



# Tax Planning and The New Thai Tax Rules

American International  
Tax Advisers

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Thomas is a director at American International Tax Advisers. He is enrolled to practice before the Internal Revenue Service. He has over 25 years of Tax and Financial Industry experience. He started in 1995 in his fathers CPA firm and progressed to being the international expatriate tax specialists for a surviving remnant of Arthur Anderson. He has a Bachelors in Global Business Management from the University of Phoenix and a Juris Science Masters in International Tax and Financial Service Law, from Thomas Jefferson School of Law.



TAX

Form **1040**

Department of the Treasury—Internal Revenue Service

**U.S. Individual Income Tax Return**

For the year Jan. 1–Dec. 31, 2009, or other tax year

Label

Your first name

NONE

RESERVE

THE

FOR THIS NOTE  
FOR ALL DEBTS

# **What American International Tax Advisers do**



**Personal Tax Returns**

**Business Tax Returns**

**Filing Multiple Missing Years and Past Due**

**Fixing Tax Returns**

**Correcting Balances and Fees**

**Disputing IRS Adjudications**

**Stopping Delinquent Return Assessments**

**Avoiding Criminal Investigation**

**FBAR and FINCEN 114**

**Foreign Earned Income Exclusions – Form 2555**

# **Thai Tax**

**Revenue Code's Section 41 paragraph 2:**

- 1. A person who receives a foreign-source income resides in Thailand at least 180 days in a tax calendar year.**
- 2. A person who enters into Thailand in the 2024 calendar year and the subsequent years.**

**Per the cases above, such an individual is obligated to disclose this income brought into Thailand when calculating the income tax rate for the calendar year.**

# **Common Reporting Standard**

**The Common Reporting Standard (CRS) is a new information gathering and reporting requirement for financial institutions in participating countries/jurisdictions, to help fight against tax evasion and protect the integrity of tax systems.**

**Common Reporting Standard**  
**The CRS strengthens the tax system by promoting transparency, ensuring accurate reporting of income from non-residents, and combating tax evasion.**



<b>Income tax band</b>	<b>Thai Tax rate</b>
<b>Up to ฿150,000</b>	<b>0%</b>
<b>฿150,001-฿300,000</b>	<b>5%</b>
<b>฿300,001-฿500,000</b>	<b>10%</b>
<b>฿500,001-฿750,000</b>	<b>15%</b>
<b>฿750,001-฿1 million</b>	<b>20%</b>
<b>฿1,000,001-฿2 million</b>	<b>25%</b>
<b>฿2,000,001-฿5 million</b>	<b>30%</b>
<b>฿5 million and above</b>	<b>35%</b>



## **Real Figures!**

**0% under 150k brought in  
5% of everything above 150k**

**7500 + 10% above 300k**

**27500 + 15% above 500k**

**65000 + 20% above 750k**

**115,000 + 25% above 1,000,000 baht**

**365,000 + 30% above 2,000,000 baht**

**1,265,000 + 35% above 5,000,000 baht**

**At 5 million it's a little over 25% actual tax.**

**Bringing in your immigration  
income requirements.**

**TAX**

**65k x 12 is 780k**

**780k - 750k = 30k**

**20% of 30k = 6k**

**65k + 6k = 71k**

**If you pay \$0 tax outside Thailand and no DTA,  
your immigration requirements will cost you  
71k. Approximately 11% tax.**

**DTA**

**Double Tax Agreements**



**กรมสรรพากร**  
THE REVENUE DEPARTMENT

## **News Public Relations 22/2024**

**Subject: Relaxation of fines for reporting data according to the FATCA agreement in 2024**

**As the Revenue Department has begun exchanging information according to the FATCA (Foreign Account) agreement Tax Compliance Act) with the United States From 27 June 2024 onwards.**

**The Revenue Department would like to inform you that Because the IDES system of the United States has been improved. And it is scheduled to test the data transmission system in July 2024. Therefore, in order to alleviate impact of those responsible for reporting The Revenue Department therefore provides a relaxation of fines for reporting information according to the FATCA agreement in 2024.**

**Those with reporting duties can submit information reports through the IDES system until September 30, 2024.**

**If you have any doubts You can learn more information at the Revenue Department website. (<https://www.rd.go.th/65656.html>)**

# Gift Tax



**Gift tax rates in Thailand are structured to favor transfers to direct relatives. For gifts to ascendants, descendants, or spouses, the tax-free threshold is 20 million baht per year to a single recipient, with a tax rate of 5% applied to amounts exceeding this threshold.**

