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Official language is Thai language

ROYAL DECREE

Issued under the Revenue Code
Regarding Value Added Tax Exemption (No. 239),
B.E. 2534 (1991)

BHUMIBOL ADULYADEJ, REX.

Given on the 25th Day of December B.E. 2534 (1991);
Being the 46th Year of the Present Reign

His Majesty King Bhumibol Adulyadej is graciously pleased to proclaim that:

Whereas it is expedient to exempt value added tax for some sales of goods or provision of services in certain cases.

By virtue of Section 175 of the Constitution of the Kingdom of Thailand and Section 81 (1) (v) of the Revenue Code as amended by the Revenue Code Amendment Act (No. 30), B.E. 2534, the King's Most Excellent Majesty hereby enacts a Royal Decree as follows:

Section 1 This Royal Decree is called the "Royal Decree Issued under the Revenue Code Regarding Value Added Tax Exemption (No. 239) B.E. 2534".

Section 2 This Royal Decree shall come into force as from 1 January B.E.2534 onward.

Section 3 Value added tax shall be exempted for the following businesses:

(1) ~~Selling of cigarettes produced by public tobacco industrial organizations, where the sellers are not such organizations, excluding the sellers who are bonded warehouses~~
(Repealed by R.D. No. 539 B.E. 2555; effective from 15 October B.E. 2555 onward)

(2) Selling of government lotteries, government savings bank lotteries, and red-cross lotteries

(3) Selling of postage, stamp duty, or stamps provided by the government, public organizations, or local administrative organizations, only if they are unused and being sold in the amount not exceeding the face value

(4) Donating of commodities to:

(a) Public hospitals and educational institutions

(b) Public charity organizations/places or other hospitals and educational institutions not specified in (a), but published in the Government Gazette

(Amended by R.D. No. 254 B.E. 2535; effective from 1 January B.E. 2535 onward)

(N.MF. regarding Income Tax and Value Added Tax: Notification consideration rules...)

(N.MF. regarding Income Tax and Value Added Tax No. 2: Charity organizations definition...)

(N.MF. regarding Income Tax and Value Added Tax: Foundation notification consideration rules...)

(5) Selling of medals in memorial of special occasions, where the revenue earned, less expenses, is offered to His Majesty the King, Her Majesty the Queen, Her Royal Highness the Queen Dowager, or any royal son or daughter of His Majesty the King and Her Majesty the Queen or of Her Royal Highness the Queen Dowager, provided that those medals are produced and sold by the Treasury Department, and approved by the Minister of Finance

(Amended by R.D. No. 272 B.E. 2537; effective from 1 January B.E. 2535 onward)

(6) Selling of properties of the Financial Sector Restructuring Authority

(Amended by R.D. No. 321 B.E. 2541; effective from 25 October B.E. 2540 onward)

(7) Selling of commodities of the Financial Institution Asset Management Corporation

(Amended by R.D. No. 327 B.E. 2541; effective from 1 September B.E. 2541 onward)

(8) Selling of properties between a special-purpose vehicle and a company or a juristic partnership, or another type of juristic entity, following the transformation of an asset to a security as specified by the law(s) regarding Special-Purpose Vehicle for Transforming Assets to Securities, provided that it is abide by the rules, procedures, and conditions prescribed in the Notification of the Director-General of the Revenue Department

(Amended by R.D. No. 333 B.E. 2541; effective from 6 November B.E. 2541 onward)

(N.DG. regarding rules, procedures, and conditions for VAT exemption on transferring properties under the Assets-to-Securities Transformation Project)

(9) Selling of commodities from Property Funds, Property Funds for Solving Problems in Financial System, and Mutual Funds for Solving Problems in Financial System established according to the law(s) regarding securities and stock exchange

(Amended by R.D. No. 336 B.E. 2541; effective from 12 November B.E. 2541 onward)

(10) Selling of commodities of the Secondary Mortgage Corporation

(Amended by R.D. No. 343 B.E. 2541; effective from 1 January B.E. 2542 onward)

(11) Selling of commodities done in the Joint Development Area specified by the law(s) regarding Thailand-Malaysia Joint Development Area

(Amended by R.D. No. 347 B.E. 2542; effective from 1 January B.E. 2535 onward)

