



Tax & Legal Newsletter

December 2022

Tax incentives provided for donations to certain medical foundations via e-Donation system

A Thai royal decree (No. 756) issued on 8 November 2022 provides tax incentives for certain donations via the electronic donation (e-Donation) system in support of public health that are made from 26 July 2022 to 31 December 2024 to the Chaipattana Foundation, the Information Technology Foundation under the initiative of Her Royal Highness Princess Maha Chakri Sirindhorn, or the Ramathibodi Foundation under the royal patronage of Her Royal Highness Princess Maha Chakri Sirindhorn. A summary of the key measures in the royal decree is provided below:

- Individuals will be entitled to a double deduction (i.e., a total income tax deduction of 200%) for cash contributions made to a qualifying foundation, up to an amount equal to 10% of the individual's net income (i.e., assessable income reduced by all applicable allowances and deductions).
- Companies or juristic partnerships will be entitled to a double deduction for cash or asset contributions made to a qualifying foundation, up to an amount equal to 10% of the entity's net profits.
- Exemptions from income tax, VAT, specific business tax, and stamp duty will be available for individuals, companies, or juristic partnerships with respect to income derived from a transfer of assets or a sale of goods, or with respect to the execution of an instrument, in connection with contributions made to a qualifying foundation.

The tax incentives will be available in accordance with rules, procedures, and conditions prescribed by the Director-General of the Thai Revenue Department.

Tax incentives provided to encourage domestic training seminars for employees

A Thai royal decree (No. 757) issued on 8 November 2022 provides companies or juristic partnerships with an additional corporate income tax deduction for qualifying expenses incurred for hosting employee training seminars in Thailand from 15 July 2022 to 31 December 2022. Qualifying expenses include seminar room fees, accommodation fees, transportation fees, and other costs associated

with hosting the seminar, as well as service fees paid to tourism business operators registered under the law on tourism. A summary of the incentives in the royal decree is provided below:

- (1) An additional deduction of 100% (i.e., a total deduction of 200%) of expenses incurred for domestic training seminars that the company or juristic partnership arranged for local employees in the “secondary tourist provinces” identified in the royal decree or any other tourist areas announced by the Director-General of the Thai Revenue Department;
- (2) An additional deduction of 50% (i.e., a total deduction of 150%) of expenses incurred for domestic training seminars that the company or juristic partnership arranged for local employees in areas other than the areas specified in item (1) above; and
- (3) An additional deduction of 50% (i.e., a total deduction of 150%) of expenses incurred for domestic training seminars that the company or juristic partnership arranged for local employees in certain situations where the expenses cannot be clearly allocated between the areas specified in items (1) and (2) above.

The tax exemptions must be claimed in accordance with rules, procedures, and conditions prescribed by the Director-General of the Thai Revenue Department.

Tax incentive provided to encourage domestic trade fairs

A Thai royal decree (No. 758) issued on 8 November 2022 provides a company or juristic partnership with an additional corporate income tax deduction of 100% (i.e., a total deduction of 200%) for rental fees or service fees incurred in connection with participation in domestic trade fairs, exhibitions, or trade shows held between 15 July 2022 and 31 December 2022. To claim the tax incentive, a taxpayer must have a certificate issued by the event organizer confirming actual attendance at the event. The additional deduction also must be claimed in accordance with the rules, procedures, and conditions to be prescribed by the Director-General of the Thai Revenue Department.

Extension of personal income tax exemption for community-based enterprises

A ministerial regulation (No. 385) was issued on 14 November 2022 to provide an extension of the personal income tax exemption that is available for a community-based enterprise qualifying under the Community Enterprise Promotion Act, if the enterprise is an ordinary partnership or a non-juristic body of persons that has annual income that does not exceed THB 1.8 million. The exemption originally was available from 1 January 2020 up to 31 December 2022 and will be extended to 31 December 2025, and must be claimed in accordance with the rules, procedures, and conditions to be prescribed by the Director-General of the Thai Revenue Department.

Rules and criteria provided for tax exemptions with respect to sales of assets to REITs under buy-back arrangements

A notification from the Director-General of the Thai Revenue Department (No. 46) issued on 21 November 2022 sets forth the rules, criteria, and conditions for claiming the tax exemptions from corporate income tax, VAT, specific business tax, and stamp duty that are allowed by a royal decree (No. 753) issued on 18 July 2022, with respect to certain sales of assets by a company or juristic partnership to the trustee of a real estate investment trust (REIT) under “buy-back” arrangements (i.e., arrangements under which the company or juristic partnership agrees to subsequently repurchase the assets). Tax exemptions also are available with respect to the subsequent resales of the relevant assets to be made by the trustee of the REIT to the company or juristic partnership. The notification is effective retroactively as from 19 July 2022, and a summary of the rules and criteria in the notification is provided below:

- To benefit from the tax exemptions, the company (or juristic partnership) and the trustee of the REIT that have entered into the buy-back arrangement must jointly prepare a certificate confirming that the transaction involving

the sale and resale of assets under a buy-back arrangement has been carried out and provide the certificate to the land registrar in whose registry the property is registered and the Director-General of the Thai Revenue Department.

