

Leasing Property in Thailand? – Danish Chamber of Commerce of Thailand asks; Olaf Duensing answers



To Lease or Not to Lease?

It's a common dilemma: Lease or Buy? Every company who has ever considered leasing has also considered if they should not rather buy.

By Thomas Bruns

When making a lease or buy decision, most companies consider the price of the lease or purchase. However, there are many other factors to consider, such as the tax implications, the flexibility of the lease, and the maintenance costs. In this article, we will explore the pros and cons of both options and provide some guidance on how to make the best decision for your company.

Leasing and buying differences: Leasing is a fixed cost, while buying is a variable cost. Leasing also provides more flexibility, as you can usually terminate the lease if your needs change. Buying, on the other hand, involves a larger upfront investment and the responsibility of maintenance and depreciation.

Other options: Companies should also consider options like operating leases, which provide even more flexibility, and finance leases, which are more like traditional loans. It's important to consult with a financial advisor to understand the full range of options available.

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Practical Leasing

If a company decides to lease a car or a computer, the conditions in Thailand are quite straightforward. When leasing property there are some more rules and regulations. Danish Trade News has asked leading expert Olaf Duensing of DuensingKippen Tax & Cost ETC to describe companies share their experiences.



Practical Leasing: In Thailand, leasing is generally straightforward. However, companies should be aware of local regulations, particularly regarding tax and accounting treatment. It's also important to ensure that the lease agreement is clear and covers all necessary details, such as maintenance and insurance. Consulting with a local legal expert can help navigate these complexities.

Legal Considerations: Companies should ensure that their lease agreements comply with Thai law. This includes understanding the rights and obligations of both parties, as well as the process for resolving disputes. It's also important to consider the impact of local economic conditions on the value of the leased property.

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