



The extension of the reduced VAT rate

Value Added Tax (“VAT”) has been collected in Thailand since 1992 to impose tax on the sale of goods and services. According to Section 80 of the Revenue Code of Thailand, the standard rate of Value Added Tax or VAT in Thailand is 10 percent. However, on 13 September 2023, the Cabinet of Thailand approved an extension period for the reduction of the VAT rate, from 10 percent to 7 percent for an additional year.

The extension of the reduced VAT rate is effective from 1 October 2023 to 30 September 2024, with the aim of supporting the consumption of goods and services, promoting economic growth in the country, and encouraging investments by the private sector. In general, the reduced rate is typically extended on an annual basis, but it was previously extended by 2 years due to the challenges that arose from the COVID-19 pandemic.

The recent decision to extend the reduced VAT rate in Thailand demonstrates a strategic government policy aimed at boosting economic activity, encouraging investment, and mitigating the effects of economic challenges.

Should you have any question, please do not hesitate to contact us via info@bgloballaw.com

