

Abstract

Objective of this thesis (dissertation/ research) is to study the dividend flow of multinational enterprise and the problems of it due to Royal Decree Issued under the Revenue Code Regarding Revenue Tax Exemption (No. 442) B.E. 2548 Section 5 วิสดี เ็อง Income Tax under Division 3, Chapter 3, Title 2 of the Revenue Code shall be exempted for companies or public limited companies on assessable income which are dividends received from companies or juristic partnerships incorporated under the laws of foreign country. The substance of the above law is to encourage investment overseas by expanding the competency of Thai business in investing overseas so that the investor will be able to receive tax incentive near or equal to investing in Thailand itself. For this the author has studied both related Thai laws and related foreign laws in order to be able to analyze the effects (problems) of the above royal decree and to suggest some principles and ways to implement that conform to objectives and current situation. The effects (problems) analyzed are as followed; “Expenses in the calculation of net profits in case of assessable incomes which are dividends, which the income tax has already been paid abroad under the laws of each foreign country“, “Profits passed through from one country to another before passing through to Thai company” , “ The dividend received from investing overseas via more than 2 foreign companies, in which the dividend is exchanged among themselves before passing through to company in Thailand” , “ The definition of dividend in this Royal Decree” , “ Tax neutrality that is affecting Thai investors”, “ The direction of Royal Decree Issued under the Revenue Code Regarding Revenue Tax Exemption (No. 442) B.E. 2548 Section 5 Vicim : that may affect the Economic Harmonization of Asian countries in the long run”. The author studied documents, researched, compiled and analyzed information from related laws, Supreme Court Judgments, Ruling of the Commission of Taxation, Textbooks, International textbooks, research papers, dissertations, related journals both from Thailand and overseas including electronic information in order to understand the problems and in turn reach the conclusions and give suggestions for the solutions.