



Tax on share sales

On 29 November 2022, the cabinet ended the decades-long waiver on a financial transaction tax on sale share (“FTT”) in order to bring balance between securities traders and investors in the Thai bourse.

The principle approval of the Cabinet for the Revenue Department's regulation in this regard has been granted, and it has been forwarded to the State Council for review in detail. After receiving another round of cabinet's approval, it will be published in the Royal Gazette. The FTT will come into force three months after publication, on 1 April 2023, according to current plan.

The regulation seeks to gain the overall FTT to 0.11% of each sold share. However, the amount of tax collected will be lower in the first year, at 0.055% per share sold, and then rise to 0.11% in the following year.

In fact, the FTT is not new, it has been in place for almost 40 years, but the government has consistently waived it in favour of the growth of the market. The government decided to revoke the waiver.

The government would gain from the FTT charge since it would bring in about 15–16 billion baht in annual revenue. However, some experts are concerned that this may have an impact on the Thai stock market as investors may look for alternative investment opportunities such as investing in foreign stock market. Therefore, the negative effects of losing trade might outweigh the positive effects of increasing tax gained.