


Guide to Expatriate Employment in Thailand



In this publication

Summaries of the three laws with
which expatriates need to comply

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There are three distinct, but inter-related, laws that impact on expatriate employment in Thailand, and expatriates need to comply with all three of them:

- Immigration law;
- Labor law; and
- Tax law.

Different government departments administer the three laws.

Immigration law

The Immigration Department (under the provisions of Immigration law) requires foreigners entering Thailand for work purposes to have a Category B Visa. These Category B visas are obtained from Thai Embassies and Consulates outside Thailand and the visa must be obtained prior to arrival in Thailand.

Accompanying spouses (not intending to work) should obtain a Category O visa prior to his or her arrival in Thailand, again, from a Thai Embassy or Consulate outside Thailand.

Both Category B and O visas are valid for just 90 days, and if the period of work extends beyond this period of time, the visas need to be extended (within Thailand) upon their expiry.

Extension periods of 30 days (at a time) are granted as and when necessary for completion of the work permit procedures, and following approval of the work permit application, a 1-year visa extension is then granted.

However, the Immigration authorities (within Thailand) will only extend a visa, either for 30 days or for the 1-

year period, only after an expatriate employee proves to the Immigration authorities that a work permit has been obtained or is in the process of being obtained and personal income tax has been paid in Thailand. If an expatriate employee can't prove compliance with both requirements, the Immigration authorities will not extend the visa and the expatriate will have to leave Thailand.

Minimum salary levels

For the purposes of visa extensions, the Immigration Department requires the expatriate employee to earn the following minimum salary amounts in Thailand:

Nationality	Minimum Salary Amount
Europe, Australia, Canada, Japan and United States	THB 50,000
South Korea, Singapore, Taiwan and Hong Kong	45,000
Asia, South America, East Europe, Middle America, Mexico, Turkey, Russia and South Africa	35,000
Africa, Cambodia, Laos, Myanmar and Vietnam	25,000

You should note however, that whilst the Immigration law prescribes such minimum salary amounts, they are prescribed for the purposes of granting visas and visa extensions.

The tax laws (described below) tax all actual earnings in respect of duties performed in Thailand, whether such earnings are paid inside Thailand or offshore, and the payer of the earnings has the duty to withhold tax on such actual earnings.

Labor law

Thai labor law prescribes that all foreigners working in Thailand must obtain a work permit.

The period of validity of work permits follow the same dates as the Category B visa. It is therefore necessary to re-apply for extension of work permits at the same time as applications are made to extend visas.

A work permit specifies the place where an expatriate employee is permitted to work, the employee's job description and the period of validity. A permit is non-transferable and if a permit holder changes employers whilst in Thailand, a new work permit application is usually required.

Work permit applications are a document intensive and cumbersome process, and can be difficult to obtain, taking anywhere from a few weeks to a few months.

The Labor Department has an official list of documents required in respect of the employee and the employer, which is quite extensive, and it should be noted that more documents could be required to prove bona-fide employment in Thailand.

If your employer is of the type and size that allows your employer to use the One Stop Service Center, you are lucky and your work permit may take just a few hours.

Tax law

Whilst not being sophisticated, the income tax laws in Thailand are all encompassing. The laws require the following earnings to be subject to tax in Thailand:

- All earnings derived from performance of duties in Thailand, including duties performed in Thailand for an employer outside Thailand and earnings for duties performed in Thailand that are paid outside Thailand; and
- All earnings paid in Thailand regardless of where the duties are performed; and

- In the case where an expatriate employee is a tax resident of Thailand, all other earnings that are derived from offshore sources that are remitted into Thailand in the same year in which they are derived.

The tax laws permit standard deductions and standard allowances to be claimed against salary earnings in Thailand. These are shown in our sister publication, Guide to Expatriate Taxation in Thailand.

The tax laws also contain strictly enforced withholding tax provisions that require all employers to withhold the personal income tax at the time of payment, and remit such withholding tax to the Revenue Department on a monthly basis.

Foreign expatriate employees cannot opt out of the withholding tax provisions and volunteer to pay their own taxes. The employer must deduct withholding tax on all:

- Earnings physically paid in Thailand; and
- Earnings paid overseas, which has been or will be charged as an expense in Thailand.

If an expatriate employee has a work permit but all of his salary or wages costs will be paid and borne by an entity outside Thailand, a withholding tax requirement in Thailand still exists due to the immigration and labor laws.

Double tax treaty considerations

When an expatriate employee is in Thailand for 183 or fewer days, it may be possible for the employee to be exempt from Thailand tax on his earnings pursuant to a double tax treaty. But you should note that a double tax treaty does not override the Thai immigration and work permit laws.

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