THE IMPOSITION OF TAX ON CRYPTOCURRENCIES*

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Abstract

In Thailand, the growth of cryptocurrencies has been increasing annually.[1] Tax is one of the issues which are concerned by government. Thus, taxpayers who acquire any gains derived from transferring cryptocurrencies shall have tax responsibilities due to the Emergency Decree amending the Revenue Code (No.19) B.E. 2561.

However, there are still some problems which are obstacle for imposition of income tax on cryptocurrencies.[2] As Section 40(4)(i) only focus on imposing tax from cryptocurrency transferring as investment. Moreover, the substance of this Decree is only briefly described. It lacks necessary information, the existent of peer-to-peer market which is a major problem for tax authorities to trace and investigate the transactions. Therefore, to collect revenue from cryptocurrency transactions effectively, Section 40(4)(i) should be revised and the Thai Revenue Department shall release a tax

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[1] Bank of Thailand, 'Financial Stability Report' (*BOT*, 2017) <https://www.bot.or.th/English/FinancialInstitutions/Publications/FSR_Doc/FSR2017e.pdf> accessed 5 August 2018

[2] Pugadmin, 'Seven Statements on Crypto Taxation in Thailand' (*Pugnatorius*) <https://pugnatorius.com/bitcoin-taxation/> accessed 5 September 2018

notice, or guidance to explain the detail of imposing cryptocurrencies including finding of the measures to support trading of cryptocurrency in the tax system.

Keywords: Cryptocurrencies, Virtual Currencies, Imposition of Tax, Personal Income Tax

1. Introduction

The cryptocurrencies, are unregulated digital or virtual currencies, designed to work as a medium of exchange which apply cryptography, a method to store and transmit data in special form so the only person who can read need to have a secret key, to secure financial transactions, create new units, and verify the transfer of values. Cryptocurrency does not exist in physical form but it is used and accepted among the specific community,[3] have been primarily used for product and service barter because one of its strong characteristics is a user nondisclosure, which is better than electronic transactions such as transferring money through bank accounts or using credit cards. A lot of major retailers and services providers accept cryptocurrencies for payment of goods and services. For example, Expedia, a reputable online agencies, allows users to pay for their bookings with Bitcoin and Microsoft also allow users to use Bitcoin to deposit funds to purchase games, movie, and applications available in Window and Xbox stores.[4]

Then, cryptocurrencies have been used as a medium for international money transfer because they are faster than ordinary ones since fees are lowers and the transaction can be completed via computers, laptops and smartphones. Moreover, recently, users have applied cryptocurrencies for their investment, holding them for speculation. They also have been developed to be funding tools by making Initial Coin Offering (ICO). Some fundraisers have issued digital tokens or new cryptocurrencies by which holders can change into other popular currencies later, instead of securities.

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[3] Organisation for Economic Co-operation and Development, 'Directorate for Financial and Enterprise Affairs Statistics and Data Directorate' (*OECD*, 2018) <https://oecd.org/officialdocuments/publicdisplaydocumentpdf/?cote=COM%2FSDD%2FDAF(2018)1&docLanguage=En&fbclid=IwAR16LqiaEL0SWQTVESKfhzjxkndTNtLwvXUyd8VOtO8TnOlRuXKHBBfQKDQ> accessed 8 December 2018

[4] Moreau E, '20 Things You Can Spend Your Cryptocurrency On' (*THE CRYPTOBASE*, 2019) <https://thecryptobase.io/20-things-to-buy-with-cryptocurrency/> accessed 17 March 2019

The governments do have concerns regarding all of cryptocurrencies transactions especially concerns over tax issues because mining,[5] trading, and exchanging cryptocurrencies usually make some benefits to users which raise the question about their tax consequences and challenge the Revenue Departments around the world to find ways to impose tax, record information, and inspect irregular transactions.

2. The Problems of Imposition of Tax on Cryptocurrencies in Thailand

2.1 Tax Law

The legal meaning of assessable income is under section 39 of the Revenue Code which covers income in cash, and any property or benefits which could be divided into 8 categories under section 40, all of which are subject to tax.

Section 40 (4) of the Revenue Code, the taxpayer receives this income from the investment such as stocks, bonds, debenture or others, which are also subject to tax. At present, after the Royal Decree of amending Revenue Code (No.19) B.E. 2561, there are 9 types of this income which is considered to be subject to tax.

