Siam Legal International Issues Advisory on Thailand's OECD Tax Framework Approval

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Siam Legal International, a full-service law firm with more than 22 years of experience assisting foreign nationals in Thailand, is advising foreign businesses and multinational companies operating in Thailand to review their corporate structures and tax positions following Cabinet approval for Thailand to join the OECD's international tax data sharing framework and implement the global minimum corporate tax rate of 15% under Pillar 2 rules.

The OECD Pillar 2 framework is designed to prevent large multinational companies from shifting profits to low-tax jurisdictions by establishing a global minimum effective tax rate of 15%. To support this, Thailand has introduced a top-up tax mechanism allowing Thai authorities to collect additional tax where a company's effective rate falls below the 15% threshold. Thailand's Revenue Department will begin sharing tax data on large multinational companies and their cross-border activities with partner countries under the arrangement, with the system expected to go live in June 2027. The move signals a fundamental shift in how Thailand approaches international tax compliance, moving away from reliance on broad tax exemptions toward targeted incentives such as tax credits and financial support for strategic industries.

For foreign business owners and multinational companies operating in Thailand, the practical implications are significant. The framework introduces closer scrutiny of financial reporting, transfer pricing arrangements, and corporate structures that may have been established under previous tax regimes. Companies with operations across multiple jurisdictions that have historically benefited from low effective tax rates in certain entities will need to assess whether their current structures remain compliant under the new global minimum standard. The data sharing component means that information on cross-border activities will be visible to tax authorities in partner countries, increasing transparency and reducing the scope for inconsistencies between jurisdictions.

"Thailand joining this framework is a meaningful shift in the compliance environment for any foreign company with a presence here," said Rex Baay, Operations Manager at Siam Legal International. "What may have worked under previous tax structures may now require review, particularly for companies operating across multiple jurisdictions or those that have relied on Thailand's investment incentives to achieve low effective tax rates. The June 2027 implementation date gives businesses a window to act, but that window is narrowing." A full breakdown of what these changes mean for foreign companies operating in Thailand is available in Siam Legal's Thailand tax update.

The timing of Thailand's OECD accession coincides with broader regulatory tightening across business registration, nominee enforcement, and financial transaction monitoring that has characterized Thailand's compliance environment in 2025 and 2026. Foreign companies that have not reviewed their corporate structures, transfer pricing policies, or tax positions in the past two years are advised to do so ahead of the June 2027 data sharing launch to identify and address any exposure before the new transparency measures take effect. Thailand's Board of Investment has confirmed that existing BOI-promoted companies will need to assess how the top-up tax interacts with their current incentive packages, as tax holidays and exemptions that reduce effective rates below 15% may now trigger additional liability under the new framework.

Siam Legal International is a full-service law firm with more than 22 years of experience assisting foreign nationals in Thailand, with offices in Bangkok, Chiang Mai, Phuket, and Pattaya. The firm provides comprehensive legal support across corporate structuring, foreign investment, regulatory compliance, immigration, property transactions, and litigation.

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Siam Legal International

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