

# Tax Clearance Certificate

## 1. What is a Tax Clearance Certificate?

*Tax Clearance Certificate* is a certificate issued by the Director-General of the Revenue Department or the Provincial Governor or the delegated authority to a foreigner who is departing Thailand to indicate that he has already paid taxes or that he has provided a guarantor or securities as guarantee for tax liabilities and tax payable.

## 2. Who is required to acquire a Tax Clearance Certificate?

Section 4 quarter of the Revenue Code stipulates that a foreigner departing shall apply for a Tax Clearance Certificate in the form prescribed by the Director-General within 15 days before leaving the country, whether or not there is any tax payable.

A foreigner departing Thailand is required to file an application for Tax Clearance Certificate (Form P.1) and supporting documents if:

He is liable to payment of tax or tax arrears before departing Thailand He has duty to file a tax return and pay tax on behalf of a company or juristic partnership incorporated under foreign laws and has been carrying on business in Thailand He has taxable income, whether or not in Thailand, from being a public performer in Thailand.

The word “public performer” means a drama, movie film, radio and television performer, singer, musician, professional sportsperson or performer for any kind of entertainment.

## 3. Who is not required to acquire a Tax Clearance Certificate?

Section 4 quarter of the Revenue Code stipulates that a foreigner transiting Thailand, or entering or residing in Thailand for a period or periods aggregating not more than 90 days in a tax year without earning assessable income or a foreigner as prescribed by the Director-General with the Minister’s approval shall not be required to apply for a Tax Clearance Certificate.

In addition the Revenue Department issued the Notification of the Director-General of the Revenue Department on 7 May 1991 stipulating that foreigners departing Thailand do not have to apply for a Tax Clearance Certificate except for the above three cases in 2.

### 1. Types of Tax Clearance Certificate

There are 2 types of Tax Clearance Certificate: P.3 and P. 3.1

#### 4.1 P.3 Tax Clearance Certificate

– issued to a foreigner who is temporarily departing Thailand. It is valid for a single leave and must be used within 15 days from the issuance date. If he does not depart Thailand within the specified period, the Tax Clearance Certificate becomes invalid unless it is renewed before the expiry date.

#### **4.2 P.3.1 Tax Clearance Certificate**

– issued to a foreigner who enters and leaves Thailand on a regular basis due to his business or profession. It is valid for multiple leave within the period specified in the Tax Clearance Certificate but not exceeding 180 days from the issuance date. Renewal of Form P. 3.1 is not allowed.

##### **2. How to apply for a Tax Clearance Certificate**

**A foreigner required to have a Tax Clearance Certificate** shall file an application for Tax Clearance Certificate (Form P.1) along with the following documents:

##### **Tax Clearance Certificate Form P. 3**

1. Passport
2. Alien Certificate (if any)
3. Residence Certificate (if any)
4. Work permit or an application thereof (if any)
5. Tax Identification Card
6. Letter of guarantee (if having tax liabilities or payable) issued by: Bank with guaranteed amount exceeding tax liabilities or payable or 50000 Baht; or Person whose securities are greater than his tax liabilities or payable and whose reputation is acceptable to the Director-General of the Revenue Department, the provincial governor, the assignee or a government officer of level 6 or equivalent or higher.
7. Tax payment records for the past three years of the company or juristic partnership which is represented by the applicant for a Tax Clearance Certificate including withholding tax receipts or tax receipts
8. Other evidence as required by the Director-General of the Revenue Department

##### **Tax Clearance Certificate**

###### **Form P. 3.1**

1. The above documents 1-7
2. Evidence indicating the reasons for departing Thailand on a regular basis in connection with the business or profession of the foreigner
3. Evidence indicating that his assets in Thailand are greater than his tax liabilities or tax payable **A foreigner applying for a Tax Clearance Certificate** is required to file an application to the following persons within 15 days before departing Thailand: Director of the Area Revenue Office with jurisdiction over the area of residence of the foreigner if he is domiciled or has residence or place of management in Bangkok Provincial governor at the Area Revenue Office if he is domiciled or has residence or place of management in a

province outside Bangkok The district chief designated by the provincial governor at the Area Revenue Office if he is domiciled or has residence or place of management in a province outside Bangkok

#### **What to do for applicant with outstanding tax liabilities**

If the applicant for Tax Clearance Certificate makes no payment or has made a partial payment for his tax liabilities or payable after the departure date, he is required to provide a guarantor or guarantee to the Director-General of the Revenue Department or the provincial governor or the delegated authority.

#### **Loss of Tax Clearance Certificate**

If the Tax Clearance Certificate is lost, the foreigner is required to contact the office where the application was filed for a replacement. The new Tax Clearance Certificate only remains valid until the expiry date of the former Tax Clearance Certificate.

### **3. Presentation of Tax Clearance Certificate**

A foreigner departing Thailand is required to present the Tax Clearance Certificate to the Immigration Office on the departure date.

### **4. Penalty**

A foreigner departing or attempting to depart Thailand without a Tax Clearance Certificate shall pay a surcharge at the rate of 20% of the tax amount. In addition he shall be subject to a fine not exceeding 1,000 Baht or an imprisonment not more than 1 month, or both.

### **5. For more information**

If there is any question regarding the Tax Clearance Certificate, please contact any Area Revenue Office with jurisdiction over the area of residence of the foreigner.