The types which are interesting are; section 40(4)(b) the income which comes from dividends, the share of profits or any gains from

[5] Noelle Acheson, 'How Bitcoin Mining Works' (*CoinDesk*, 2018) <www.coindesk.com/information/how-bitcoin-mining-works> accessed 8 March 2018

"Mining is the process of verifying and adding Bitcoin transaction records to the blockchain since Bitcoin system is maintained by every participant, when a transaction is created, it will be turned into a block, and become part of blockchain when it is verified by the potential individuals, called miners who volunteer to verify the transaction such as to check the signature, to approve it is created by the account owner and applied to specific transaction, to prevent double Bitcoin spending for Bitcoin community."

company or juristic partnership, 40(4)(g)[6] capital gain from transferring partnership holding, the shares or other issued by company or other juristic person. In general, capital gain from transferring shares or bonds is subject to personal income tax as well as, withholding tax. However, if taxpayer transfers it to other person in the Thai stock exchanges, he/she does not bear the responsibility regarding personal income. Section 40 (4)(i) the income which is capital gain derives from transferring cryptocurrency,

While Section 40 (8) of the Revenue Code mentioned the income from business, commerce, agriculture, manufacturing, transport or any other activity not specified in (1) to (7).

In the case of cryptocurrency, there are many transactions not only holding and transferring cryptocurrency as investment in which the gain from such activity is considered as capital gain but also holding and transferring cryptocurrency as business, such as mining, and trading in the normal course of business.

Usually the personal income from business should be recognized as income under Section 40 (8) but due to the Emergency Decree Amending the Revenue Code (No.19) B.E. 2561 which states the specific income for cryptocurrencies transferring which incurred the benefit is under Section 40(4)(i) instead. It is not suitable enough for other taxpayers who are not related to cryptocurrency' investment because they have more burden than normal situation since different types of income result in different tax deduction rate which can alter the amount of taxable income. The income under Section 40 (4) cannot be deducted whereas in Section 40 (8), usually taxpayer can select which type he/she prefers to deduct; standard deduction for 60% or deduction for necessary and reasonable expenses.[7]

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[6] Thai Revenue Code B.E. 2481 (1938), s 40(4)(g)

"gains derived from transfer of partnership holdings or shares, debentures, bonds, or bills or debt instruments issued by a company or juristic partnership or by any other juristic person."

[7] Internal Revenue Code (IRC) 1986, s 46

Hence, for the suitability and effectiveness in imposing tax on cryptocurrencies, the Thai government should not only state and focus on imposing income tax on cryptocurrency transferring tax on investment without any concerns on the purpose, characteristic, or manner of transactions, thus the government should amend Section 40(4)(i) which cannot cover every disposing transactions relating to cryptocurrencies.

Section 40(4)(i) should be amended by adding specific purpose of transaction such as any benefits which are gain from holding or transferring cryptocurrencies but not include any benefit arising from holding or transferring cryptocurrencies derived from employment, business or others except investment.

Having suitable measures creates effective tax system, taxpayers do not have prejudice against tax payment, and government would receive more revenue.

2.2 Tax Policy

2.2.1 The Lack of Necessary Information

The information in relation to taxation should be clear and specific with enough information,[8] in particular, the amount to be taxed and how to calculate.

Since cryptocurrencies are new technology which has a complex system, taxation on cryptocurrencies is not easy because many people do not understand how to pay tax, and how to calculate income from cryptocurrency transactions. However, the imposition of tax on cryptocurrencies. in Thailand, since the Emergency Decree of amending Revenue Code (No.19) B.E. 2561 is effective, the Thai Revenue Department has not released any information to taxpayers who are involved with

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"For the assessable income under Section 40(8), deduction of expenses shall be allowed in accordance with a Royal Decree."

[8] Frans Vanistendael, 'Legal Framework for Taxation' (IMF, 1998) <https://www.imf.org/external/pubs/nft/1998/tlaw/eng/ch2.pdf> accessed 5 November 2018

cryptocurrency transactions, so it is difficult for taxpayers to comply with the law without any necessary information from Revenue Department because there are still some vague issues. Some taxpayers who acquire or dispose of the cryptocurrency are not aware of their responsibilities and fail to calculate their income from cryptocurrency transactions. This may also create an opportunity for taxpayers to evade taxation as well. Then government cannot collect such revenue as effectively as planned.

