



Thailand

WTS Global Country TP Guide

Last Update: December 2017

1. Legal Basis	
Is there a legal requirement to prepare TP documentation?	No
Is the preparation of TP documentation advisable, e.g. to avoid penalties?	Yes
Are TP policies of multinational enterprises in principle accepted by the tax authorities, if they are in line with the OECD TP Guidelines?	Yes
Which TP methods may be applied?	In principle, all internationally accepted methods are acceptable.
Are any TP methods preferred over others?	No
Have the documentation requirements of OECD BEPS Action 13 already been implemented (i.e. the LF, MF and CbCR concepts)?	No CbCR/MF/LF yet, may come with new transfer pricing law.
2. Master File (MF)	
	Not implemented
3. Local File (LF)	
	Not implemented
4. Country-by-Country Reporting	
	Not implemented
Did your country sign the Multilateral Competent Authority Agreement on the Exchange of CbC Reports ("CbC MCAA")?	No
5. TP disclosure in tax return or transfer pricing specific returns	
Does a taxpayer need to disclose information regarding TP documentation in his tax return?	No. (but additional information may be requested by the assessment officer).
When a taxpayer files a tax return for which he understands or should understand that the result reported in that tax return is too low due to incorrect transfer pricing, what could be the legal consequences?	The assessment officer has the power to reassess the price and demand for payment of the additional tax resulting from reassessment (if any) + penalty (up to 100% of unpaid tax) + interest (1.5% per month).
What could be the consequences for the tax advisor/accountant/administrator drafting and filing the tax return of a client where that advisor/accountant/administrator understands or should understand that the result reported is too low due to incorrect TP?	Liability to compensate the client for damages.
Does a taxpayer need to file TP-specific returns?	No
6. Benchmarking	
Is there any local guidance or requirement with regard to the preparation of a benchmark study?	No
Are there any materiality thresholds that apply for the requirement to have a benchmark study available?	No

Does your country apply the general guidance by the OECD to prepare a new benchmarking search every three years and an update of the financial data of the accepted comparable in year 2 or 3?	No
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7. Year-end adjustments

Are year-end adjustments permissible?	Yes
Does the taxpayer have to comply with any specific features or guidance?	No

8. Transfer Pricing Audit and Dispute Resolution Mechanisms

What are currently the main TP areas of scrutiny by the tax authorities in your country?	Mark-up between intercompany transaction in comparison with the 3rd party transaction and benchmark of gross profit from RD database, intercompany loan with lower interest rate than market rate or no interest.
Based on your experience, are joint or multilateral audits initiated and carried out?	No
Does the taxpayer have the option to apply for bilateral or multilateral APAs?	Yes
Are there any restrictions?	The Thai Revenue Department would consider rejecting the APA application if 1. the taxpayer does not submit sufficient information for their consideration, 2. the APA application was rejected by the tax authorities of the relevant countries, 3. it is a new business type for which Thailand does not have enough database, 4. or have a ground to suspect that there is an attempt to avoid tax or to commence any unusual acts without commercial reasons. In general, APA's are taking a long time to be approved.

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