## THAILAND - LOGIC CHANGES

### **AUTHORITY UPDATE GUIDE**

THOMSON REUTERS TAX RESEARCH AUGUST 2021 CONTENT UPDATE #1

#### Introduction

This guide provides an explanation of the recent changes made to Determination for the authority of Thailand, which were implemented to support the taxation of electronic services supplied by non-resident businesses to non-VAT registrants in Thailand.

In accordance with The Revenue Code Amendment Act gazetted on 10 February 2021, non-resident electronic services providers and electronic platforms who meet the income threshold by providing electronic services to consumers in Thailand are required to register, charge and remit VAT on such services starting from 1 September 2021.

The new rules apply to a broad range of cross-border electronic services, such as mobile applications; software programs; digital images, videos, financial data, music, films, and games or online advertising services.

In case of electronic services provided from abroad to customers who are VAT registrants in Thailand, the reverse charge method is applied.

Considering the above, the Electronic\_Services authority logic group was mapped with the highest order, as well as the "CL - Customer Location Reverse Charge" authority option was added in the authority of Thailand. The changes are effective from 1 September 2021.

Below are some examples of the expected tax results including Thailand authority in respect of the supplies of Electronic Services.



### **TAX RESULTS EXAMPLES**

Test 1: B2C Electronic Services provided by a foreign unregistered Seller to the Thai Buyer

WORKBENCH ELEMENTS	VALUES
Transaction Type	Electronic Services
Seller Primary	Germany
Buyer Primary	Thailand
Seller Registration	DE123456789
Buyer Registration	null

### Results for the SELLER:

Tax Calculatio	n Results										
Scenario 20	)21 August 1st Update	- Supplie	s of Electronic S	Services in Thai	land:						
	View Results: 1 V		Gross Amount:	100.00	Eff%: 0%						
	Zone		Authority	Invoice D	sc	Туре	Dir	Fee	Rate	Tax Amt	TT IT
	Country: GERMANY		Germany	Not Liable		NL	О		0%	0.00	
	Country: THAILAND		Thailand	Not Liable		UN	0		0%	0.00	
										0.00 USD	
Authority	Messages:										
Authority	RuleOrder	Message									
Germany	5001	EUSS17: N	o VAT liability in S	eller's country un	der Article 44 of	EC Directive	2006/11	١2.			
Thailand	5001	GCSCL32:	Seller cannot invo	ice VAT since sell	er is not registere	ed in Buyer's	s country.				



# Test 2: B2C Electronic Services provided by a foreign registered Seller to the Thai Buyer

WORKBENCH ELEMENTS	VALUES
Transaction Type	Electronic Services
Seller Primary	Germany
Buyer Primary	Thailand
Seller Registrations	DE123456789; 1234567890123
Buyer Registration	null

### Results for the SELLER:

Tax Calculation	on Results											
Scenario 20	021 August 1st Updat	e - Supplie	s of Electronic	Services in Thai	and:							
	View Results: 1 ✓		Gross Amount	: 100.00	Eff%: 7%							
	Zone		Authority	Invoice De	5C	Type	Dir	Fee	Rate	Tax Amt	TT IT	
	Country: GERMANY		Germany	Not Liable		NL	0		0%	0.00		
	Country: THAILAND		Thailand	VAT		S	0		7%	7.00		
										7.00 USD		
Authorit	y Messages:											
Authority	RuleOrder	Message										
Germany	5001	EUSS17: N	JSS17: No VAT liability in Seller's country under Article 44 of EC Directive 2006/112.									
Thailand	10000	GCSCL14:	Output VAT in Bu	yer's country.								



