Legal article

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Tax in Business Restructuring and Mergers in Thailand

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> This article is general legal information, not a legal opinion on any specific matter. Each matter must be assessed on its own facts and evidence. The latest online version is at https://eksiamtax.com/en/guides/business-restructuring-tax.html

"Restructuring" is not in itself a right to a tax exemption. Transactions with the same business objective may be carried out by a share sale, an asset transfer, an entire business transfer, or an amalgamation, but each method has a different taxpayer, tax base, documentation, and timeline. If the structure is chosen before the tax map is prepared, value added tax, specific business tax, or stamp duty liabilities may surface later, when they are difficult to reverse.

01 Compare the transaction structures before choosing

Structure	What changes hands	Main tax issues
Share sale	The shareholders change, but the assets, liabilities, licenses, and contracts remain in the existing company	Tax falls on the seller's gain on the shares, stamp duty on the share transfer instrument, and a review of the target company's existing tax liabilities
Asset sale	Assets, contracts, employees, or liabilities are selected and transferred item by item	The seller may recognize a gain on the assets; VAT, specific business tax, stamp duty, and fees must be separated according to the type of asset

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Structure	What changes hands	Main tax issues
Entire business transfer	All components of the business are transferred to the transferee, and the transferor is dissolved in accordance with the conditions	Exemption provisions, or non-recognition of gain on certain items, may be available when every criterion, notification form, and deadline is complied with
Amalgamation or merger of companies	Rights, duties, assets, and liabilities pass by operation of company law	Company law must be coordinated with Section 74, the tax base of the assets, the effect on shareholders, and tax registration
Partial business transfer or business separation	Only a business unit or a group of assets is transferred	Do not assume the exemption available for an entire business transfer applies; tax must be checked asset by asset, together with market price

02 Entire business transfer: the conditions matter more than the contract's title

Revenue Department rulings show that claiming the treatment for an entire business transfer requires consideration of the assets and liabilities transferred, registration of the transferor company's dissolution within the same accounting period as the transfer, the filing of notification forms, and the conditions of the provisions governing each tax. Titling a contract "Entire Business Transfer" therefore does not confer the benefit automatically.

1. Prepare a schedule of all assets, liabilities, contracts, employees, licenses, and obligations, showing what is and is not transferred.
2. Check the conditions concerning the transferor company, the transferee company, the shareholders, the issuance of shares as consideration, and the dissolution of the company against the provisions you intend to rely on.
3. Set the transfer date, registration date, dissolution date, and tax filing dates as one plan, because steps taken out of order or after a deadline may forfeit the benefit.

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4. Establish the tax base of the assets and liabilities after the transfer, separately from their book value and from the value used in the contract.

5. Seek a case-specific ruling where the facts do not fit the standard pattern, particularly where certain assets or liabilities are retained by the transferor.

> **Corporate law:** For the legal steps, registering amendments, share transfers, and amalgamations, see Eksiam Corporate Law

03 The tax map to prepare asset by asset

Analyzing corporate income tax alone is not enough. Prepare a table for each group of assets and rights, identifying the transferor, the transferee, the price or tax base, and the taxes that may arise.

- **Corporate income tax:** the gain or loss on transfer, market price under Section 65 bis (4), and the tax base the transferee carries forward
- **Value added tax:** goods, assets, or rights within the VAT system, including the effect of an entire business transfer and the duty to notify changes to the registration
- **Specific business tax:** the transfer of immovable property in a commercial or profit-seeking manner, and the specific businesses prescribed by law
- **Stamp duty:** instruments of share transfer, leases, loans, guarantees, or other documents listed in the stamp duty rate schedule
- **Withholding tax:** service fees, interest, royalties, or other payments embedded separately in the transaction price
- **Other taxes and fees:** land and building tax, registration fees, and the conditions of business-specific licenses

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> **A common mistake:** a “business transfer” and a “sale of several assets at once” can have very different tax consequences. The structure must be proved by the facts, the conduct of the parties, and the documents, not merely by the wording of the contract.

04 Documents and sequence of work before the transfer date

1. **Define the objective:** separating a business, reducing debt, bringing in an investor, or combining operations, so that the tax structure does not conflict with the business rationale.
2. **Carry out due diligence:** review tax returns, tax liabilities, pending assessments, tax losses carried forward, remaining input tax, and investment promotion privileges.
3. **Prepare a transaction map:** identify every step, date, counterparty, cash flow, share issuance, and document to be signed.
4. **Value the transaction:** support the prices of the assets and shares, and of transactions with related persons, with reasoning, including the tax base to be carried over.
5. **Prepare a closing checklist:** shareholder resolutions, creditor consents, assignment of contracts, Department of Business Development forms, Revenue Department forms, and registration of assets.
6. **Follow up after the transfer:** reconcile the accounts, open or cancel tax registrations, issue tax documents, and keep evidence that every condition of the exemption has been met.

05 Warning signs that the structure needs to be reviewed

- You want to claim the “entire business transfer” treatment but intend to keep significant assets, liabilities, or contracts in the transferor company
- The transfer date has been set, but there is no plan yet for the dissolution date, the tax notification forms, or counterparty consents

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- Book values are used in the contract without analysis of market price and the effect on related persons
- It is assumed that tax losses carried forward or tax benefits will pass to the new company automatically
- Only corporate income tax has been assessed, without itemizing VAT, specific business tax, stamp duty, and fees asset by asset

Official sources (in Thai): Revenue Department ruling Kor Kor 0702/7157 (กค 0702/7157) on entire business transfers, ruling Kor Kor 0702/1131 (กค 0702/1131), and the notification on VAT obligations upon an entire business transfer. Information verified on 27 June 2026 (B.E. 2569). For an actual transaction, the laws and notifications in force on the date of the transaction should be checked again.

> **General legal information:** This guide is general information on Thai tax law and is not legal advice on any particular case. This page is an English translation of the Thai original; the Thai text prevails. Translated on 5 October 2026 (B.E. 2569).

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