# Exempted Gifts Categories



- **Immovable Property - Transfer to a lawful child (up to THB 20 million/year)**
- **Family Maintenance Gifts - To ascendants, descendants, or spouse (up to THB 20 million/year)**
- **Traditional/Customary Gifts - To non-family members (up to THB 10 million/year)**
- **Purpose-Specific Gifts - For education, religion, or public benefit**



# **American International Tax Advisers**

**To arrange a confidential consultation**

**<https://aitaxadvisers.com/>**

# What is International Tax Planning ?

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## \* **Tax planning helps**

... to reduce the cumulative impact of taxation, as compared to the separate tax incidence in the countries through which the transaction flows.

Its prime objective is to receive the after-tax flows of overseas income lawfully at minimal cost and risk.”

\* **“International tax planning**  
... is the art of arranging cross-border transactions with the knowledge of international tax principles to achieve a tax effective and lawful routing of business activities and capital flows.

## \* **The planning process**

... follows the money flows in cross-border transactions, as they pass from the host [or source] country where they arise to the home country where they eventually end.



# Why is International Tax Planning Important ?

As business competition becomes ever more global, companies must be able to plan in ways that maximizes income while reducing cost in operations that may span across numerous countries and several continents.



# International Tax Planning is both common sense and a bit of magic

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- Proper international tax planning can save large amounts of money for minimal cost.
- The common sense part is to plan properly.
- The magic is in how to make it work.