(12) Selling of properties of a state enterprise, following the transformation of all/part of its capital to shares of a company limited or a public company limited according to the law(s) regarding state enterprises' capital

~~(13) Selling of commodities of a Property Fund and its claims established according to the law(s) regarding securities and stock exchange~~

(Repealed by R.D. No. 608 B.E. 2559; effective from ... onward)

(14) Selling of diesel fuel by a fuel trader, for the value of tax base resulting from selling diesel fuel to a marine gas station situated in the Kingdom of Thailand's Contiguous Zone, since 1 January B.E.2545, provided that it is abide by the rules, procedures, and conditions prescribed in the Notification of the Director-General of the Revenue Department

"Fuel Trader" refers to a seller of fuel according to the law(s) regarding fuel trading, excluding fuel distiller or manufacturer according to the law(s) regarding fuel trading, or Petroleum concessionaire according to the Petroleum law(s).

"Diesel Fuel" refers to diesel fuel that has qualification as specified by a Notification of the Department of Business Development regarding quality of diesel fuel for trading in the Kingdom of Thailand's Contiguous Zone, under the conditions prescribed by the Excise Department. Such diesel fuel must be purchased from a registered manufacturer, whose value is not included in the tax base calculation specified in Section 79 (4) of the Revenue Code.

"Marine Gas Station Situated in the Kingdom of Thailand's Contiguous Zone" refers to an oil tanker that is permitted by the Thai Customs Department to transfer diesel fuel in the Kingdom of Thailand's Contiguous Zone, for the purpose of selling diesel fuel to ships registered for fisheries, under the law governing Thai ships.

"The Kingdom of Thailand's Contiguous Zone" refers to the Kingdom of Thailand's Contiguous Zone, as specified in the royal command of His Majesty the King, given on 14 August B.E.2538.

(15) Selling of diesel fuel by a marine gas station situated in the Kingdom of Thailand's Contiguous Zone, for the value of tax base earned from selling the diesel fuel purchased from a fuel trader specified in (14) to ships registered for fisheries, under the law governing Thai ships, since 1 January B.E. 2545, provided that it is abide by the rules, procedures, and conditions prescribed in the Notification of the Director-General of the Revenue Department

(Amended by R.D. No. 403 B.E. 2545; effective from 23 July B.E. 2545 onward)

(16) Selling of commodities from a bonded warehouse intended for showing and selling those commodities, according to the law(s) regarding customs in a customs airport, to people travelling into the Kingdom of Thailand, for the value of tax base earned from selling the following commodities:

(a) The commodities that people travelling into the Kingdom of Thailand buy for personal use or for professional use, provided that the total amount does not exceed twenty thousand baht

(b) The commodities used domestically that people immigrating into the Kingdom of Thailand buy, provided that the total amount does not exceed fifty thousand baht

(c) Cigarettes that are not more than two hundred rolls, or cigars or tobacco that are not more than two hundred fifty grams each, or mixture of them with the total quantity not exceeding two hundred fifty grams, which consist of no more than two hundreds rolls of cigarettes, however

(d) Liquor that is not exceeding 1 liter

In any case, such selling must abide by the rules, procedures, and conditions prescribed in the Notification of the Director-General of the Revenue Department
(Amended by R.D. No. 448 B.E. 2549; effective from 24 January B.E. 2549 onward)

(17) Selling of pasteurized milk and UHT milk mixed with Fluoride by a company participating in the Fluoride Milk for Tooth Decay Prevention Project, under the Supplementary Food (Milk) for Schools Project, done since 3 June B.E. 2543 onward, provided that it is abide by the rules, procedures, and conditions prescribed in the Notification of the Director-General of the Revenue Department
(Amended by R.D. No. 486 B.E. 2552; effective from 18 May B.E. 2552 onward)

(18) Selling of commodities by the Deposit Protection Agency according to the law regarding the Deposit Protection Agency, done since 11 August B.E.2551 onward
(Amended by R.D. No. 489 B.E. 2552; effective from 11 August B.E. 2551 onward)

(19) Selling of commodities of the SUPPORT Arts and Crafts International Centre of Thailand (Public Organization), done since 1 November B.E.2546 onward
(Amended by R.D. No. 546 B.E. 2555; effective from 20 October B.E. 2555 onward)

