



# Tax and Legal Newsletter

**PKF**

## **Update on Country-by-Country Reporting Submission Deadline Extension and Channels**

According to the Notification of the Director-General of the Thai Revenue Department (TRD) regarding Corporate Income Tax no. 408 dated 30 Sep 2021, Thai taxpayers who are a part of Multinational Enterprise (MNE) groups with total consolidated revenue of at least THB 28 billion are obliged to submit the Country-by-Country Report (CbCR) to the TRD or notify the TRD about the group's CbCR filing obligation. This CbCR requirement is effective for accounting periods beginning on or after 1 January 2021.

On 28 December 2021, the TRD has published on its website a Notification of the Ministry of Finance dated 23 December 2021 to extend the deadline for CbCR submission ("Notification"). We have noted key points of the Notification below.

### **MNE Groups with an Ultimate Parent Entity (UPE) incorporated in Thailand and MNE Groups with a Surrogate Parent Entity (SPE) incorporated in Thailand**

The CbCR must be filed within 12 months after the end of an accounting period.

### **MNE Groups with the UPE incorporated outside Thailand**

The CbCR must be filed within 60 days after receiving a request letter from the TRD if any of the following conditions are met:

- The UPE has no CbCR filing obligation in the country of its tax residence;
- The country of tax residence of the UPE or SPE does not have an effective Multilateral Competent Authority Agreement (MCAA) with Thailand for the fiscal year concerned;
- There is an incident of systemic failure of automatic information exchange between the tax authorities of Thailand and the country of tax residence of the UPE or SPE.

In addition, on 13 January 2022, the TRD has published on its website a Notification of the Director-General of the TRD regarding Corporate Income Tax no. 419 dated 12 January 2022 ("Notification No.419") the key points of which can be summarised as follows.

Notification No.419 provides additional details to the Notification No.408 prescribing channels for CbCR submission. The company or juristic entities are required to submit and/or notify the TRD via online channels (e-filing system) using the taxpayer's account registered through one of the following channels.

- The Thai Revenue Department's website ([www.rd.go.th](http://www.rd.go.th)); or
- The Ministry of Finance's Tax Single Sign On system (<https://etax.mof.go.th>).

The company is required to register and obtain an approval to submit the CbCR. The CbCR submission will be complete when the company receives an acknowledgement receipt from the reporting system.



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## PKF Thailand's observations

The above mentioned deadline extension is basically to align with international standards. We would like to give some examples for illustration purposes.

Example 1: An MNE group with a Thai UPE/SPE has a fiscal-year end of 31 December. If the total consolidated revenue for FYE 31 December **2020** is not less than THB 28 billion, the Thai UPE/SPE must submit a CbCR for FYE 31 December **2021** to the TRD on or before 31 December **2022**.

Example 2: An MNE group with a foreign UPE has a fiscal-year end of 31 December. If (i) the total consolidated revenue for FYE 31 December **2020** is not less than THB 28 billion and (ii) any of the three conditions above are met, the group company in Thailand must submit a CbCR for FYE 31 December **2021** to the TRD within 60 days upon request.

The channels for submitting and notifying the TRD about the CbCR have been clarified in this announcement. We suggest that MNE groups that meet the criteria should proactively review and manage the preparation and submission of CbCR and/or CbCR notification to comply with the requirements in Thailand.

Please let us know if you have any questions or concerns. Our Transfer Pricing professionals at PKF Thailand would be happy to assist.

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