



## Tax & Legal Newsletter

### January 2022

#### Extension of tax measures for donations to support personnel development for “Industry 4.0”

A royal decree (No. 737) dated 30 November 2021 provides an extension of the additional corporate income tax deduction of 200% (i.e., a total deduction of 300%) for certain qualifying donations by a company or juristic partnership and the exemptions from corporate income tax, VAT, specific business tax, and stamp duty for a company or juristic partnership with respect to such donations. The additional tax deduction and exemptions are available for donations of machinery, components, parts, devices, equipment, or computer software for connecting machinery to an automation system that are made to a Personnel Development Centre for Industry 4.0 that was founded by a government educational institution, a private higher educational institution (according to the law on private institutions of higher education), or a private school (according to the law on private schools, and excluding non-formal schools according to that law) to enhance productivity and personnel development in relation to the government’s “Industry 4.0” strategy. The additional tax deduction and exemptions originally were available for donations made up to 31 December 2020 and have been retroactively extended to apply for donations made from 1 January 2021 up to 31 December 2022, in accordance with rules, procedures, and conditions prescribed by the Director-General of the Revenue Department.

#### Extension of tax incentive for investments in automation systems

A royal decree (No. 738) dated 30 November 2021 provides a retroactive extension of a tax incentive to support investments in automation systems, which expired on 31 December 2020. The decree provides a company or juristic partnership with an additional corporate income tax deduction of 100% (i.e., a total deduction of 200%) for capital expenditure

incurred for investments in automation systems, including machinery and computer software for connecting machinery to an automation system (but excluding amounts paid for repairs to maintain such assets in their present condition) during the period from 1 January 2021 to 31 December 2022, in accordance with rules, procedures, and conditions prescribed by the Director-General of the Revenue Department.

### **Extension of tax incentive to encourage employment of highly skilled personnel**

A royal decree (No. 739) dated 30 November 2021 provides a retroactive extension of a tax incentive to encourage the employment of certain highly skilled personnel, which expired on 31 December 2020. The decree provides a company or juristic partnership with an additional corporate income tax deduction of 50% (i.e., a total deduction of 150%) for expenses incurred for the payment of salaries (not exceeding a maximum salary of THB 100,000 per month) to certain highly skilled personnel in the areas of science, technology, engineering, or mathematics from 1 January 2021 to 31 December 2022, in accordance with rules, procedures, and conditions prescribed by the Director-General of the Revenue Department.

### **Extension of tax incentive to encourage employee development**

A royal decree (No. 740) dated 30 November 2021 provides a retroactive extension of a tax incentive to encourage employee development, which expired on 31 December 2020. The decree provides a company or juristic partnership with an additional corporate income tax deduction of 150% (i.e., a total deduction of 250%) for expenses incurred for sending employees to attend training courses or offering employee training programs that are approved by relevant authorities. The deduction is available for expenses incurred from 1 January 2021 to 31 December 2022, in accordance with rules, procedures and, conditions prescribed by the Director-General of the Revenue Department.

### **Tax incentive provided to encourage donations in support of public health**

A royal decree (No. 741) issued on 4 December 2021 provides individuals, companies, and juristic partnerships with an additional income tax deduction of 100% (i.e., a total deduction of 200%) for donations (either in cash or in property) in support of public health made to the Siriraj Foundation or the Chulabhorn Foundation via the electronic donation (e-Donation) system from 30 November 2021 to 31 December 2022. The decree also provides an exemption from income tax, VAT, specific business tax, and stamp duty for individuals, companies, and juristic partnerships with respect to income derived from a transfer of property or a sale of goods, or with respect to the execution of an instrument, in connection with such donations, in accordance with rules, procedures, and conditions prescribed by the Director-General of the Revenue Department.

### **Change of deadline to submit country-by-country reports**

On 23 December 2021, the Thai Ministry of Finance issued a notification that is effective for accounting periods beginning on or after 1 January 2021 and that changes the deadline for the submission of country-by-

country (CbC) reports. The key provisions of the notification are summarized below:

- (1) For a company or juristic partnership that is within the scope of Thailand's CbC reporting requirements and that is the ultimate parent entity (UPE) of its group, and for the UPE's representative, the submission deadline, which otherwise would be the same as the deadline for submitting the annual corporate income tax return (Form PND.50, which is due within 150 days after the end of the accounting period), is extended to within 12 months following the end of the accounting period; and
- (2) For a company or juristic partnership carrying on business in Thailand (other than an entity covered by item (1) above), the submission deadline, which otherwise would be the same as the deadline for submitting Form PND.50, is extended to within 60 days following the date of receipt of a notification letter from the tax assessment officer regarding the submission of the CbC report.

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## Contacts

Should you have any comments or questions arising from this newsletter, please contact either the listed contacts below, or any member of the [Thailand Tax & Legal team](#).

### Anthony Visate Loh

#### International Tax & Legal

Tel: +66 (0) 2034 0000 ext 40112

Email: aloh@deloitte.com

### Mark Kuratana

#### Global Employer Services

Tel: +66 (0) 2034 0000 ext 40125

Email: mkuratana@deloitte.com

### Alisa Arechawapongsawat

#### Transfer Pricing

Tel: +66 (0) 2034 0000 ext 40171

Email: aarechawapongsawat@deloitte.com

### Nu To Van

#### Indirect Tax (Customs & VAT)

Tel: +66 (0) 2034 0000 ext 40163

Email: ntovan@deloitte.com

### Chairak Trakhulmontri

#### Transfer Pricing

Tel: +66 (0) 2034 0000 ext 40157

Email: ctrakhulmontri@deloitte.com

### Stuart Simons

#### Transfer Pricing

Tel: +66 (0) 2034 0000 ext 40135

Email: ssimons@deloitte.com

### Darika Sophonawat

#### Business Tax (Tax Compliance)

Tel: +66 (0) 2034 0000 ext 40115

Email: dsophonawat@deloitte.com

### Thirapa Glinsukon

#### Business Tax (Tax Compliance)

Tel: +66 (0) 2034 0000 ext 40159

Email: tglinsukon@deloitte.com

### Dr. Kancharat Thaidamri

#### Transfer Pricing

Tel: +66 (0) 2034 0000 ext 40118

Email: kthaidamri@deloitte.com

### Wanna Suteerapornchai

#### Business Tax (M&A)

Tel: +66 (0) 2034 0000 ext 40144

Email: wsuteerapornchai@deloitte.com

### Korneeka Koonachoak

#### Business Tax (Value Chain Alignment)

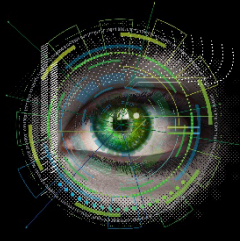
Tel: +66 (0) 2034 0000 ext 40122

Email: kkoonachoak@deloitte.com



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