



Thailand's CbCR Local Guidance

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1. Overview

1.1 General

Country by Country Reporting Reporting (CbCR) is part of Action 13 of the Base Erosion and Profit Shifting (BEPS) initiative led by the Organisation for Economic Co-operation and Development (OECD) and the Group of Twenty (G20) industrialized nations.

CbCR requires Multinational enterprises (MNE) which meet certain criteria to file a Country-by-Country Report (CbC Report) with local authorities which would provide a breakdown of the amount of revenue, profits, taxes and other indicators of economic activities for each tax jurisdiction in which the MNE group does business. CbCR only applies to MNE groups with annual consolidated group revenue of not less than a specified threshold amount in the preceding fiscal year (MNE Groups). Thailand has specified the threshold as THB 28,000 million but other jurisdictions may specify the threshold in Euros (€750 million). An Excluded MNE Group is a Group which does not meet the aforementioned threshold. CbCR does not apply to Groups below the threshold.

All CbCR legislation and relevant resources are available on the Revenue Department's website: <https://cbcr.rd.go.th/aeoi>

1.2 Purpose of this Guidance

This Guidance is intended to aid businesses that may have responsibilities to report information under Thailand's CbCR Legislation. It is also intended as a reference source for constituent entities in Thailand and relevant professionals to use in conjunction with Thailand's CbCR Legislation and OECD core documents.

1.3 OECD Core Documents & Resources

The following OECD documents contain the core elements and other resources of CbCR. Entities are encouraged to consult the documents for general information

1.3.1 Core elements of CbCR

- [Transfer Pricing Documentation and Country-by-Country Reporting, Action 13 – 2015 Final Report](#) (Link: <https://www.oecd.org/tax/transfer-pricing-documentation-and-country-by-country-reporting-action-13-2015-final-report-9789264241480-en.htm>)
- [Guidance on the Implementation of Country-by-Country Reporting BEPS ACTION 13](#) (Link: <https://www.oecd.org/ctp/guidance-on-the-implementation-of-country-by-country-reporting-beps-action-13.pdf>)
- [Country-by-Country Reporting XML Schema: User Guide for Tax Administrations](#) (Link: <https://www.oecd.org/tax/country-by-country-reporting-xml-schema-user-guide-for-tax-administrations.pdf>)

1.3.2 Other CbCR Resources

- [General Information](#) (Link: <https://www.oecd.org/tax/beps/beps-actions/action13/>)
- [CbCR FAQs](#) (Link: <https://www.oecd.org/tax/beps/bitesize-beps/#Action13>)
- [Country-by-Country Reporting: Handbook on Effective Implementation](#) (Link: <https://www.oecd.org/tax/beps/country-by-country-reporting-handbook-on-effective-implementation.pdf>)
- [Country-by-Country Reporting: Handbook on Effective Tax Risk Assessment](#) (Link: <https://www.oecd.org/tax/beps/country-by-country-reporting-handbook-on-effective-tax-risk-assessment.htm>)

1.4 Domestic Law

The relevant legislations that require the Reporting Entities in Thailand to inform information in accordance with the Country-by-Country Report are as follows:

- [The Notification of the Director – General of Revenue Department on Income Tax \(No. 408\)](#) (Link: https://www.rd.go.th/fileadmin/user_upload/kormor/newlaw/dg408.pdf)

• [The Notification of Ministry of Finance Re: Extending Informing Period of Information Listed in Country-by-Country Report \(Country-by-Country Report\)](#)

(Link: https://www.rd.go.th/fileadmin/user_upload/kormor/newlaw/mofex_cbc.pdf)

1.5 Interpretation

All jurisdictions participating in BEPS project have committed to implementing CbC Reporting as described in the implementation package of the Transfer Pricing Documentation and Country-by-Country Reporting, Action 13 – 2015 Final Report (OECD Final Report) which includes model legislation for the introduction of the CbCR requirements (OECD Model Legislation). The purpose of the implementation package, and in particular, the OECD Model Legislation, is to ensure a consistent and standard approach to CbCR across all implementing jurisdictions.

In this Guidance –

“International Agreements on Exchange of Information” means any agreement, to which the Thai government or Thailand trade and economic office is a party or a member, containing the provision to exchange tax information to prevent fiscal evasion.

“Tax Resident” means a tax resident under International Agreements on Exchange of Information.

“Multinational Companies or Juristic Partnerships Group (MNE group)” means

(1) Two or more companies or juristic partnerships that are related through control in accordance with the generally accepted accounting principles regarding consolidated financial statements, and these companies or juristic partnerships are tax residents in different jurisdictions of, more than one jurisdiction, or one of these companies or juristic partnerships is a tax resident of a jurisdiction and carries on business through a permanent establishment in another jurisdiction, or

(2) A company or juristic partnership who is a tax resident in a jurisdiction and carries on business through a permanent establishment in another jurisdiction.