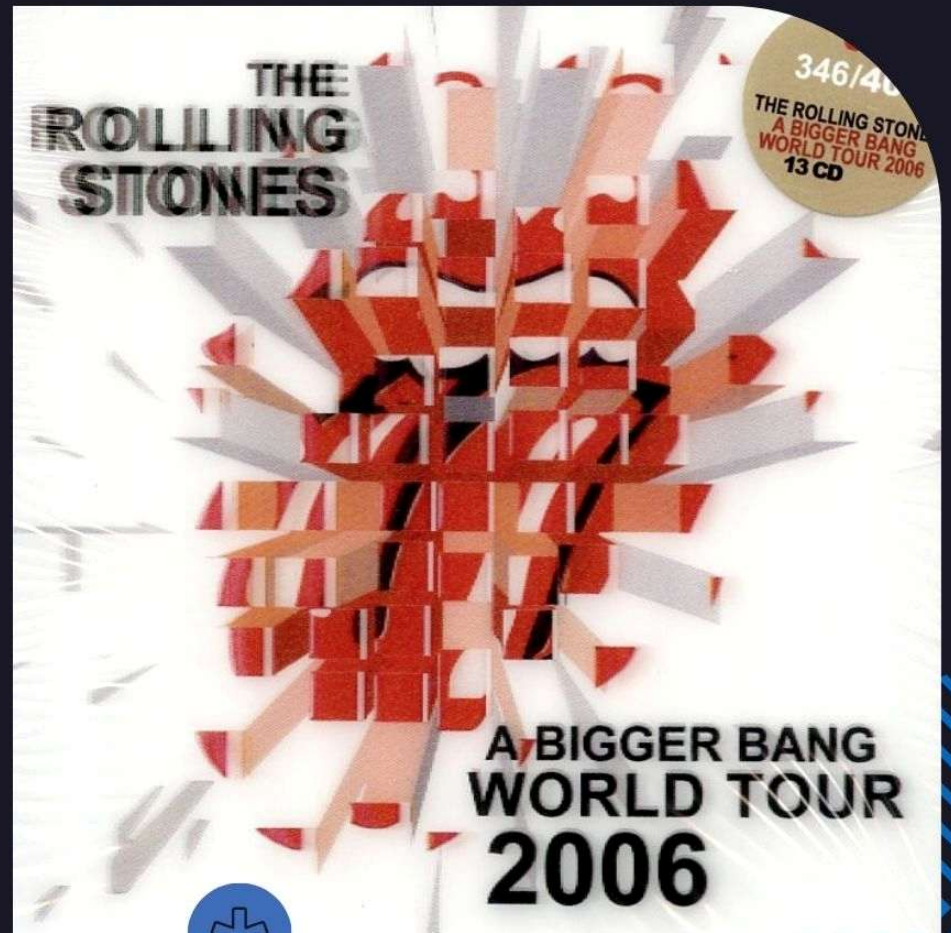


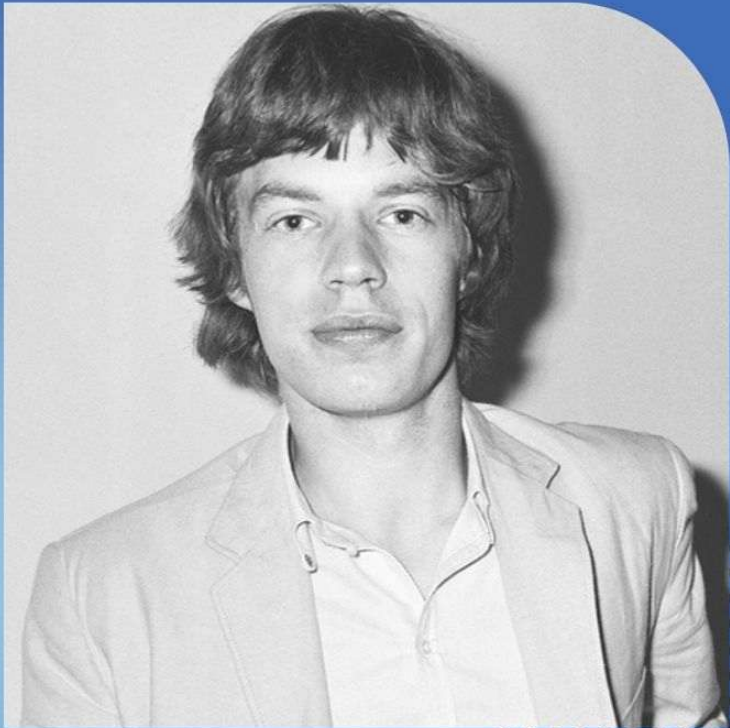
## Understanding the Benefits of International Tax Planning

**“The whole business thing is predicated a lot on the tax laws, it’s why we rehearse in Canada and not in the U.S. A lot of our astute moves have been basically keeping up with tax laws, where to go, where not to put it. Whether to sit on it or not. We left England because we’d be paying ninety-eight cents on the dollar.”**

**Keith Richards  
the Rolling Stones**



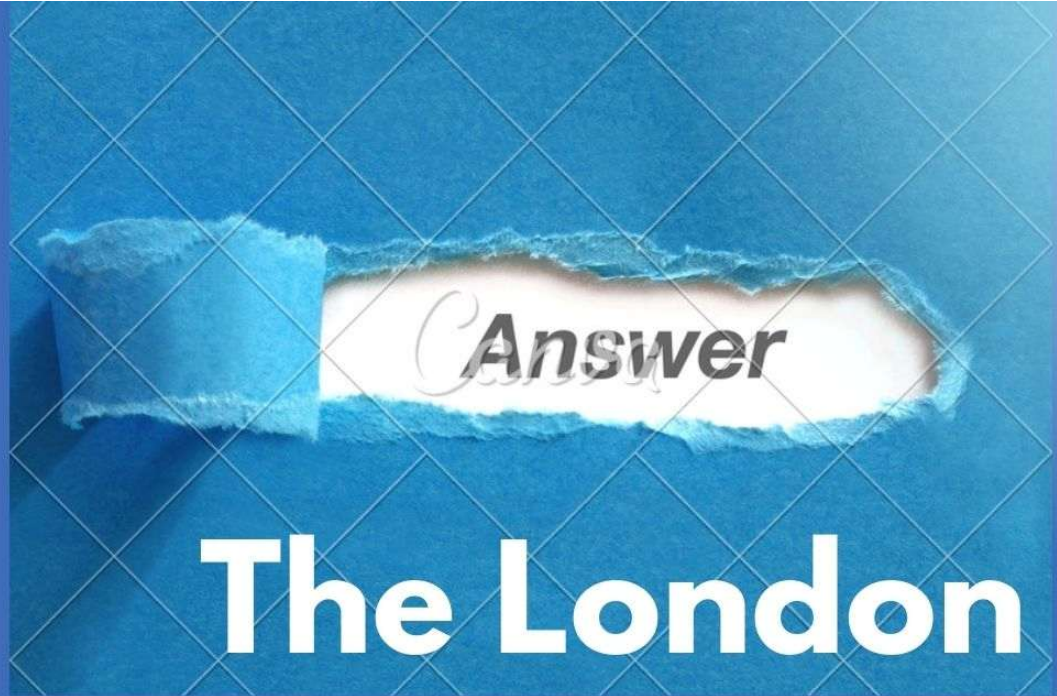




# The Rolling Stones as International Tax Pioneers

Where did Mick  
Jagger attend  
University?





