

Compliance Self-Check for Chinese-Invested Companies in Thailand

在泰中企财税合规自检表

Z&X Finance and Taxation Group · Tax Advisory 6 areas, 13 checks — most can be done with your existing company documents

How to use: compare each item with the criteria and tick ☐ **OK** (documents complete, would stand up to review), ☐ **Unclear** (true but documents incomplete, or not sure) or ☐ **Act** (clearly not compliant). Count the "Act" and "Unclear" items and check the result bands at the end. This is a self-check tool, not legal or tax advice.

A. Shareholding

No.	What to check	Criteria	Result
A1	Total foreign shareholding (Chinese parent, Chinese individuals, other foreigners)	100% foreign with an FBL or BOI promotion → OK; 100% foreign without the required permission → Act; 0.01%–49.99% is not a problem in itself but is more likely to be reviewed — focus on A2 and A3	☐ OK ☐ Unclear ☐ Act
A2	Thai shareholders' capital payment records and source of funds	Complete payment records, source consistent with their income and assets → OK; records but incomplete source explanation → Unclear; funds came from the foreign side's account, or went back to it soon after → Act	☐ OK ☐ Unclear ☐ Act
A3	Any unregistered side agreements between shareholders	None → OK; clauses such as "Thai shareholder takes no dividends", "transfer at par to a nominated party on demand" or "all voting rights delegated" → Act	☐ OK ☐ Act

B. Registered address and property

No.	What to check	Criteria	Result
B1	Whether the registered address is a real place of business	Real office or production site, or a lawfully leased office → OK; real address but unstaffed and cannot receive government letters → Unclear; a residence, vacant property, or one address used by many unrelated companies → Act	☐ OK ☐ Unclear ☐ Act
B2	Shareholding of the entity holding land, factories or condominiums	Holding entity 100% Thai, or foreign holding within legal limits → OK; foreign holding in the high-risk band and A2/A3 marked Unclear or Act → Act	☐ OK ☐ Act ☐ N/A

C. People and employment

No.	What to check	Criteria	Result
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C1	Classify everyone in Thailand by what they actually do: "visitor" or "worker"	Everyone doing substantive work (production, management, technical support, resident sales) holds a valid work permit → OK; grey areas (short technical guidance, equipment installation) → Unclear; substantive work done on visa exemption or tourist visas → Act	☐ OK ☐ Unclear ☐ Act
C2	Whether the employer, position and workplace on each work permit match reality	Fully consistent and valid → OK; job description differs from actual work → Unclear; employer or workplace differs → Act	☐ OK ☐ Unclear ☐ Act

D. Books and documents

No.	What to check	Criteria	Result
D1	Whether the books keep pace with the business (check the latest month)	Month-end close within 5 working days, documents entered in the same month → OK; close takes over 10 days or documents backlogged over a month → Unclear; documents unentered across quarters, or reports clearly out of step with the business → Act	☐ OK ☐ Unclear ☐ Act
D2	Whether differences between Thai statutory accounts and group reporting can be explained item by item	Each difference traced to accounting standards with written notes → OK; differences exist but not systematically reconciled → Unclear; large unexplained differences, or a qualified audit opinion because of them → Act	☐ OK ☐ Unclear ☐ Act

E. BOI compliance (approved companies only)

No.	What to check	Criteria	Result
E1	Cross-department review of BOI privileges: IC system account, machinery and raw material list filings, raw material reconciliation, half-year progress reports, annual reports; any open issues with the Ministry of Industry (Factory Act, product standards), labour or environmental authorities	All in order → OK; delays within the BOI system → Unclear; open violations or correction orders from other authorities → Act (the cause may lie outside BOI, but the consequences fall on BOI privileges)	☐ OK ☐ Unclear ☐ Act ☐ N/A

F. Tax filings

No.	What to check	Criteria	Result
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F1	Whether monthly filings (PND.1/3/53/54, PP.36, PP.30, social security) are on time and complete, including months with no income	All on time in the last 12 months → OK; occasional late filings since corrected → Unclear; missed filings not corrected, or no filing when there was no income → Act	☐ OK ☐ Unclear ☐ Act
F2	Whether revenue in VAT returns matches the annual CIT return and audited statements	Matches item by item → OK; differences that can be explained → Unclear; large unexplained differences → Act	☐ OK ☐ Unclear ☐ Act
F3	Service fees, royalties and interest paid to head office or abroad: contracts, evidence of services, withholding tax	Contracts, evidence and withholding all in place → OK; missing evidence of services or pricing basis → Unclear; no contract, no withholding, or a "percentage of revenue" fee with no basis → Act	☐ OK ☐ Unclear ☐ Act ☐ N/A

Reading your result

Band	Result	Recommendation
Green	No "Act" items and no more than 2 "Unclear"	Basically healthy. Compile supporting documents for the "Unclear" items now rather than waiting to be asked
Amber	No "Act" but 3 or more "Unclear"; or 1 "Act"	Clear improvements needed but not urgent; deal with "Act" then "Unclear" items within a quarter
Red	2 or more "Act"; or any "Act" in A2, A3 or C1	Get a professional assessment soon. A2, A3 and C1 are issues of substance, not paperwork — they can only be fixed by changing actual arrangements, and the earlier they are found the more options there are

After you find a problem

- **Shareholding (A):** compliant routes include a Foreign Business License (FBL), BOI promotion or a genuine joint venture, depending on industry and scale.
- **Registered address (B):** move to a genuine lawful address and make sure government letters are received and signed for.
- **People (C):** bring everyone doing substantive work into the work visa and work permit system — often planned together with shareholding.
- **Books and tax (D, F):** catch up and rebuild the books, file corrections; add contracts, evidence and withholding for related-party payments.
- **BOI (E):** first identify which authority the issue sits with, then deal with each.

Further reading: What does the Revenue Department examine in a tax audit? zhongxintax.com/155/547 | Tax health check /155/548 | Related-party pricing /155/549

Z&X Finance and Taxation Group · Three licensed firms in China and Thailand Bangkok head office: 16 Floor, Capital Tower, Bangkok EEC office: WHA Industrial Estate, Chonburi

Tel: +66 80-964-6222 WeChat: +86 13224113931 Email: dongxin@zhongxintax.com Web: www.zhongxintax.com

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