

Note: All US\$ conversions are calculated at an exchange rate US\$1 = 32.00 baht

TYPICAL COSTS OF STARTING AND OPERATING A BUSINESS

1. Visas (government fee) ⁽¹⁾	Baht	US\$
<i>Work permit (process time 1-10 days)</i>		
3 months	750	23.44
6 months	1,500	46.88
1 year	3,000	93.75
2 years	6,000	187.50
<i>One-year visa (1-30 days)</i>	1,900	59.38
<i>Re-entry permit (process time 1 day)</i>		
Single entry	1,000	31.25
Multiple entry	3,800	118.75
1 a. Visas (typical fee charged by a law firm to process) ⁽¹⁾		
Work permit (1-10 days)	40,000 - 55,000	1,250 - 1,718.75
Visa extension (1-30 days)	35,000 - 45,000	1,093.75 - 1,406.25
Re-entry permit (1 day)	2,500 - 6,000	78.13-187.50
2. Registration (government fee) ⁽¹⁾		
Company registration (21 days)	5,500 per 1 million (275,000 maximum)	171.88 per 31,250 (8,593.75 maximum)
List 2 Alien business license (60-90 days)	40,000 - 500,000	1,250 - 15,625
List 3 Alien business license (60-90 days)	20,000 - 250,000	625 - 7,812.50
Factory license (30-45 days)	500 - 60,000	15.63 - 1,875
3. Accounting ⁽¹⁾		
Tax returns and VAT	30,000 yearly	937.50 yearly
Review/draft contracts, agreements	50,000 up	1,562.50 up
4. Office achieved rents ⁽²⁾ (based on net area, including air-conditioning during office hours, management charges, and local property tax)	Per square meter per month	
	CBD/Non-CBD	CBD/Non-CBD
Grade A	832/ 608	26/ 19
Grade B	587/ 544	18.34/ 17
5. Construction Cost ⁽³⁾	Per square meter	
<i>Industrial Building**</i>		
Standard low rise factory	15,000 - 19,000	468.75 - 593.75
Electrical power systems	5,400	168.75
Office (Construction)***		
<i>High quality</i>	28,000 - 33,000	875 - 1,031.25
<i>Medium quality</i>	23,000 - 28,000	718.75 - 875
<i>Office Fit Out (Offices or Factory Office)****</i>		
Air conditioning (external to communal system)	4,350	135.94
Electrical fit out (work stations)	1,850	57.81
Furniture fit out (medium quality)	3,350	104.69
Other fit out cost (flooring cover, curtains, etc.)	650	20.31
Glass partition wall (individual offices)	5,500	171.88
<i>Car Park</i>		
Multi storey	11,500 - 14,500	359.38 - 453.13
Basement	15,500 - 19,000	484.38 - 593.75

Notes: - These rents are inclusive of management fees and air-conditioning
 - The rent-free period ranges between one to two months
 - Grade A indicates superior premises, Grade B somewhat less so.

* The costs are average square meter costs only and not based on any specific drawings/designs. The costs are to be used as a rough guide to the probable cost of a 'building'. Budget costs outside the above may be encountered when searching other avenues. The costs exclude site clearing, formation and external works, financial and legal expenses, consultants' fees and land costs.

** Includes Transformer, Main DB and Sub DB for general factory & office electrics only. Excludes production equipment/machinery power

*** Includes cost of communal air conditioning, general electrics and sanitation

**** Based on the fitting out of approximate 500m² offices

Source: (1) Tilleke & Gibbins International Limited, as of 21 April 2014: www.tillekeandgibbins.com

(2) CBRE Research, Q1 2014: www.cbre.co.th

(3) Tractus Asia Ltd., as of May 2014

TAX RATES AND DOUBLE TAXATION AGREEMENTS

Tax Rates

Corporate Income Tax		Rate
A. Tax on net corporate profits		
1)	Ordinary company	
	- For the next two accounting periods starting on or after the 1 January 2013	20%
2)	Small company (paid up capital not exceeding 5 million baht and revenue not exceeding 30 million baht)	
	- Net profit not exceeding 300,000 baht	Exempt
	- Net profit over 300,000 baht but not exceeding 1 million baht	15%
	- Net profit exceeding 1 million baht	20%
	<i>Note: For the accounting periods starting on or after the 1 January 2013</i>	
3)	Regional Operating Headquarters (ROH)	10%
4)	Bank deriving profits from International Banking Facilities (BIBF)	10%
B. Tax on gross receipts		
1)	Association and foundation	
	- For income under Section 40 (8)	2%
	- Otherwise	10%
2)	Foreign company engaging in international transportation	3%
C. Remittance tax		
	Foreign company disposing profits out of Thailand	10%
D. Foreign company not carrying on business in Thailand receiving income from Thailand		
1)	Dividends	10%
2)	Interests	15%
3)	Professional fees	15%
4)	Rents from hiring property	15%
5)	Royalties from goodwill, copyright and other rights	15%
6)	Service fees	15%
Personal Income Tax		
Level of taxable income (baht)		Marginal Tax Rate
1 – 300,000		5%
300,001 – 500,000		10%
500,001 – 750,000		15%
750,001 – 1,000,000		20%
1,000,001 – 2,000,000		25%
2,000,001 – 4,000,000		30%
Over 4,000,000		35%

Notes: - Net income of 150,000 baht is exempted

- Expatriates working for ROH can elect to be taxed at the rate of 15% on gross income for 4 years instead of normal progressive tax rates

Withholding Tax from Bank Deposits		Rate
A.	For individuals	15%
B.	For companies	1%
C.	For foundations	10%