# The London School of Economics



# CAN'T GET NO SATISFACTION



The Rolling Stones  
have certified  
Album Sales of 66  
million Units and  
Concert revenues in  
the billions

**Forbes**

**Forbes list**  
**Mick Jagger's net worth at**  
**\$ 360 million**  
**Keith Richard's net worth at**  
**\$ 340 million**  
**Combined the band**  
**members are worth**  
**\$900 million**



# IN 1968



While the Rolling Stones were one of the top bands in the world!



By 1968 their expensive travel and “Rock and Roll” lifestyle mean they actually owed the record companies more money than they could ever pay back from net earnings



They were all living in a rented mansion with no furniture and were effectively insolvent



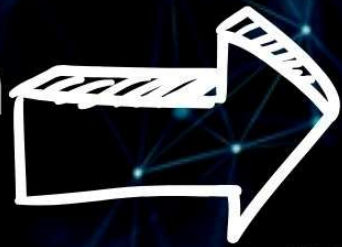
The top rate for British taxpayers in the 1960s reached 83 percent.  
The wealthiest among them paid a 15 percent super-tax on unearned income, pushing taxes as high as 98 percent.





# EMPTY HOUSE

Knowing the  
band was in  
trouble



Mick Jagger  
asked for  
recommendations



He was eventually  
referred to Prince  
Rupert

# PRINCE RUPERT LOEWENSTEIN

Was an Oxford  
educated  
Bavarian prince

Studied  
Medieval History  
in Oxford

Worked as a  
London banker  
in the 1960s

Was named to the  
International  
Best-Dressed  
Hall of Fame in 2001



**"IF YOU ARE SELLING  
ALL OF THESE ALBUMS  
WHY DON'T YOU HAVE  
ANY FURNITURE?"**

Prince Rupert Loewenstein



# AN UNUSUAL ALLIANCE FORMS



# THE ROLLING STONES AS INTERNATIONAL TAX PIONEERS

**Why is Mick Jagger one of  
the wealthiest entertainers  
on earth?**



**THE ROLLING STONES HAVE CREATED MASSIVE  
WEALTH AS A RESULT OF**

**Their Talent**

**Hard Work**

**Effective Management**

**Energy**

**Longevity and ...**

**More importantly a well  
considered financial and  
tax strategy!**



**PRINCE RUPERT RECOGNIZED THAT  
THE FUNDAMENTAL ASSET OWNED BY  
"THE STONES" WAS  
THEIR INTELLECTUAL PROPERTY**



**Copy Rights  
Trademarks  
Patents  
Trade Secrets  
Location**

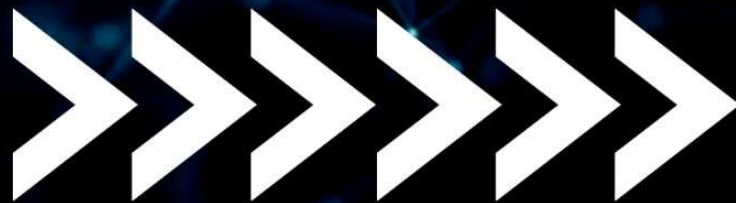


# TAX EXILE BECOMES AN ALBUM TITLE

## Prince Rupert

sets up companies in Ireland and the Netherlands to own the intellectual property rights to bands music

has the band leave the UK to compose and record in the South of France



Album “Exile on Main Street” is born





# HOW BOND GOT THE CARIBBEAN WRONG





# THE CARIBBEAN AS CHEAP LABOUR

Effectively reducing the profits of international corporations





# THE CARIBBEAN AS A TAX HAVEN

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The Cayman Islands has

<b>Land Area</b>	<b>259 square kilometers</b>
<b>Population</b>	<b>60,000</b>
<b>Banks and Trusts</b>	<b>325</b>
<b>Registered Companies</b>	<b>90,000 plus</b>
<b>Global Banks</b>	<b>47 of Top 50 represented</b>
<b>Managed Assets</b>	<b>USD\$ 1.5 Trillion +</b>



# WHY COMPANIES CHOOSE THE CAYMAN'S

- **Exempted companies are tax-free for 20 years by law**
- Distributions from Cayman Islands companies to shareholders are tax-free
- **There is no need for the directors to file accounts or for the firms to be audited annually**
- Shares can be registered to an individual or a company
- **The country enjoys very strong privacy laws**
- The Cayman's enjoy a very stable common law legal system
- **The country is politically very stable while also enjoying the benefits of being a British overseas territory**
- A company can be registered in 24 hours with low corporate registration fees
- **The country operates an online registry which allows users access to their company information and associated documents**
- Patents recorded in the Cayman Islands effectively enjoy UK equivalent patent protections



