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ROYAL DECREE

Issued under the Revenue Code

Regarding Designation of Businesses Exempted from Specific Business Tax (No. 240)

B.E. 2534

BHUMIBOL ADULYADEJ REX.

Given on 25th day of December B.E. 2534

Being the 46th Year of the Present Reign

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

Whereas it is expedient to design businesses exempted from Specific Business tax

By virtue of Section 175 of the Constitution of the Kingdom of Thailand and Section 91/3(7) of the Revenue Code as amended by the Revenue Code Amendment Act (No. 30) B.E.2534 (1991), 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 Designation of Businesses Exempted from Specific Business Tax (No. 240) B.E. 2534."

Section 2 This Royal Decree shall come into force as from 1 January B.E.2534.

"Section 3 Specific business tax shall be exempted for the following businesses:

(1) Sale of securities in a securities market under the law governing Stock Exchange of Thailand

(2) The business of Small Industry Finance Corporation

(3) The business of Small Industry Credit Guarantee Corporation"

(Amended by the Revenue Code Amendment Royal Decree (No.257) B.E. 2535 which has come into force as from 1 January B.E. 2535)

(4) The business of Export-Import Bank of Thailand

(Amended by the Revenue Code Amendment Royal Decree (No.265) B.E. 2536 which has come into force as from 7 September B.E. 2536)

(5) The business of an Environmental Fund under the law governing Improvement and Conservation of National Environmental Quality

(Amended by the Revenue Code Amendment Royal Decree (No.316) B.E. 2541 which has come into force as from 17 March B.E. 2541)

(6) The business of Financial Sector Restructuring Authority

(Amended by the Revenue Code Amendment Royal Decree (No.322) B.E. 2541 which has come into force as from 25 October B.E. 2540)

(7) The business of Financial Institution Asset Management Corporation

(Amended by the Revenue Code Amendment Royal Decree (No.328) B.E. 2541 which has come into force as from 1 September B.E. 2541)

(8) The business of special purpose juristic person relating to securitization under the law governing special purpose juristic persons for securitization only in cases, as follows:

(a) The Business that subjects to specific business tax under section 91/2 of the Revenue Code owing to receiving of transfer of assets from a company or juristic partnership or other juristic partnerships or transferring such assets back to a company or juristic partnership or other juristic partnerships, in accordance with the rules, procedures and conditions as prescribed by the Director-General of the Revenue Department.

(b) Carrying business which is transferred from assignee and only exempt from specific business tax under section 91/3 of the Revenue Code.

(9) The business of a company or juristic partnership or other juristic partnerships in related section to securitization under the law governing special purpose juristic persons for securitization which subjects to specific business tax under section 91/2 of the Revenue Code owing to transfer assets to a special purpose juristic person or transferring such assets back to a special purpose juristic person in accordance with the rules, procedures and conditions as prescribed by the Director-General of the Revenue Department.

(Amended by the Revenue Code Amendment Royal Decree (No.334) B.E. 2541 which has come into force as from 6 November B.E. 2541)

(10) The Business of Property Funds, Property Fund for Resolving Financial Institution Problems and Mutual Fund for Resolving Financial Institution Problems that are incorporated under the law governing Securities and Exchange with regular transactions similar to commercial banks and sale of an immovable property for a commercial or profitable purpose.

(Amended by the Revenue Code Amendment Royal Decree (No.337) B.E. 2541 which has come into force as from 12 November B.E. 2541)

(11) The business of Secondary Mortgage Corporation

(Amended by the Revenue Code Amendment Royal Decree (No.344) B.E. 2541 which has come into force as from 2 February B.E. 2541)

(12) The business of National Housing Authority Only loans under the Urban Development Project

(13) The business of Cooperative in form of Cooperative Services, which deals with the provision of housing to its members only in respect of a sale of an immovable property for a commercial or profitable purpose in accordance with the rules and conditions, as follows:

(a) It needs to be the cooperative being members of the Urban Development Project by National Housing Authority and received loans from this project