“Competent Authority Agreement on Exchange of Information” means an agreement between Competent Authorities, obligating a party or a member to exchange, automatically, information listed in the report prescribed in the Notification of the Director – General of Revenue Department on Income Tax (No. 408) with another party or member.

“Exchange of Information Systemic Failure” means a situation when a jurisdiction has a Competent Authority Agreement on Exchange of Information in place and the agreement has been effective, but that jurisdiction cannot transmit the report as prescribed in the Notification to Thailand due to any obstacles not mentioned in the agreement.

“Country-by-Country Report” means a report containing information of a MNE group with respect to each company or juristic partnership of the group and each permanent establishment of such company or juristic partnership as of the end of accounting period of the Ultimate Parent Company or Juristic Partnership of the MNE group, as listed in the form attached in the Notification of the Director – General of Revenue Department on Income Tax (No. 408).

“Constituent Entity” means –

(a) any separate business unit of an MNE group that is included in the consolidated financial statements of the MNE group for financial reporting purposes, or would be so included if equity interests in such business unit of an MNE group were traded on a public securities exchange;

(b) any such business unit that is exchanged from the MNE group’s consolidated financial statements solely on size or materiality grounds; and

(c) any permanent establishment of any separate business unit of the MNE group included in (a) and (b) provided the business unit prepares a separate financial

statement for such permanent establishment for financial reporting, regulatory, tax reporting, or internal management control purposes.

1.6 The Competent Authority

For the purpose of the Multilateral Competent Authority Agreement on the Exchange of Country-by-Country Reports (MCAA CbCR), the Competent Authority of Thailand is the Minister of Finance. For the purpose of an exchange of information, the Director – General of the Revenue Department is a representative of the Minister of Finance as the Competent Authority under Section 10 Ter of the Revenue Code. The Minister of Finance and the Director – General of the Revenue Department are together referred to in this Guidance as the ‘Competent Authority’.

The Competent Authority is responsible for the administration of CbCR in Thailand and for ensuring that the relevant Thai Entities comply with their obligation under the Notification of the Director – General of Revenue Department on Income Tax (No. 408) and other CbCR legislations. Relevant Thai Constituent Entities will report the information required under CbCR to the Competent Authority which will in turn exchange information with partner jurisdictions that have satisfied the requisite confidentiality and data safeguards standards, and have the appropriate legal instruments and legislative frameworks in place.

1.7 Thailand’s Country-by Country Reporting System

Thailand’s Country-by Country Reporting System can be accessed at: <https://cbcr.rd.go.th/aeoi>

As part of the enrollment process, a representative of an MNE group shall provide required contact person details including an email to complete the Notification and to start a submission. The Notification and Submission procedures are described in the [CbCR System Manual](#). (Link: https://cbcr.rd.go.th/aeoi/assets/Doc/system_manual_CbCR.pdf)

1.8 Notification and Reporting to the Competent Authority

1.8.1 Notification

A. Notification Procedure

A1. Notification on Disclosure Form

A company or juristic partnership obliged to file Disclosure Form shall notify as part of the Notification in part C of Disclosure Form

A2. Notification on the CbCR system

A representative of an MNE group shall provide the following information:

- Ultimate Parent Entity Country

Specify tax jurisdiction of the Ultimate Parent Company or Juristic Partnership of the Multinational Company or Juristic Partnership Group.

- Tax Identification Number of Ultimate Parent Entity

For the Ultimate Parent Company or Juristic Partnership established under Thai law, specify company or juristic partnership's taxpayer identification number which is used for tax filing to the Thai Revenue Department.

For the Ultimate Parent Company or Juristic Partnership established under foreign law, specify company or juristic partnership's taxpayer identification number which is used in their own tax jurisdiction (if any).

- Name of Ultimate Parent Entity

Specify name of the Ultimate Parent Company or Juristic Partnership.

- CbCR reporting Entity

To specify type of a company or juristic partnership of the Multinational Company or Juristic Partnership Group who is obligated to inform information listed in the Country-by-Country Report; Ultimate Parent Entity or Surrogate Parent Entity,

and specify tax jurisdiction, tax identification number (if any), and name of the company or juristic partnership.

- Fiscal Year Concerned

Specify the reporting accounting period.

- List of Thai Constituent Entity to be included in this Notification

Upload a list of Thai constituent entity carrying on business in Thailand of a Multinational Company or Juristic Partnership Group.

B. Notification Deadlines

B1. The notification deadline on Disclosure Form

A company or juristic partnership shall file Disclosure Form within 150 days from the last day of an accounting period.

