

**For translation purpose only**  
**Official language is Thai language**

## ROYAL DECREE

Issued under the Revenue Code  
Governing Exemption of Taxes (No. 598)  
B.E. 2559 (2016)

---

**BHUMIBOL ADULYADEJ, REX.**

Given on the 12th Day of February B.E. 2559;  
Being the 71st Year of the Present Reign.

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

Whereas it is expedient to revise the exemption from income tax for companies or registered partnerships in the case where they have expenditure on researching and developing technology and innovation;

By virtue of section 22 of the Constitution of the Kingdom of Thailand (Interim), B.E. 2557 (2014) and section 3 (1) of the Revenue Code as amended by the Revenue Code Amendment Act (No. 10), B.E. 2496 (1953), a Royal Decree is hereby enacted, as follows:

Section 1 This Royal Decree is called the “Royal Decree Issued under the Revenue Code Governing Exemption of Taxes (No. 598), B.E. 2559 (2016)”.

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

Section 3 The Royal Decree Issued under the Revenue Code Governing Exemption of Taxes (No. 297), B.E. 2539 (1996) shall be repealed.

Section 4 Income tax under Part 3 of Chapter 3 in Title 2 of the Revenue Code shall be exempted for the income of a company or registered partnership in the amount of one hundred percent of the expenditure paid out for researching and developing technology and innovation for government agencies or private agencies prescribed by the Director-General.

The exemption under paragraph one shall be in accordance with the rules, procedures and conditions prescribed by the Minister.

Section 5 Income tax under Part 3 of Chapter 3 in Title 2 of the Revenue Code shall be exempted for the income of a company or registered partnership in the amount of one hundred percent of the expenditure paid out for researching and developing technology and innovation from 1st January B.E. 2558 (2015) to 31st December B.E. 2562 (2019) in addition to the exemption of income tax under section 4, but, when combined with the amount entitled to the exemption of income tax under this Royal Decree, shall not exceed the ratio of business income required to be included in computation of net profits within the same accounting period, as follows:

- (1) sixty percent on income not exceeding fifty million baht;
- (2) nine percent on income exceeding fifty million baht but not exceeding two hundred million baht;
- (3) six percent on income exceeding two hundred million baht.

Section 6 For a company or registered partnership which has claimed the exemption of income tax with respect to expenditure paid out for researching and developing technology and innovation under this Royal Decree, such expenditure, either in whole or in part, shall not be eligible for corporate income tax exemption for businesses receiving investment promotion under the law on investment promotion.

Section 7 The Minister of Finance shall have charge and control over the execution of this Royal Decree.

Countersigned by:  
General Prayut Chan-o-cha  
Prime Minister

Remarks :- The rationale for enactment of this Royal Decree is that as the government has a policy to promote the private sector to invest more in the research and development of technology and innovation, which will improve the overall economic development and help enhance the country's competitiveness, it is expedient to revise the regulations on the exemption of income tax for companies or registered partnerships in the case where they have expenditure on researching and developing technology as prescribed in the Royal Decree Issued under the Revenue Code Governing Exemption of Taxes (No. 297), B.E. 2539 (1996) to promote and persuade the private sector to increasingly provide technology and innovation research and development to government agencies and private agencies. Hence, it is necessary to enact this Royal Decree.