- The company (or juristic partnership) and the trustee of the REIT are required to retain supporting documents and any other evidence relating to the sale and resale of the assets under the buy-back arrangement and to have them available for inspection by a tax assessment officer.

Cabinet approval of revocation of specific business tax exemption for securities trading on Stock Exchange of Thailand

On 29 November 2022, the Thai Cabinet approved a draft royal decree that would result in the imposition of specific business tax (SBT) in respect of sales of securities traded on the Stock Exchange of Thailand (SET). This decision aims to increase “taxing fairness” and reduce “income inequality” and effectively would put an end to the exemption from SBT for sales of securities in the Thai stock market, which has been in effect for more than 30 years. According to the draft royal decree, the tax rate would depend on the phase of the imposition of SBT on such transactions, as follows:

- **Phase 1:** The tax rate would be 0.05% of the gross proceeds from the sale of securities (0.055% including the municipal tax) from the effective date of the royal decree until 31 December 2023; and
- **Phase 2:** The tax rate would be 0.10% of the gross proceeds from the sale of securities (0.11% including the municipal tax) as from 1 January 2024.

An SBT exemption would be applicable only to sales of securities made by the following sellers:

- (1) “Market makers” that are registered with the SET and trade the stock for which the market makers are registered;
- (2) The Social Security Office;
- (3) Provident funds;
- (4) The government pension fund;
- (5) The welfare fund under the law on private schools;
- (6) Retirement mutual funds;
- (7) The national savings fund; and
- (8) Mutual funds established under the Securities and Exchange Act for the purpose of selling investment units in mutual funds to the Social Security Office or other funds mentioned under items (3) – (7) above.

Where no SBT exemption is available, the broker, as the representative of the securities seller, would be required to withhold SBT from the proceeds of the sale and to remit the tax on behalf of the seller. The seller would not be required to submit an SBT return itself.

The provisions of the royal decree will enter into force on the first day of the fourth month following the month the decree is published in the royal gazette (i.e., there will be a 90-day “grace period”).

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

Chairak Trakhulmontri

Transfer Pricing

Tel: +66 (0) 2034 0000 ext 40157

Email: ctrakhulmontri@deloitte.com

Darika Soponawat

Business Tax (Tax Compliance)

Tel: +66 (0) 2034 0000 ext 40115

Email: dsoponawat@deloitte.com

Dr. Kancharat Thaidamri

Transfer Pricing

Tel: +66 (0) 2034 0000 ext 40118

Email: kthaidamri@deloitte.com

Korneeka Koonachoak

Business Tax (Value Chain Alignment)

Tel: +66 (0) 2034 0000 ext 40122

Email: kkoonachoak@deloitte.com

Nu To Van

Indirect Tax (Customs & VAT)

Tel: +66 (0) 2034 0000 ext 40163

Email: ntovan@deloitte.com

Patcharaporn Pootranon

Legal - Corporate

Tel: +66 (0) 2034 0000 ext 40173

Email: ppootranon@deloitte.com

Pornpun Niyomthai

Global Employer Services – Immigration

Tel: +66 (0) 2034 0000 ext 40175

Email: pniyomthai@deloitte.com

Stuart Simons

Transfer Pricing

Tel: +66 (0) 2034 0000 ext 40135

Email: ssimons@deloitte.com

Wanna Suteerapornchai

Business Tax (M&A)

Tel: +66 (0) 2034 0000 ext 40144

Email: wsuteerapornchai@deloitte.com



Dbriefs

A series of live, on-demand and interactive webcasts focusing on topical tax issues for business executives.



Power of With

Focus on the power humans have with machines.



Tax@hand

Latest global and regional tax news, information, and resources.

Get in touch



Deloitte Thailand | [Add as safe sender](#)

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms, and their related entities (collectively, the “Deloitte organization”). DTTL (also referred to as “Deloitte Global”) and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more.

Deloitte Asia Pacific Limited is a company limited by guarantee and a member firm of DTTL. Members of Deloitte Asia Pacific Limited and their related entities, each of which are separate and independent legal entities, provide services from more than 100 cities across the region, including Auckland, Bangkok, Beijing, Hanoi, Hong Kong, Jakarta, Kuala Lumpur, Manila, Melbourne, Osaka, Seoul, Shanghai, Singapore, Sydney, Taipei and Tokyo.

About Deloitte Thailand

In Thailand, services are provided by Deloitte Touche Tohmatsu Jaiyos Co., Ltd. and its subsidiaries and affiliates.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited (“DTTL”), its global network of member firms or their related entities (collectively, the “Deloitte organisation”) is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser.

No representations, warranties or undertakings (express or implied) are given as to the accuracy or completeness of the information in this communication, and none of DTTL, its member firms, related entities, employees or agents shall be liable or responsible for any loss or damage whatsoever arising directly or indirectly in connection with any person relying on this communication. DTTL and each of its member firms, and their related entities, are legally separate and independent entities.

© 2022 Deloitte Touche Tohmatsu Jaiyos Advisory Co., Ltd.