## Test 3: B2B Electronic Services provided by a foreign unregistered Seller to the Thai Buyer

WORKBENCH ELEMENTS	VALUES
Transaction Type	Electronic Services
Seller Primary	Germany
Buyer Primary	Thailand
Seller Registration	DE123456789
Buyer Registration	1234567890123

### Results for the SELLER:

Tax Calculation	n Results										
Scenario 20	21 August 1st Updat	e - Supplie	s of Electronic S	Services in Tha	land:						
	View Results: 1 ✔		Gross Amount:	100.00	Eff%: 0%						
	Zone		Authority	Invoice D	esc	Туре	Dir	Fee	Rate	Tax Amt	TT IT
	Country: GERMAN	IY	Germany	Not Liable		NL	0		0%	0.00	
	Country: THAILAN	ID.	Thailand	Not Liable		NL	0		0%	0.00	
										0.00 USD	
Authority	Messages:										
Authority	RuleOrder	Message									
Germany	5001	EUSS17: N	o VAT liability in S	Seller's country un	der Article 44 of	EC Directive	2006/1	12.			
Thailand	5001	GCSCL13:	No VAT liability in	Buyer's country.							

#### Results for the BUYER:

ion Results										
2021 August 1st Update - Sup	plies of Electronic S	Services in T	hailand:							
View Results: 1 ✓	Gross Amount:	100.00	Eff%: 0%							
Zone	Authority	Invoice	Desc	Type	Dir	Fee	Rate	Tax Amt	TT IT	
Country: THAILAND	Thailand	VAT		RC	0		7%	7.00		
Country: THAILAND	Thailand	VAT		RC	I		7%	7.00		
								0.00 USD		
ity Messages:										
RuleOrder	Message									
10000	GCBCL31: Reve	GCBCL31: Reverse charge in Buyer's country.								
10000	GCBCL32: Reco	GCBCL32: Recovery of reverse charge in Buyer's country.								
	View Results: 1 Vone Country: THAILAND Country: THAILAND ty Messages: RuleOrder 10000	View Results:     View Results:   V	View Results:   View Results:	View Results: 1 Gross Amount: 100.00 Eff%: 0%  Zone Authority Invoice Desc  Country: THAILAND Thailand VAT Country: THAILAND Thailand VAT  Tha	View Results: 1 ✓ Gross Amount: 100.00 Eff%: 0%  Zone Authority Invoice Desc Type  Country: THAILAND Thailand VAT RC  Country: THAILAND Thailand VAT RC  **THAILAND THAILAND RC  **THAILAND THAILAND THAILAND THAILAND THAILAND RC  **THAILAND THAILAND RC  **THAILAND THAILAND RC  **THAILAND THAILAND RC  **THAILAND THAILAND THAILAND THAILAND RC  **THAILAND THAILAND THAILAND THAILAND RC  **THAILAND THAILAND THAILAND THAILAND THAILAND RC  **THAILAND THAILAND THA	View Results: 1 Gross Amount: 100.00 Eff%: 0%  Zone Authority Invoice Desc Type Dir Country: THAILAND Thailand VAT RC O Country: THAILAND Thailand VAT RC I  ty Messages:  RuleOrder Message 10000 GCBCL31: Reverse charge in Buyer's country.	View Results: 1 Gross Amount: 100.00 Eff%: 0%  Zone Authority Invoice Desc Type Dir Fee Country: THAILAND Thailand VAT RC O Country: THAILAND Thailand VAT RC I  ty Messages:  RuleOrder Message 10000 GCBCL31: Reverse charge in Buyer's country.	View Results: 1 Gross Amount: 100.00 Eff%: 0%  Zone Authority Invoice Desc Type Dir Fee Rate Country: THAILAND Thailand VAT RC 0 7% Country: THAILAND Thailand VAT RC I 7%  ty Messages:  RuleOrder Message 10000 GCBCL31: Reverse charge in Buyer's country.	View Results: 1 ✓ Gross Amount: 100.00 Eff%: 0%  Zone Authority Invoice Desc Type Dir Fee Rate Tax Amt  Country: THAILAND Thailand VAT RC 0 7% 7.00  Country: THAILAND Thailand VAT RC I 7% 7.00  Thailand VAT RC I 7% 0.00  Thailand VAT RC I 7% 7.00  O.00 USD  ty Messages:  RuleOrder Message  10000 GCBCL31: Reverse charge in Buyer's country.	

