PRESS RELEASE

An Roinn Airgeadais
Department of Finance

Ireland signs Double Taxation Agreement with Thailand to increase trade

Ireland and Thailand have signed a Double Taxation Agreement (DTA), paving the way for increased trade between the two countries.

Ambassador of Ireland to the Kingdom of Thailand, Declan Kelly, signed the agreement yesterday (Nov 4) on behalf of the Tánaiste and Minister for Foreign Affairs and Trade Mr. Eamon Gilmore, T.D.

Deputy Prime Minister and Minister of Foreign Affairs, Mr. Surapong Tovichakchaikul, signed on behalf of the Kingdom of Thailand.

Commenting on the agreement, the Tánaiste said:

"*This agreement will facilitate greater trade between Ireland and Thailand, where the economy grew by an impressive 6.5% in 2012. Our bilateral trade is currently worth around €435 million, and I am confident that we will see increased opportunities for Irish businesses to boost their exports as a result of the agreement.*

“The Government will continue to focus on expanding Ireland’s trade and investment ties globally to create jobs and continue to drive economic recovery in Ireland. Double Taxation Agreements are key to assisting Irish companies expand into new markets.”

During their meeting, Ambassador Kelly briefed Deputy Prime Minister of Thailand on Ireland’s economic recovery. Ambassador Kelly also held talks with the Thai Ministries of Finance and Education.

This is the 70th Double Taxation Agreement (DTA) signed by Ireland.

Ireland's exports to Thailand include food products and chemicals. There is a growing cluster of Irish food businesses near Bangkok, which supplies Thai food exporters and major regional food operations.

The Government is also focused on attracting more Thai students to study in Ireland. The University of Limerick and TCD already have partnerships with leading Thai universities.

The purpose of a double taxation agreement is to avoid double taxation and prevent fiscal evasion. Double taxation arises when the same income or capital gain is taxed by two jurisdictions. This normally occurs where income arises in one country and is paid to a resident of another country.

The expansion of Ireland's tax treaty base will continue and additional treaties are in the pipeline.

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Note for EDITORS

Double taxation agreements seek to allocate taxing rights to one or other country, or where the income or gain remains taxable in both, to provide that the country of residence of the taxpayer will either exempt the foreign income from tax or will grant credit against its own tax for tax paid on the same income or gain in the other country.

Double taxation agreements normally also reduce or eliminate source taxes on passive income flows such as dividends, interest and royalties which arise in one country and are paid to a resident of the other.

Double taxation agreements also include non-discrimination provisions, which protect nationals of each country from discriminatory tax provisions in the other. They also provide for the exchange of information between the tax authorities of both countries for the purposes of counteracting tax evasion, in relation to the Agreement itself or the national tax laws of the two countries concerning the taxes covered.

The DTA must be ratified by the government. Some sections apply immediately and affected citizens can apply from today for tax credits as applicable.