The necessary information related to the imposition of tax on cryptocurrency which should be clarified and explained by a tax notice or treatment from Revenue Department as soon as possible are; (1) the valuation of cryptocurrency, (2) basis issue, which answer how to value cryptocurrencies to adjust any gain or loss and calculating tax further. (3) mining cryptocurrency, which clarify how to tax mined cryptocurrencies, and (4) reporting requirement which shall be recorded for the benefits of tax aspects ant others.

(1) Value Issue

To calculate income from a transaction relating to cryptocurrency in foreign countries, taxpayers must convert the price of cryptocurrency to the price of fiat currency. For instance, the United States using the fair market value of cryptocurrency at the time of receipt to convert its value into U.S dollars.[9]

Moreover, as cryptocurrencies are not legal tender, they are accepted for trading by many cryptocurrency exchanges instead, but each exchanges has its own rate which leads to tax calculation problem. This situation differs from fiat currencies which have standard exchange rates issued by the central banks of each country. Thus, in Australian tax

[9] International Revenue Service, 'Notice 2014-21' (*IRS.gov*, 2014) <https://www.irs.gov/pub/irs-drop/n-14-21.pdf> accessed 22 April 2018

treatment allows users to value cryptocurrency in Australian dollar by applying exchanges rate from the reputable online exchange.[10]

But the Thai Revenue Code does not regulate exactly how the cryptocurrency should be valued. Though, the Emergency Decree on the Digital Asset Business B.E. 2561 Section 8 stated that in the case of calculating the price of digital assets in Thai baht, the basis and procedure which is declared by the Securities and Exchange Commission must be followed. However, since the date the Emergency Decree on the Digital Asset Business B.E. 2561 has become effective, the Commission has not had any case in calculating the value of digital asset in Thai baht notice, so taxpayers in Thailand are lack of the information of how to convert cryptocurrency to Thai baht to calculate their income especially gain or loss further. It would have the effect on gain or loss calculation.

Thus, the Revenue Department shall regulate the fair market value[11] of cryptocurrency in Thai baht at the time of transaction, and identify the reputable online exchanges which taxpayer can apply the fair market value to determine his cryptocurrency value.

There are many online exchanges which are approved by the Securities and Exchange Commission such as bx.in.th, bitkub.com, coinasset.co.th, so the Revenue Department can specify one or more online exchanges and allow taxpayers to apply the rate as fair market value of cryptocurrency when he makes transactions.

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[10] Australian Taxation Office, 'Tax treatment of crypto-currencies in Australia - specifically bitcoin' (*ATO*, 2018) <https://www.ato.gov.au/General/Gen/Tax-treatment-of-crypto-currencies-in-Australia---specifically-bitcoin/> accessed 14 August 2018

[11] International Revenue Service, 'Sales and other Dispositions of Assets – NoncapitalAssets' (Publication 544, *IRS*) <https://www.irs.gov/pub/irs-prior/p544--2018.pdf > accessed 22 April 2018

"the price which the property would change hands between the buyer and the seller when they have reasonable knowledge of all the important information with their own best benefit and free from pressure or forces to buy or sell."

The Revenue Department can establish its own cryptocurrency exchange for providing accurate exchange rate for cryptocurrency transaction. It does not benefit only for the cryptocurrency users to determine the value of coins but also for tax authorities to challenge the users' self- assessment in the case which value of cryptocurrency is under assessed.

(2) Basis Issue

Tracking basis of cryptocurrency is one of the important problems because the value of cryptocurrency depends on the demand and supply of its market, so the values have been extremely volatile. In the case that the taxpayers purchase different cryptocurrency, the track of cryptocurrency basis in each transaction is possible but if user purchases only one cryptocurrency such as Bitcoin at different times, from different sources and at different price, it becomes more difficult to determine the basis when he sells or uses the Bitcoin.

To answer this question, Thai Revenue Department shall specify accounting methods to determine the basis value of cryptocurrencies such as the first-in, first-out (FIFO), or last-in, first-out (LIFO), or specific identification method to compute any gains or loss.[12]

For First-in, First-out (FIFO), this method assumes that the goods first acquired are sold first, so when taxpayers sell some cryptocurrencies, the basis of first cryptocurrencies will be calculated.[13]

While, Last-in, First-out (LIFO), this method assumes the goods last acquired are sold first, it allows taxpayers to apply the value of last purchased products to calculate the basis.