(b) It needs to spend received loans on purchasing real estate for reselling to its member

(Amended by the Revenue Code Amendment Royal Decree (No.355) B.E. 2542 which has come into force as from 22 June B.E. 2542)

(14) The business of Financial institution under the law governing Asset Management Company on gross receipts under Section 91/5 (1) (a), Section 91/5 (2) (a) and Section 91/5 (5) (a) of the Revenue Code only in cases, as follow:

(a) The Financial institution hold shares in Asset Management Company exceeding 50 percent of voting shares or in the event that The Financial institution hold shares not exceeding 50 percent of voting shares, it needs a juristic partnership holding shares in the Asset Management Company or The Financial institution exceeding 50 percent of voting shares.

(b) Gross receipts received from Asset Management Company owing to:

(1) The provision of credits to Asset Management Company for buying or receiving of transfers from the Financial institution or another Financial institution which is held shares by the Financial institution exceeding 50 percent of voting shares or

(2) The provision of credits to Asset Management Company for managing Non-Performing Asset that is purchased or transferred from the Financial institution or another Financial institution which is held shares by the Financial institution exceeding 50 percent of voting shares.

(c) The Financial institution and Asset Management Company need to follow the rules, procedures and conditions as prescribed by the Director-General of the Revenue Department.

(Amended by the Revenue Code Amendment Royal Decree (No.361) B.E. 2542 which has come into force as from 1 October B.E. 2542)

(15) The business of real estate sales only subject to specific business tax under Section 91/2 (6) of the Revenue code owing to:

(a) Getting redemption of real estate from sale with right of redemption or Redemption of real estate from sale with right of redemption by depositing property to Deposit of Property Office within the time limit prescribed in contract or the time limit prescribed by law.

(b) real estate sales after redemption from the sale with right of redemption that total duration of the acquisition of real estate among before the sale with right of redemption, the period between the sale with right of redemption and the period after the sale with right of redemption are over five years.

(Amended by the Revenue Code Amendment Royal Decree (No.365) B.E. 2543 which has come into force as from 10 May B.E. 2541)

(16) The business of state enterprise in part of gross receipts received from real estate sales in consequence of transfer from some of the capital or total capital into shares in the form of Company limited or Public company limited under the law governing the State enterprise capital.

(Amended by the Revenue Code Amendment Royal Decree (No.371) B.E. 2543 which has come into force as from 30 October B.E. 2543)

(17) The business of Community Organizations Development Institute (Public Organization) only in respect of business with regular transactions similar to commercial banks

(Amended by the Revenue Code Amendment Royal Decree (No.379) B.E. 2544 which has come into force as from 26 October B.E. 2543)

(18) The business of Student Loan Fund under the law governing Student Loan Fund (Amended by the Revenue Code Amendment Royal Decree (No.382) B.E. 2541 which has come into force as from 25 March B.E. 2541)

(19) The business of Working capital for developing education of private school under Office of the Private Education Commission

(Amended by the Revenue Code Amendment Royal Decree (No.386) B.E. 2544 which has come into force as from 1 January B.E. 2535)

(20) The business of The Government Pension Fund under The law governing The Government Pension Fund, from the date when The Government Pension Fund Act has come into force.

(21) The business of property and loan fund incorporated under The law governing Securities and Exchange only in respect of business with regular transactions similar to commercial banks and sale of an immovable property for a commercial or profitable purpose

(Amended by the Revenue Code Amendment Royal Decree (No.400) B.E. 2545 which has come into force as from 31 January B.E. 2545)

(22) The business of Office of Agricultural Land Reform only in respect of business with regular transactions similar to commercial banks and sale of an immovable property for a commercial or profitable purpose, from 1 January B.E. 2535 onwards

(Amended by the Revenue Code Amendment Royal Decree (No.419) B.E. 2547 which has come into force as from 10 August B.E. 2547)

(23) The business of Islamic Bank of Thailand only in respect of transfer of ownership in Real estate to a transferee in consequence of Real estate leasing by Islamic Bank of Thailand