# TOP 10 CARIBBEAN TAX HAVENS

**1. Cayman Islands**

2. Panama

**3. The Bahamas**

4. British Virgin Islands

**5. Dominica**

6. Nevis

**7. Anguilla**

8. Costa Rica

**9. Belize**

10. Barbados



# Understanding the Pitfalls of International Tax Planning



# The Dark Art of Transfer Pricing



# Conclusion



**The accounting art of using transfer pricing techniques is vastly complex and is filled with regulatory requirements!**



**However, every international operation has to use transfer pricing in its international units.**



**Done correctly, transfer pricing allows companies to minimize global tax across its units allows those companies to pay higher dividends or reinvest the savings to achieve future growth!**



**What is a**

**1042-S**



2. In accordance with the provisions and subject to the limitations of the law of Thailand (as it may be amended from time to time without changing the general principle hereof), United States tax payable in respect of income from sources within the United States shall be allowed as a credit against Thai tax payable in respect of that income. The

**credit shall not exceed that part of the Thai tax**

as computed before the credit is given which is appropriate to such item of income. The provisions of this paragraph shall not apply in the case of income that has been denied benefits of this Convention under the provisions of Article 18 (Limitation on Benefits).



## Explanation of Form 1042-S

### Foreign Person's U.S. Source Income Subject to Withholding

**Multiple Statements:** Recipients will receive three copies of Form 1042-S for each type of income (box 1) and tax rate (box 3b) subject to reporting on Form 1042-S, from each withholding agent. Tax filers must attach Copy C of each unique 1042-S to their federal return, Copy D to their state tax return and Copy B is for the recipient's records. The recipient should retain a copy of their tax return and 1042-S forms for a minimum of 3 years after the due date for filing the income tax return.

Form <b>1042-S</b> Department of the Treasury Internal Revenue Service		<b>Foreign Person's U.S. Source Income Subject to Withholding</b>				<b>2021</b>		OMB No. 1545-0096 <b>Copy B</b> for Recipient	
		▶ Go to <a href="http://www.irs.gov/Form1042S">www.irs.gov/Form1042S</a> for instructions and the latest information.							
		<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>		UNIQUE FORM IDENTIFIER		<input type="checkbox"/> AMENDED		<input type="checkbox"/> AMENDMENT NO.	
1 Income code	2 Gross income	3 Chapter indicator. Enter "3" or "4"		13e Recipient's U.S. TIN, if any		13f Ch. 3 status code			
		3a Exemption code	4a Exemption code			13g Ch. 4 status code			
		3b Tax rate .	4b Tax rate .	13h Recipient's GIN	13i Recipient's foreign tax identification number, if any		13j LOB code		
5 Withholding allowance									
6 Net income									
7a Federal tax withheld						13k Recipient's account number			
7b Check if federal tax withheld was not deposited with the IRS because escrow procedures were applied (see instructions) . . . . .						13l Recipient's date of birth (YYYYMMDD)			
7c Check if withholding occurred in subsequent year with respect to a partnership interest . . . . .						<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>			
8 Tax withheld by other agents						14a Primary Withholding Agent's Name (if applicable)			
9 Overwithheld tax repaid to recipient pursuant to adjustment procedures (see instructions)						14b Primary Withholding Agent's EIN			





**Withholding taxes  
levied against ALL  
foreign entities in  
the USA by the IRS**





# 2019 Stats

7 million 1042-S forms created  
34000 for Thailand Individuals  
and Companies

~USD\$165 million owed to Thai people



# Thai-USA Treaty

# Tax = 0%





# How to start ●

**1. Find your 1042-S for the past 3 years.**

**We can reclaim up to three years of tax withheld.**



# How to start ●

**2. Contact us for a no obligation confidential discussion about your 1042-S. Please bring your original copy or copies.**



# Next steps

**3. Sit back and relax.**

**American International Tax**

**Advisers will prepare paperwork  
and complete authorization.**





# Next steps

**4. Once authorization is complete, the documentation will be submitted to the Thai Tax Department and refunds will be processed to your bank account.**

# We can get your withholding tax back!

American International Tax Advisers

<https://aitaxadvisers.com/>





# Customer Satisfaction Guaranteed



**We are providing a service that could reclaim large amounts of your Thai company's money.**

# Customer Focused

**Your bosses will  
be happy!**

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