



# Lessons from tax reform

## The Revenue Department of Thailand

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IMF- ADB Seminar on Medium –Term Revenue Strategy and Related Issues

Manila, Philippines

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# Agenda

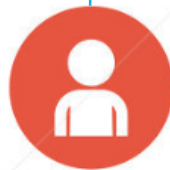
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- Background
- Encourage Business Individuals to Register as Juristic Persons Measure
- Outcomes
- Lessons Learned



# Background

## Business Model



Individual



Juristic Person

(Company, Registered Ordinary Partnership,  
Limited Partnership)

Tax deductible  
expense

1. A lump-sum rate 60-85 % or  
2. Actual expense

Actual expense

Proportion of taxpayer  
using a lump-sum rate

81 % (1.5 Million taxpayers)

N/A

Financial Statement

None

Yes

Financial Statement  
Certify

None

CPA or Tax auditor



# Background (cont.)

## Ministry of Finance Policy

1



Business Individual



Juristic Person

(Company, Registered Ordinary Partnership,  
Limited Partnership)

2

Business Individuals pay tax base on the actual  
business performances (= using the actual expense)



# Encourage Business Individuals to Register as Juristic Persons Measure



Business Individual

Asset



New Juristic Person

- Decrease lump-sum deductible rate from 60%-85% to 60% in 2017

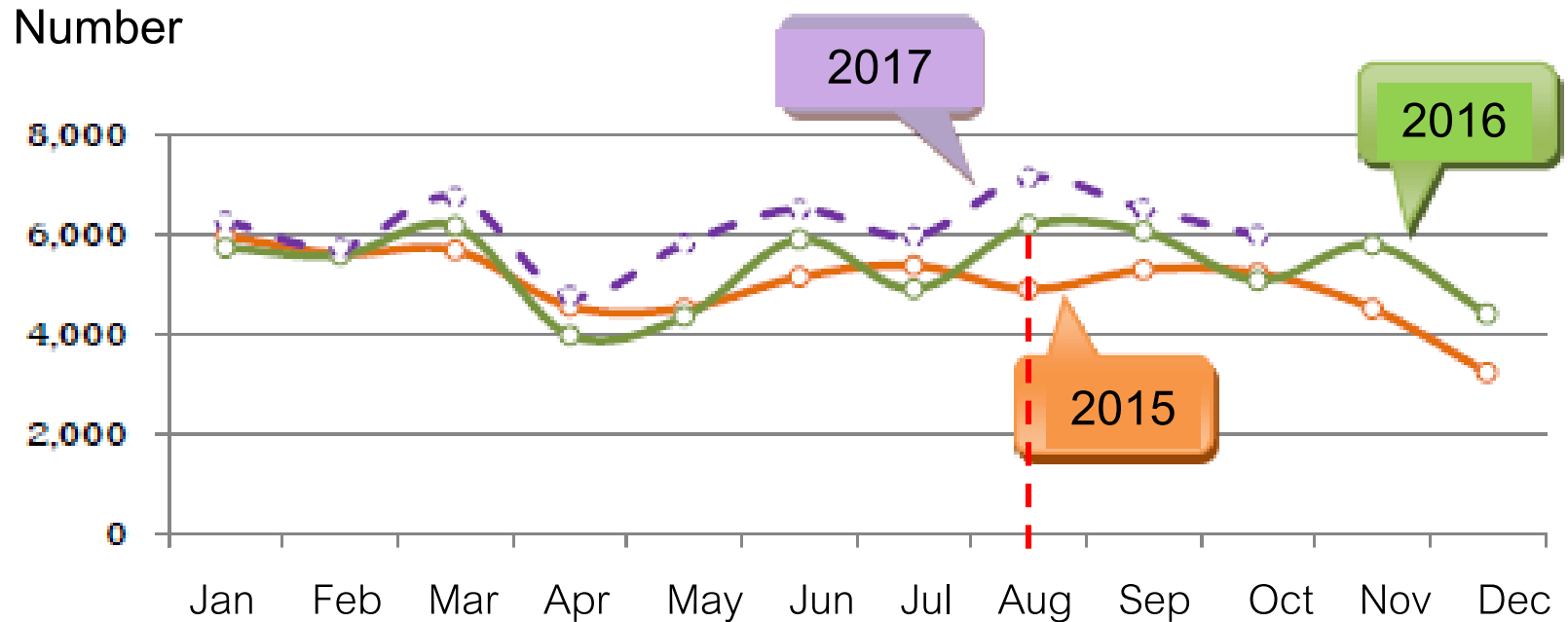
- Tax exemption for the assets transferred during the period of 10 August 2016 - 31 December 2017

- New SMEs can double tax deduction for 5 years for
  - company registration fees
  - accounting expenses
  - audit expenses



# Outcomes

The number of new Juristic Person 2015 - 2017





# Outcomes (cont.)

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- Many business individuals disagree
- As of Sep 2017, Gold shops 73% (4,500 shops) change from business individuals to companies
- Half year PIT tax collection increase 26%
- Still waiting for the final outcomes



# Lessons Learned

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Not easy to change

Should give more time to prepare

Public relation and educating are necessary





# Thank You