B2. The notification deadline on the CbCR system

A representative of an MNE group shall notify before the last day of the reporting period of the MNE group.

1.8.2 Submission

A. Submission Deadlines

A1. For an Ultimate Parent Company or Juristic Partnership under Clause 2 (1) and the Surrogate Parent Entity under Clause 4 of the Notification of the Director – General of Revenue Department on Income Tax (No. 408), shall submit the CbCR within 12 months from the last day of an accounting period.

A2. For a company or the juristic partnership carrying on business in Thailand under Clause 2 (2) of the Notification of the Director – General of Revenue Department on Income Tax (No. 408), shall submit the CbCR within 60 days from the date of receiving a CbCR submission notice from the assessment official.

B. Filing a CbC Report

A company or juristic partnership obliged to file CbC Report shall inform information listed in Country-by-Country Report (Country-by-Country Report), conforming to the Country-by-Country Reporting XML Schema determined by the Organisation for Economic Co-operation and Development (OECD) in English language to a tax assessment official.

C. Completion of a CbC Report

CbC Reports apply for a multitude of entity types across a broad range of industries. It is therefore not feasible to provide guidance on issues pertaining to every type of entity or industry in regards to the completion of CbC Reports. The OECD Final Report (Link: <https://www.oecd.org/tax/transfer-pricing-documentation-and-country-by-country-reporting-action-13-2015-final-report-9789264241480-en.htm>), page 31, includes detailed instructions and guidance on how to complete CbC Reports and should be reviewed in full in advance of completing CbC Reports. The Reporting Entity should adopt a reasonable, practical and consistent approach to completion of CbC Reports. The Reporting Entity who completely and correctly files a CbC Report will receive a Receipt of Country-by-Country Report.

1.9 Confidentiality

Thailand will annually exchange information under CbCR with partner jurisdictions which have in place adequate measures to ensure the required confidentiality and data safeguards are met. Information provided to or received by the Competent Authority for the facilitation of the automatic exchange of information or otherwise for tax purposes shall be kept confidential as provided in accordance with Section 5 of the MCAA CbCR.

1.10 Exchange of CbC Reports by the Competent Authority

The Competent Authority will annually exchange on an automatic basis the CbC Report received from each Reporting Entity that is resident in Thailand. The CbC Report will be included in the CbC Message transmitted to any other jurisdiction in which a Constituent Entity contained in the CbC Report is resident for tax purposes, if Thailand has a Qualifying Competent Authority Agreement in effect with that jurisdiction. Qualifying Competent Authority Agreements (QCAAs) contain the rules on the modalities of the exchange between the Competent Authorities of participating jurisdictions in CbCR. QCAAs also contain representations on confidentiality, safeguards and the existence of the necessary infrastructure for an effective exchange relationship.

Thailand is going to enter into the MCAA CbCR. The Competent Authority will transmit a separate CbC Message to each Receiving Country which has Constituent Entities in the CbC Reports it contains. Each Receiving Country will transmit a CbC Status Message to the Competent Authority confirming whether the CbC Message is accepted or declined and, if accepted, whether there are any record level errors that must be corrected by the relevant Reporting Entities. All transmission of CbC Messages and CbC Status Messages will be made via the OECD's Common Transmission System (CTS).

2. Guidance on Technical Issues

2.1 Constituent Entities Required to Report

The following type of constituent entities will be required to file CbC Reports in Thailand:

- An Ultimate Parent Entity of an MNE group resident in Thailand for tax purpose.

- A Surrogate Parent Entity of an MNE group resident in Thailand for tax purpose under Clause 4 of the Notification of the Director – General of Revenue Department on Income Tax (No. 408).

- A company or the juristic partnership carrying on business in Thailand under Clause 2 (2) of the Notification of the Director – General of Revenue Department on Income Tax (No. 408).

2.2 Ultimate Parent Entity

Under Clause 1 of the Notification of the Director – General of Revenue Department on Income Tax (No. 408), “Ultimate Parent Company or Juristic Partnership” means:

(1) A company or juristic partnership who has control, directly or indirectly over another company or juristic partnership belonging to a Multinational Company or Juristic Partnership Group, causing the company or juristic partnership to prepare a consolidated financial statement in accordance with generally accepted accounting principles of a jurisdiction where it is a tax resident. Or would be required to prepare a consolidated financial statement, if securities of the company or juristic partnership were traded on a securities exchange of the jurisdiction where it is a tax resident or of the Stock Exchange of Thailand in case that tax resident’s jurisdiction does not have a securities exchange. And that company or juristic partnership is not under the control as such by another company or juristic partnership in the Multinational Company or Juristic Partnership Group, or

(2) A company or juristic partnership who does not have relationship with another company or juristic partnership through control in accordance with generally accepted accounting principles as described in (1), but that company or juristic partnership carries on business through a permanent establishment in another jurisdiction.