Section 4 The value added tax shall be exempted for the following services:

(1) Rice milling service

(2) International transportation service, either by airplane or by ocean liner, which is not applicable for 0% value added tax as specified in Section 80/1(3) of the Revenue Code, including:

(a) International transportation service done by an individual who has signed a contract with Thailand government or will be signed with a foreign government, regarding exemption of value added tax or other similar tax

(b) International transportation service done by a juristic entity established by foreign laws, only if the establishing country exempts value added tax or other similar tax for a juristic entity established by Thai laws reciprocally

(c) International transportation service done by a juristic entity established by foreign laws, only if the establishing country does not collect value added tax or other similar tax from a juristic entity established by Thai laws

(3) Aeronautical radio communication service between countries, ground stations, or air and ground, and radio communication service for meteorology, as well as other relevant services, only if they are provided by a company or juristic partnership assigned by the government to do so

(4) Educational services provided by the educational institutions specified by the Minister and published in the Government Gazette, where any scope and conditions can be specified

(Amended by R.D. No. 254 B.E. 2535; effective from 1 January B.E. 2535 onward)

(N.M.F. regarding specification of educational institutions that will be exempted value added tax...)

(5) Services provided by the Financial Sector Restructuring Authority

(Amended by R.D. No. 321 B.E. 2541; effective from 25 October B.E. 2541 onward)

(6) Services provided by the Financial Institution Asset Management Corporation

(Amended by R.D. No. 327 B.E. 2541; effective from 1 September B.E. 2541 onward)

~~(7) Services provided by Property Funds, Property Funds for Solving Problems in Financial System, and Mutual Funds for Solving Problems in Financial System established according to the law(s) regarding securities and stock exchange~~

~~*(Repealed by R.D. No. 608 B.E. 2559; effective from ... onward)*~~

(8) Services provided by the Secondary Mortgage Corporation

(Amended by R.D. No. 343 B.E. 2541; effective from 1 January B.E. 2542 onward)

(9) Services provided in the Joint Development Area specified by the law(s) regarding Thailand-Malaysia Joint Development Area

(Amended by R.D. No. 347 B.E. 2542; effective from 1 January B.E. 2535 onward)

(10) Services provided by a Property Fund and its claims established according to the law(s) regarding securities and stock exchange

(Amended by R.D. No. 401 B.E. 2545; effective from 31 January B.E. 2545 onward)

(11) Disaster insurance services provided according to the law(s) regarding disaster insurance of the Asia Reinsurance Corporation, only for the services provided since 1 January B.E. 2542 onward

(12) Disaster insurance services provided according to the law(s) regarding disaster insurance of foreign businesses, only for the services provided to the Asia Reinsurance Corporation since 1 January B.E. 2542 onward and used within the Kingdom of Thailand

(Amended by R.D. No. 404 B.E. 2545; effective from 23 July B.E. 2545 onward)

(13) Services provided by the Deposit Protection Agency according to the law regarding the Deposit Protection Agency, since 11 August B.E. 2551 onward

(Amended by R.D. No. 489 B.E. 2552; effective from 11 August B.E. 2551 onward)

(14) Services provided by the Public Debt Restructuring and Domestic Bond Market Development Fund according to the law(s) regarding public debt management

(Amended by R.D. No. 510 B.E. 2554; effective from 16 February B.E. 2554 onward)

(15) Services provided by the SUPPORT Arts and Crafts International Centre of Thailand (Public Organization), since 1 November B.E. 2546 onward

(Amended by R.D. No. 546 B.E. 2555; effective from 20 October B.E. 2555 onward)

(16) Electronic newspaper, magazine, or textbook services provided online

(Amended by R.D. No. 585 B.E. 2558; effective from 2 May B.E. 2558 onward)

Countersigned by:

Police General Pao Sarasin

Deputy Prime Minister

Remarks :- The reason for proclaiming this Royal Decree is that it is expedient to exempt value added tax for some sales of goods or provision of services in certain cases, as specified by Section 81(1)(v) of the Revenue Code, as amended by the Revenue Code Amendment Act (No. 30), B.E. 2534. To alleviate the tax burden and make it appropriate for the current economic status, this Royal Decree is enacted.

(Government Gazette No. 108 Part 229, Dated 26 December B.E. 2534)