

Independent Study Paper Title : The Legal Problems of Abusive Tax Avoidance  
under Revenue Code  
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## ABSTRACT

At present, without cross border restrictions, capital is allowed to flow easily and quickly. Investors also have a better chance to use their capital for investment. Low-tax jurisdiction becomes the first target that an investor chooses, if all other factors are similar or the same. This is because corporations have to maximize their profits for shareholders benefit. Tax avoidance is one method that can be chosen to reduce their corporate expenses. This has also become a popular method to avoid paying tax in Thailand. From international perspective, tax avoidance is legal and acceptable by court in all jurisdictions but only some type of tax avoidances breaks the intention of law that most courts otherwise would reject.

The objective of the research focuses on the problem of abusive tax avoidance in the Kingdom of Thailand. It is found that in the revenue code of Thailand there are no provisions of tax avoidance. Therefore, the revenue official cannot assess tax avoidance transactions. Although taxpayers have the right to arrange their tax affairs in order to reduce them, it is the aggressive tax avoidance schemes which this research concentrates on specifically. Moreover, this stems from Thailand's lack of multilateral co-operations to combat with the international tax avoidance scheme. This is unlike practices developed in countries that try to exchange and information with each other to limited tax avoidance.

It is recommended that, according to the study of tax avoidance, the legislative body should enact a provision that limits tax avoidance schemes in

Thailand, specify the exactly definition of tax avoidance to prevent any loss to government revenues and which makes this clear to the taxpayers. Also on the international side of business or transactions, there should be more multilateral co-operations to create leverage and maximize the powers of officials during assessments of transaction.