Documents or evidence showing information concerning controlled transactions of the person liable to submit said evidence, as follows:
(a) List of categories of controlled transactions, contracting parties, countries or economic zones of the contracting parties, and value amount received from, or paid to, the contracting parties.
(b) Explanations concerning each category of the transactions under (a) and the policy on price fixing applied to the fixing of prices of each category of transaction, together with the hypothesis applied to the price fixing, unless such transaction categories are the transactions under (a) which are insignificant.
(c) All contracts relating to each category of transaction required to prepare the explanations under (b), together with summary of key essence of the contracts, as well as the conditions on prices under the contracts.
(d) Analysis of duties, assets, and risks of the person liable to submit document or evidence and the contracting parties relating to the categories of transactions required to prepare the explanations under (b), and the difference of duties, assets, and risks from the previous accounting period, if such is the case.
(e) Financial information used in the method of price fixing so chosen for each category of transaction required to prepare the explanations under (b).
(f) The method of price fixing chosen by the person liable to submit document or evidence for each category of transaction required to prepare the explanations under (b), as well as the reasons therefor and the reasons why other methods of price fixing duly approved are not used, and also specifying the contracting parties of controlled transactions used in the testing of price fixing method, if necessary, according each method of price fixing so chosen.
(g) Items and explanations of comparable uncontrolled transactions, or comparable independent companies or juristic partnerships, and information relating to financial indicators of transactions of said companies or juristic partnerships, including the period of returns receivable if operated independently, as well as explanations on the method of searching and the source of information of said comparable uncontrolled transactions or comparable independent companies or juristic partnerships. (This item (g) is not required under Case A or Case B as described under " <u>Exempt information</u> ", supra.)
(3) Other documents or evidence than (1) and (2) showing necessary information for analysis of transaction rules between related companies or juristic partnerships as notified in writing by the Assessment Officer with approval of the Director-General that they be submitted additionally.

Name of the MNE Group: Fiscal Year Concerned:																
Tax Jurisdiction	Constituent Entities Resident in the Tax Jurisdiction	Tax Jurisdiction of Organization or Incorporation, If Different from Tax Jurisdiction of Residence	Main Business Activities												Dormant	Other ¹
			Research and Development	Holding or managing Intellectual Property	Purchasing or Procurement	Manufacturing or Production	Sales, Marketing or Distribution	Administrative, management or Support Services	Provision of Services to Unrelated parties	Internal Group Finance	Regulated Financial Services	Insurance	Holding Shares or Other Equity Instruments			
	1.															
	2.															
	3.															
	1.															
	2.															
	3.															

Table 2: List of all the MNE Group's Constituent Entities included in each aggregation per tax jurisdiction.

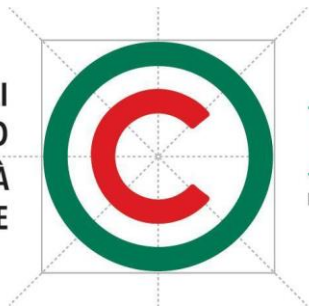
Please specify the nature of the activity of the Constituent Entity in the "Additional Information" section:

Name of the MNE Group: Fiscal Year Concerned:
Please include any further brief information or explanation you consider necessary or that would facilitate the understanding of the compulsory information provided in the Country-by-Country Report.

Table 3: Additional Information.

Bangkok, September 2022

**OSTACOLI
AL COMMERCIO
PROPRIETÀ
INTELLETTUALE**



ITCA 
ITALIAN TRADE AGENCY

Italian Trade Commission

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