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[12] Robert Green, 'Accounting Method Impacts Crypto Income Taxes' (*Forbes*, 10 April 2018 <www.forbes.com/sites/greatspeculations/2018/04/10/accounting-method-impacts-crypto-income-taxes/#15168bd62b5c> accessed 25 January 2019

[13] Marvin A. Chirelstein and Lawrence Zelenak, *Federal Income Taxation* (14th edn, Foundation Press 2018)

Moreover, specific identification is for the case that taxpayers can identify which cryptocurrency they want to sell.[14]

(3) Mining

In Thailand, there are no regulations relating to the mining, neither the Revenue Code, the Emergency Decree on Digital Asset Business B.E. 2561 nor the Emergency Decree amending the Revenue Code (No.19) B.E. 2561. Thus, taxpayers who mine cryptocurrency are lack of information regarding tax liability, while tax authorities have not decided how to impose tax in the case of mining cryptocurrency yet, it is still vague.

When an individual mines cryptocurrency successfully, he/she gets coin, the argued problem is whether mined cryptocurrency is considered as assessable income. There are two opinions; it will be assessable income since the date of receipt of mining and should be taxed, this contrasts with another view which says it is still not assessable income. However, the Revenue Department has not yet affirmed this matter directly.

In the United States, Section 61 of the Internal Revenue Code defines gross income is all income derived from whatever source.[15] Mining cryptocurrencies is one of activities which generates income to taxpayers who mine virtual currencies.

In addition, according to the Notice 2014-21, miners who successfully mine cryptocurrencies must include fair market value of such cryptocurrencies at the date of receipt to his/her gross income. The type of

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[14] Jeff Vandrew, 'Capital gains on cryptocurrency: FIFO, LIFO, or Specific Identification?' (*Brave New Coin*, 7 November 2017) <https://bravenewcoin.com/insights/capital-gains-on-cryptocurrency-fifo-lifo-or-specific-identification> accessed 2 January 2019

[15] Internal Revenue Code (IRC) 1986, s 61(a)

"except as otherwise provided in this subtitle gross income means all income from whatever source derived."

income generate from mining can be determined as either self-employment or hobby depends on the characteristic of mining.[16]

From the view of the writer, the meaning of assessable income under Section 39[17] of the Revenue Code does not only state the money but also include a property and other benefits. In addition, Section 3 of the Emergency Decree of Digital Asset Businesses B.E.2561 provides that the status of cryptocurrency is considered digital asset, thus the received cryptocurrency via mining, in which the miner acquires the property which its value can be calculated in Thai baht, is assessable income which subject to tax under the Revenue Code.

For the types of assessable income, since mining cryptocurrency is an activity, which is not specified in Section 40 (1) to (7), so the coin which is property derived from the mining process is considered income under Section 40 (8). It is not income as specified in section 40 (4) because the miners receive mined coin by processing cryptocurrencies transactions and verifying them on the Blockchain. Mining process does not produce any gains derived from transferring of cryptocurrency.

Furthermore, Personal Income Tax adopts cash basis which recognizes revenues and expenses at the time of receiving or paying cash. Assessable income under Section 39 which is money, or a property, or any benefits which has already been received has to be computed into gross income. In the case of a miner who has already acquired cryptocurrency and realizes its value at the time of receipt, it becomes, is vest as his property, and is not a right of claim which may arise in the future. Thus, the

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[16] Nika Antonikova, 'Real Taxes on Virtual Currencies: What Does the I.R.S. Say?' (2014) 34(3) Virginia Tax Review

[17] Thai Revenue Code B.E. 2481 (1938), s 39

"Assessable income means income that is taxable under this Chapter. Such income also includes a property or any other benefit received which may be computed into a monetary value, any amount of tax paid by the payer of income or by any other person on behalf of a taxpayer and tax credit under Section 47 Bis."

value of his cryptocurrency will be included for the calculation of his personal income tax.

For transferring mined cryptocurrency, in the case of an individual who mines cryptocurrency not for commercial purpose and decides to sell it later has different tax consequence from an individual who runs a business of mining cryptocurrency for profits

The money, or other benefit which are received from transferring cryptocurrency can be considered as assessable income as specified in Section 40(4)(i). If an individual decides to use mined cryptocurrency as the means of payment to buy goods or services, or sell it to another person, and such transactions make the gain to the miner, 15% of the gain will be withheld.

For instance, A, an individual who uses his computer to mine cryptocurrency, he gets Bitcoin which the value of the receipt date is 10,000 baht per coin, his cryptocurrency is assessable income according to section 40(8), then next mount, the value of Bitcoin increase from 10,000 baht to 15,000 baht, he decides sell it to B who is interested in an investment on cryptocurrency, from selling transaction, A receives 5,000 baht as his gain, it is benefit from transferring cryptocurrency according to Section 40(4)(i), from section 50 his gain will be subject to 15% withholding tax.

