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Official language is Thai language

ROYAL DECREE

Issued under the Revenue Code
Regarding Revenue Tax Exemption (No. 300),
B.E. 2539 (1996)

BHUMIBOL ADULYADEJ, REX.

Given on the 21st Day of September B.E. 2539 (1996);
Being the 51st Year of the Present Reign

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

Whereas it is expedient to exempt the income tax specified in Part 3, Chapter 3, Title 2 of the Revenue Code.

By virtue of Section 178 of the Constitution of the Kingdom of Thailand, as amended by the Constitution of the Kingdom of Thailand Amendment (No. 5), B.E. 2538, and Section 3 (1) of the Revenue Code as amended by the Revenue Code Amendment Act (No. 10), B.E. 2496, 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 Revenue Tax Exemption (No. 300) B.E. 2539".

Section 2 This Royal Decree shall come into force as from the day following the date of its publication in the Government Gazette.

Section 3 The income tax specified in Part 3, Chapter 3, Title 2 of the Revenue Code shall be exempted for companies or juristic partnerships established by Thai laws. The exempted amount is equal to the tax payable in foreign countries, but not exceeding the tax payable amount in Thailand computed from the revenue earned from the business done in each foreign country or from the companies or juristic partnerships established by foreign laws, in each foreign country, under the following conditions:

(1) Income tax must have already been paid in foreign countries for the business done in each foreign country or for the revenue earned from the companies or juristic partnerships established by the related foreign laws.

(2) The income tax paid in foreign countries, which does not exceed the tax payable amount in Thailand computed from the revenue earned from the business done in each foreign country or from the companies or juristic partnerships established by foreign laws in each foreign country, must not be used as an expense in net profits calculation.

(3) A written document, certified by a foreign tax authority as a proof of income tax paid in that country, must be kept and provided to our revenue officers upon investigation.

(4) Must comply with the rules, procedures, and conditions prescribed by the Director General of the Revenue Department, which are approved by the Minister of Finance and published in the Government Gazette.

Section 4 The Minister of Finance shall have charge and control of the execution of this Royal Decree.

Countersigned by:

Banharn Silpa-archa

Prime Minister

Remarks:- The reason for proclaiming this Royal Decree is that companies or juristic partnerships established by Thai laws, which earn revenue from the business done in foreign countries or from the companies or juristic partnerships established by foreign laws, may have to pay income tax for such revenue both in foreign countries and in Thailand. To alleviate the tax burden in the case of double taxation for those companies or juristic partnerships, this Royal Decree is enacted.

(Government Gazette No. 113 Part 40 a, Dated 24 September B.E. 2539)