On 9 June 2020, the government approved the draft value added tax (VAT) bill which imposes 7% VAT on the digital services provided by foreign service providers (FSPs).

The main elements of the approved draft VAT bill are set out below. The definitions of "digital services" and "electronic platforms" are defined as follows:

- Digital services: services that are delivered through the Internet or electronic platforms that require the use of technology; and
- Electronic platform: electronic marketplace, channels, processes and others used by a service provider for the provision of digital services to a recipient.

- A FSP that provides digital services directly to a non-VAT registered recipient in Thailand must account for VAT accordingly without any deduction for input VAT.
- If a FSP provides digital services through an electronic platform for processing services and other related activities, the electronic platform operator must account for VAT.
- VAT registration can be done electronically by the FSP.

The draft VAT bill is expected to level the playing field between local and foreign digital businesses and contribute to the government’s revenue in the coming period. The draft VAT bill will subsequently be presented to parliament for approval.

See also

Thailand - Corporate Taxation - Country Surveys section 8.7.
Thailand - Country Analyses - Corporate Taxation sections 13.4.2., 13.11.