While if A mines cryptocurrency as business, then he sells his mined cryptocurrency to his customers, even though he receives the gain from transferring cryptocurrency, it should be considered as income from business as specified in Section 40(8) which can deduct from his expenses instead of 40(4).

The Revenue Department should state exactly how to tax cryptocurrency by determining mined cryptocurrency as assessable income and is subject to tax when successful mining and receiving cryptocurrency as income from section 40(8), and the miner is subject to tax again when he disposes such mined cryptocurrency and acquires money, property or any benefits in exchange. However which types of latter income would be taxed depends on the purposes of transferring.

(4) Reporting Requirement

In Thailand, taxpayers are not familiar with capital gain calculation[18] which taxpayers have to back up accurately information.

Thus, the Revenue Department must force the cryptocurrency users; an individual who trade, invest, mine, or use cryptocurrency as means of payments for goods or services, including cryptocurrency exchanges included to record the information relating to cryptocurrency transaction.

For tax aspects, if a taxpayer records every detailed transaction involving cryptocurrency, they can use these records as their evidence to claim the tax officers when their assessment is overtaxed. On the other hands, tax officers can verify taxpayers whether their personal income tax filing is correct. The benefits of reporting information are not only for imposing cryptocurrency tax accurately and effectively but the government organization can also use this information to investigate and prevent criminal offences such as anti-money laundering, fraud, terrorism that will impact the stability of the country's financial system and economy.

To specify necessary information that has to be recorded as information for every transaction which involves cryptocurrency; the date of each transaction, value of the cryptocurrency in Thai baht at the time of transaction, the purpose of the transaction, the detail of the other party involved such as wallet addresses.[19]

For the approved online exchanges, not only above information which should be recorded but the Know Your Customer process (KYC) should also be implemented to identify information of customers, the exchanges shall require their customers to show identification before processing any transaction and record the details of transactions such as

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[18] Sherrings, 'Thailand Capital Gains Personal Tax' (*Sherrings*) <https://sherrings.com/capital-gains-personal-income-tax-thailand.html> accessed 5 July 2019

[19] PricewaterhouseCoopers, 'Cryptocurrency' (PWC, 2018) <https://www.pwc.com.au/tax/assets/cryptocurrency-tax-considerations-jun18.pdf> accessed 14 August 2018

data transfer history, and another valuable data which involved with the transaction.

Apart from KYC, the approved online exchange should run the Customer Due Diligence (CDD) process with every customer in every time that a customer proceeds a transaction. They should have conditions or measures to testify and identity the customers.

Moreover, the Revenue Department should regulate cryptocurrency exchanges to keep the record within the specific period for the purpose of examination and send the information and data of their customer to the tax authorities or other government officers when asked for investigation.[20]

2.2.2 Peer-to-Peer Trading

The peer to peer economy is a community of virtual marketplaces which connect individuals who want to sell and buy goods or services with one another through digital platforms.[21] Such platforms are the technology which allow users to access their functions to create opportunities for advertising and marketing.

There are many types of platforms, for example, traveler accommodation platforms such as Airbnb, retail businesses platforms such as Amazon, Alibaba, or freelancing platforms which match the desire of freelancers to the jobs. The number of users on peer-to-peer market is rising, in 2016 there was report from Pew Research Center stating that 72 percent of American people have used at least one of 11 different shared and on demand services.[22]

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[20] Pratya Apaiyanukorn, 'Anti-money Laundering Against Virtual Currency in case of Using Bitcoin' (Master of Laws Program in Business Laws thesis, Thammasat University 2016)

[21] Aqib Aslam and Alpa Shah, 'Taxation and the Peer-to-Peer Economy' (*IMF*, 8 August 2017) <https://www.imf.org/en/Publications/WP/Issues/2017/08/08/Taxation-and-the-Peer-to-Peer-Economy-45157> accessed 17 December 2018

[22] ibid

Cryptocurrencies are one of the platforms which allow individuals to make transactions without the involvement of a central authority such as governments or banks. Cryptocurrencies, exchanges are not only place for trading but there are also online peer-to-peer trading marketplaces where cryptocurrency users such as Bitcoin users, can communicate with each other to buy or purchase items online and use debit or credit card to make payment.

