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Official language is Thai language

ROYAL DECREE

Issued under the Revenue Code
with the exception of revenue (no.602)
year B.E. 2559

Bhumibhol Adulyadej,

Given on the 18 April, 2559
This is the year 71 of the present reign

His Majesty King Bhumibol Adulyadej is graciously pleased to proclaim that

Whereas it is expedient to income tax exemption to the company or partnership juristic person for some cases.

By virtue of Section 22 of the Constitution of the Kingdom of Thailand (Interim), year B.E. 2557 and Section 3 (1) of the Revenue Code amended by additional editing the Revenue Code (no. 10) year B.E. 2496 enacted by the King, the Royal Decree as follows:

Section 1 This Royal Decree is called “The Royal Decree issued under the Revenue Code that with the exception of revenue (no.602) year B.E. 2559”.

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

Section 3 In this Royal Decree

“ Sales” mean the distribution or transfer of the product with or without the benefit or compensation and shall include the contract for hire purchase, contract of sale installment payment at the proprietary products do not transfer to the buyer when a delivery to the buyer and the ship out of the Kingdom.

“Goods” mean the property that has the shape and does not have a shape that may have a price and embraced by the sales only.

“Services” mean any of the acts of exploitation of a value that is not the sale of goods.

“The Business of target Industry” mean The following Business of the target industry that use the main technology as a base in the production process and the services in accordance with the rules prescribed and certificated by the Office of the National Science and Technology.

- (1) The industry of food and agriculture
- (2) The industry to save energy, production of alternative energy and

- clean energy
- (3) The industry base of biotechnology
- (4) The industry of medical and health
- (5) The industry of tourism, services and economic creative
- (6) The industry of material growth
- (7) The industry of textile, clothing and accessories
- (8) The industry of automotive and auto parts
- (9) The industry of electronic, computer, software and information services
- (10) The industry base of research, development and innovation or new industry

“Revenue is related to the business” mean including

- (1) Revenue from the sale of by-product items and semi-finished in the business of target industry
- (2) Revenue from the sale of the out of condition or not appropriate to use of machine, components, equipment, supplies, and property of all that is used in the target industry
- (3) Other income of the target industry by the set of Director-general and approved by the Minister

Section 4 Given the income tax exemption in accordance with section 3, division 3 type 2 of the Revenue Code for the net profit of the company or partnership juristic person that must have the qualifications and subject to the rules and conditions:

- (1) Registered set up from October 1, 2015 to December 31, 2016
- (2) A paid-up capital in the last day of the period not more than five million baht and revenue from the sale of goods and services in the accounting period is not more than thirty million baht
- (3) Revenue from the sale of products and the services of the business of target industry or revenue associated with the business of one or not less than eighty percent all together of the total income in the accounting period of the company or partnership juristic person
- (4) Submit the request and approval from the director-general, according to the criteria and conditions that the director announced
- (5) Do not use the right except for the corporate income tax under the law on promotion of investment whether in whole or in part
- (6) Compliance with the terms and conditions the director-general announce

Section 5 A company or partnership entity that has the features and to comply with the conditions set in section 4 to receive the rights except for the income tax payment for the net profit of five period as from the day following the date on which have been approved by the director for the accounting period following

- (1) In the case of the accounting period beginning on or after the date of the submission of the request and approval from the director. To count the accounting period is the time of the first account or
- (2) In the case where there is a request and approval from the director during the period to any of the accounting period is the time of the first account. Even if there is less than twelve months

In the case where the company or partnership entity lack of features or does not comply with the conditions set out in accordance with section 4 in any accounting period. The right to income tax of the suspension only in the period of that accounting period.

Section 6 The Minister of Finance, acting in accordance with the Royal Decree.

A royal command General
Prayut Chan-o-cha
Prime minister

Note :- The reason for the promulgation of this royal decree is the government has a policy to promote and support the operators of small and medium enterprises, which is the new entrepreneurs to use technology and innovation in the target industry that have the potential to drive economic immobilization devices and create a strong and increase the competitiveness of the country as a whole. Whereas it is expedient to income tax exemption for the net profit of the company or partnership juristic person registered set up from October 1, 2015 to December 31, 2016 which a paid-up capital in the last day of the period not more than five million baht and revenue from the sale of goods and services in the accounting period is not more than thirty million baht for five accounting period. It is necessary to enact this decree.