2.3 Surrogate Parent Entity

Under Clause 1 of the Notification of the Director – General of Revenue Department on Income Tax (No. 408), “Surrogate Parent Company or Juristic Partnership” means a company or a juristic partnership of a Multinational Company or Juristic Partnership Group who is appointed by its Ultimate Parent Company or Juristic Partnership to inform, on behalf of the Ultimate Parent Company or Juristic Partnership, information in accordance with this Notification in a jurisdiction where the company or a juristic partnership is a tax resident.

2.4 Residency for Tax Purposes

The Reporting Entity should report all of the tax jurisdictions in which Constituent Entities of the MNE Group are resident for tax purposes. The OECD Final Report states that a tax jurisdiction is defined as any (State or non-State) jurisdiction which has fiscal autonomy. A separate line should be included in the report for all Constituent Entities in the MNE Group deemed by the Reporting MNE not to be resident in any tax jurisdiction for tax purposes.

2.5 Local Filing

The local filing in Thailand will be suspended until after the first exchange of CbCR information in June 2023.

2.6 Threshold for Excluded MNE Groups

The Notification of the Director – General of Revenue Department on Income Tax (No. 408) shall not apply in case where an MNE group has a consolidated group revenue for the accounting period prior to the reporting accounting period as follows:

(1) Less than THB 28,000 million; or

(2) Less than the average of THB 28,000 million which is calculated by number of days of the accounting period, in case where the accounting period is less than 12 months.

The conversion of the consolidated group revenue, which is reported in foreign currency, to Thai currency shall use the average buying rate quoted by that commercial bank buys for money transfer announced by the Bank of Thailand at the ending date of the accounting period prior to the reporting accounting period of an Ultimate Parent Company or Juristic Partnership of an MNE group. If there is no such rate available, the revenue shall be converted by using the exchange rate of foreign markets announced by the Bank of Thailand at the ending date of the accounting period prior to the reporting accounting period of an Ultimate Parent Company or Juristic Partnership of an MNE group. Nonetheless, if there is no such rate announced by the Bank of Thailand on the ending date, the revenue shall be converted using the last available relevant rate before the ending date of the accounting period.

2.7 The impact of currency fluctuations on the ฿28,000 million filing threshold

In Thailand, the definition of excluded MNE group in Clause 5 of the Notification of the Director – General of Revenue Department on Income Tax (No. 408) sets the threshold for filing a CbC report at ฿28,000 million, which is a near equivalent amount of €750 million as of January 2015. Other jurisdictions may set the threshold using a near equivalent in domestic currency. To determine if a Thailand filing obligation exists, MNE groups that prepare consolidated financial statements in a currency other than the Baht must convert consolidated group revenues for the immediately preceding fiscal year.

Currency fluctuations during a fiscal year between Baht and a domestic currency used to establish a filing threshold may result in different conclusions being

reached when the thresholds are tested in each currency. As a result, the following situation could arise:

(1) The consolidated group revenues of an MNE group, with a UPE resident for tax purposes in a jurisdiction other than Thailand (the other jurisdiction), do not exceed the threshold for filing set in the domestic currency of the other jurisdiction, but simultaneously exceed the ฿28,000 million threshold for filing in Thailand.

(2) The UPE of the MNE group would not be required to file a CbC report in the other jurisdiction, however any Constituent Entity of that MNE group resident for tax purposes in Thailand would be considered to file a CbC report.

Consistent with the OECD's Guidance on the Implementation of Country-by-Country Reporting: BEPS Action 13, where the UPE of an MNE group is resident in a jurisdiction other than Thailand, provided that such other jurisdiction has implemented a reporting threshold that is a near equivalent of €750 million in its domestic currency as it was at January 2015, an MNE group that complies with this local threshold will not be subject to the reporting mechanism in Thailand.

Conversion of consolidated group revenues to Thai Bath

According to Thai Accounting Standard (TAS) 21 – the effects of changes in foreign exchange rates, paragraph 39.2 – provide that income and expenses in one currency are converted to a different presentation currency using the prevailing exchange rate (i.e., the spot rate) at the dates of the transactions. However, it may not be practical for an MNE group to convert consolidated group revenues on a transaction-by-transaction basis. As such, the conversion of the consolidated group revenue shall be as described in 2.4 above, and this is acceptable for the purpose of the conversion that may be required in the definition of excluded MNE group.

Table 3. Additional Information

Name of the MNE group: Fiscal year concerned:
<i>Please include any further brief information or explanation you consider necessary or that would facilitate the understanding of the compulsory information provided in the Country-by-Country Report.</i>