For example, the Bitcoin users stated their wish lists for an online retailer, such as Amazon.com, they provide the discount they would like to receive on the goods in exchange of their Bitcoins, individuals who want to buy Bitcoin find the amount of Bitcoin which they want to purchase and accept to trade, they buy the goods on Amazon.com and request that goods to be delivered to Bitcoins' users' address, while Bitcoin users put the shared of Bitcoins in escrow with the marketplace, when the goods is delivered their address, they will notify the marketplace release their Bitcoin from escrow and send them to individual with a small fee to marketplace.

Thus, a Bitcoin will not has a standard price, it can be set up by the Bitcoin users who can record the price of Bitcoin below than the market price that impact to keep its fair market value and basis record. Individuals who purchase goods and pay the discount rate and fees in exchange of Bitcoins would be required to report the total cost incurred as their basis of received Bitcoins.

The Thai Revenue Department should realize the ability of taxpayer to purchase cryptocurrency through peer-to-peer markets, there is a high risk that taxpayers file the amount of taxable income incorrectly, or to not file this amount because it is quite tricky to the Revenue Department to trace and inspect such transactions because high technology must be applied which lead the administrative costs.

For example, in United States, there are estimations stating that 7% of population around the world who is the owner of Bitcoin and other cryptocurrencies are American but the number of the filed tax return in relation to cryptocurrency is only 0.04%.[23]

Therefore, to convince users of cryptocurrency for trading their coins in approved exchanges by the Securities and Exchanges Commission, the Revenue Department should provide a de minimis tax for taxpayers.

For example, cryptocurrency is consider as digital asset, it is in relation to Value Added Tax (VAT), a general indirect tax on consumption, when it is traded,[24] however if the Revenue Department wants to impose revenue from cryptocurrency transactions and check such transactions whether taxpayer file the amount of taxable income is correct, it should support taxpayers to trade and exchange their coins in approved exchanges by waving VAT to individuals to bring taxpayers into taxation system and governments will receive the expected revenue.

Furthermore, to reduce the tax burden on taxpayers in auditing and calculating income from cryptocurrency transactions, the Thai Revenue Department should propose a requirement for approved exchanges withhold tax before taxpayers receive the benefit. This method is easy and simple for tax administration because the private persons help collecting tax and decrease the burdens and expenses from government, and help the government to protect tax evasion. On the other hand, this method is useful for taxpayers whose tax is deducted because they can pay tax little by little, and it is not difficult to afford it.

Even if governments provide the VAT exemption for individuals and reduce the burden once they trade and exchange coins in specified system, however, governments should consider to extend the powers of the tax

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[23] Helen Partz, 'US: Tax Filing Service Says Only 0.04% Of Customers Reported Crypto To IRS For 2017' (*Cointelegraph*, 15 February 2018) <https://cointelegraph.com/news/us-tax-filing-service-says-only-004-of-customers-reported-crypto-to-irs-for-2017> accessed 14 February 2019

[24] Julia Kagan, 'What Is a Value-Added Tax (VAT)?' (*Investopedia*, 28 June 2019) <https://www.investopedia.com/terms/v/valueaddedtax.asp> accessed 5 July 2019

authority to receive data from unapproved platforms, or in the case of approved exchanges, government should still exercise power to require the report of customers' transactions.

3. Conclusion

In conclusion, the Thai government has decided to issue new laws, the Emergency Decree Digital Asset Businesses B.E. 2561 and the Emergency Decree amending Revenue Code (No.19) B.E. 2561, to deal with cryptocurrencies transactions. For the stability of country and protecting investors and public, promulgating of both Emergency Decrees ensure the effectiveness of supervision and monitoring of the activities and business relating to digital assets. Moreover, in taxation, to collect the effectiveness of Personal Income Tax in relation to cryptocurrency transferrings, taxpayers in according to the Emergency Decree amending Revenue Code (No.19) B.E.2561 are subject to tax. However, there are urgent problems which should be adjusted, or vague issues which should be explained by government.

First, the impropriety of the provision which is not suitable to cover all cryptocurrencies transferring regardless of the purpose and characteristic of transaction. Then the lack of information which tax authorities should provide such as ways of income calculation, how to value cryptocurrencies in Thai baht, how to impose tax on mined cryptocurrency, and which information should be recorded, or kept, furthermore the existent of peer-to-peer market which taxpayers can avoid paying tax

While the use of cryptocurrencies is continuously increasing over time, government should be more active in improving itself to catch up with or be ahead of new technologies and bringing them into the existing legal and taxation system.

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