

Royal Decree
Issued under Revenue Code
Governing Reduction of Rates and Exemption of Taxes and Duties
(No. 530)
B.E. 2554 (2011)

Bhumibol Adulyadej, Rex.

Given this 14th day of December 2011,
Being the 66th year of the present Reign.

His Majesty King Bhumibol Adulyadej has been graciously pleased to proclaim that,

Whereas it is deemed expedient to reduce the rates of income tax and to revise the reduction of rates and to exempt income tax on the net profit of a company or a juristic partnership in certain cases,

H.M. the King, by virtue of Section 187 of the Constitution of the Kingdom of Thailand and Section 3 (1) of the Revenue Code, amended by the Revenue Code Amendment Act (No. 10) B.E. 2496 (1953), which is a law containing certain provisions relating to the restriction of personal rights and freedom, for which Section 29 incorporating Section 33 and Section 41 of the Constitution of the Kingdom of Thailand provide that such can be made by virtue of the provisions of a law, is therefore graciously pleased to direct the enactment of a Royal Decree as follows:

Section 1. This Royal Decree shall be called "Royal Decree Issued under Revenue Code Governing Exemption of Taxes and Duties (No. 530) B.E. 2554 (2011)".

Section 2. This Royal Decree shall be enforced on and from the day following the date of its publication in the Government Gazette onwards.

Section 3. The Royal Decree Issued under Revenue Code Governing Exemption of Taxes and Duties (No. 471) B.E. 2551 (2008) shall be repealed.

Section 4. In this Royal Decree,

"sell" means to distribute, to give out, or to transfer goods, with or without benefits or considerations in return, and it shall mean to include hire-purchase contract, contract of sale of goods by installment payment whereby the ownership of the goods has not yet been transferred to the buyer upon delivery of same to the buyer, and exportation of goods.

"goods" means tangible and intangible property which may have price and may be retainable and possessed for sale only.

"services" means any action that may seek benefits of a value which is not a sale of goods.

Section 5. The rate of income tax under (a) of (2) for the company or juristic partnership of the Schedule of Rates of Income Tax annexed to Chapter 3 in Title 2 of the

Revenue Code shall be reduced and collected at the following rates for three continuous accounting periods:

- (1) Twenty three percent of the net profit of the company or juristic partnership for the first accounting period which begins on or after 1st January 2012.
- (2) Twenty percent of the net profit of the company or juristic partnership for the following two accounting periods which begins on or after 1st January 2013.

Section 6. The rate of income tax under (a) of (2) of the company or juristic partnership of the Schedule of Rates of Income Tax annexed to Chapter 3 in Title 2 of the Revenue Code shall be reduced and collected at the following rates, however, specifically the company or juristic partnership with paid-up capital on the last day of the accounting period not exceeding Baht five million and with income from the sale of goods and the rendering of services within the accounting period not exceeding Baht thirty million:

- (1) Net profit specifically the portion exceeding Baht one hundred and fifty thousand but not exceeding Baht one million, shall be collected at the rate of fifteen percent of the net profit, for the accounting period which begins on or after 1st January 2012 onwards.
- (2) Net profit specifically the portion exceeding Baht one million, shall be collected at the following rates:
 - (a) twenty three percent of the net profit for one accounting period which begins on or after 1st January 2012.
 - (b) twenty percent of the net profit for the following accounting period which begins on or after 1st January 2013.

Section 7. The income tax under Division 3, Chapter 3, in Title 2 of the Revenue Code shall be exempted for the company or juristic partnership with paid-up capital on the last day of the accounting period not exceeding Baht five million and with income from the sale of goods and the rendering of services within the accounting period not exceeding Baht thirty million on the net profit of the said company or juristic partnership, specifically the portion not exceeding the first Baht one hundred and fifty thousand for the accounting period which begins on or after 1st January 2012 onwards.

Section 8. The company or juristic partnership to be entitled to the reduction of rates of income tax under Section 6 and the exemption of income tax under Section 7 must not have paid-up capital on the last day of any accounting period exceeding Baht five million and must not have income from the sale of goods and the rendering of services within any accounting period exceeding Baht thirty million, however, as from the accounting period which begins on or after 1st January 2012 onwards.

Section 9. The provisions of (2) of Section 3 of the Royal Decree Issued under Revenue Code Governing Reduction of Rates of Taxes and Duties (No. 467) B.E. 2550 (2007) shall be repealed.

The provisions of Section 5 shall apply to the company that have listed its securities in the Stock Exchange of Thailand under the law governing securities and exchange for the accounting period which begins on or after 1st January 2012 onwards.

The provisions in (2) of Section 3 of the Royal Decree Issued under Revenue Code Governing Reduction of Rates of Taxes and Duties (No. 467) B.E. 2550 (2007) shall still be enforceable for the company that has listed its securities in the Stock Exchange of Thailand under the law governing securities and exchange for the accounting period which begins before 1st January 2012.

Section 10. The provisions in the Royal Decree Issued under Revenue Code Governing Reduction of Rates of Taxes and Duties (No. 471) B.E. 2551 (2008) shall still be enforceable, specifically the reduction of rates and the exemption of income tax for the company or juristic partnership for the accounting period which begins before 1st January 2012.

Section 11. The Minister of Finance shall have charge and control of the execution of this Royal Decree.

Countersigned:

Yingluck Shinawatra
Prime Minister

Note: This Royal Decree is enacted because it is deemed suitable to reduce the rates of juristic person income tax on the net profit of the company or juristic partnership for three accounting periods from thirty percent to remain at twenty three percent and twenty percent respectively for a temporary period, however, as from the accounting period which begins on or after 1st January 2012, and it is also deemed suitable to revise the reduction of rates and the exemption of juristic person income tax on the net profit of the company or juristic partnership that is a small and medium enterprise, and to also revise the reduction of rates of income tax on the net profit of the company that has listed its securities with the Stock Exchange of Thailand as prescribed in the Royal Decree Issued under Revenue Code Governing Reduction of Rates of Taxes and Duties (No. 467) B.E. 2550 (2007), so as to increase competitiveness of the country and to induce investments in various aspects, particularly investments from abroad, which is a stimulation of the economy of the country, and so that the rates of income tax of juristic person on the net profit or company or juristic partnership be in line with each other. Hence, it is necessary that this Royal Decree be enacted.

[Ref.: Government Gazette, Legislation Issue, Volume 128, Part 93 Kor., Page 5-9, of
21st December 2011]