(Amended by the Revenue Code Amendment Royal Decree (No.445) B.E. 2548 which has come into force as from 20 December B.E. 2548)

(24) The business of the Small and Medium Enterprise Development Bank of Thailand under the law governing the Small and Medium Enterprise Development Bank of Thailand, from 20 December B.E. 2545 onwards

(25) The business of Futures Contract sales under the law governing Agricultural Futures Trading in The Agricultural Futures Exchange of Thailand, from 28 June B.E. 2547 onwards

(26) The business of Derivatives sales under the law governing Derivatives in the derivatives exchange, from the date when the Derivatives was initially trading in the derivatives exchange onwards.

(Amended by the Revenue Code Amendment Royal Decree (No.455) B.E. 2549 which has come into force as from 28 May B.E. 2549)

(27) The business of Neighboring Countries Economic Development Cooperation Agency (Public Organization) in respect of loans providing to the government of neighboring countries, state enterprise or financial institution of the government of neighboring countries under the Royal Decree on Establishment of Neighboring Countries Economic Development Cooperation Agency (Public Organization) B.E.2548 (2005), from 17 June B.E. 2548 onwards

(Amended by the Revenue Code Amendment Royal Decree (No.485) B.E. 2552 which has come into force as from 18 June B.E. 2552)

(28) The business of Deposit Protection Agency under the law governing Deposit Protection Agency, from 11 August B.E. 2551 onwards

(Amended by the Revenue Code Amendment Royal Decree (No.490) B.E. 2552 which has come into force as from 11 August B.E. 2551)

(29) The business of Public Debt Restructuring and Domestic Bond Market Development Fund under the law governing Public Debt Management

(Amended by the Revenue Code Amendment Royal Decree (No.511) B.E. 2554 which has come into force as from 16 February B.E. 2554)

(30) The business of Formal School Promotion Fund under the law governing Private School, from 12 January B.E. 2551 (2008) onwards

(Amended by the Revenue Code Amendment Royal Decree (No.550) B.E. 2554 which has come into force as from 10 November B.E. 2555)

(31) The business of Royal Thai Police only in respect of lending from a pool of funds and Lending to provide housing for police and employee prescribed by rules of Royal Thai police), from 1 January B.E. 2545 onwards.

(Amended by the Revenue Code Amendment Royal Decree (No.565) B.E. 2556 which has come into force as from 17 July B.E. 2556)

(32) The business of regular transactions similar to commercial banks under Section 91/2 (5) of the Revenue Code of a company or juristic partnership not carrying under 91/2 (1) (2) and (3) of the Revenue Code for received interest only in cases, as follows:

(1) Associated companies or juristic partnerships making loans each other

“Associated companies or juristic partnerships” means two or more companies or juristic partnerships having relationship by any company or juristic partnership being a shareholder or partner holding not less than 25 percent of voting shares of another company or juristic partnership and not less than 6 months before the date of the loan included the duration before the amalgamation of the original company or juristic partnership or the original company or juristic partnership which is a transferor.

(2) A company or juristic partnership depositing of funds with Financial institution or purchase of bills provided by the Financial institution under the law governing the Financial Institutions Business by receiving interest at the normal rates, from 1 January B.E. 2555 (2012) onwards

(Amended by the Revenue Code Amendment Royal Decree (No.571) B.E. 2556 which has come into force as from 24 December B.E. 2556)

(33) The business of a company or juristic partnership having rules governing saving funds for employee and other funds relating to employees for received interest from lending the saving funds for employee and other funds to its members, from 1 January B.E. 2555 (2012) onwards

(Amended by the Revenue Code Amendment Royal Decree (No.571) B.E. 2556 which has come into force as from 24 December B.E. 2556)

(34) The business of village funds under the law governing the National Village and Urban Community Fund only in respect of lending for the members of village funds

(Amended by the Revenue Code Amendment Royal Decree (No.572) B.E. 2556 which has come into force as from 24 December B.E. 2556)

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

Countersigned by:

Pol.Gen. Pao Sarasin

Deputy Prime Ministers