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# PwC Thailand Tax Alert

**Navigating the latest Royal  
Decrees 792, 793, 794 and 795: Tax  
Implications for Thai Corporations  
and Individuals**





# Navigating the latest Royal Decrees 792, 793, 794 and 795: Tax Implications for Thai Corporations and Individuals

**The following alert may be of interest to:**

All clients

On 24 March 2025, the Royal Gazette published income-tax related Royal Decrees 792, 793, 794 and 795, issued under the Revenue Code. These decrees introduce tax measures, including reductions in income tax rates and exemptions for both Thai corporations and individuals. While there are no significant changes, they provide opportunities to lower taxes and foster financial growth. It's important for clients to understand these updates so they can benefit from them.

## **1. Royal Decree 792: Domestic tours allowance**

This Royal Decree introduces tax incentives that boost tourism and support seminars in Thailand. This is a significant step towards encouraging economic growth in parts of the country.

### **Key provisions**

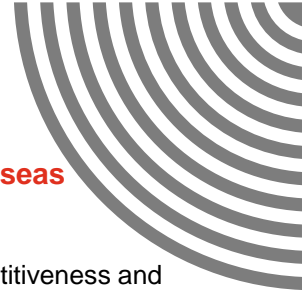
The newly issued Royal Decree provides tax incentives to stimulate tourism and seminar activities, particularly in lesser-known areas of Thailand. It defines 'secondary tourism provinces' as regions that typically see fewer tourists, including Chiang Rai, Nakhon Nayok and Samut Songkhram.

Individuals can benefit from a personal income tax (PIT) exemption when they pay for tours, hotels or registered homestays in designated secondary tourism provinces between 1 May and 30 November 2024. A deduction of up to THB15,000 is also available on services from VAT-registered entities that have been approved to issue e-Tax invoices.

Companies are entitled to a corporate income tax (CIT) exemption on seminar expenses incurred in Thailand. They're also eligible for a double cost deduction on seminars in secondary tourism provinces and a 150% deduction on seminar costs in other regions or contiguous areas. Expenses covered include seminar room costs, accommodation, transportation and related services, provided they're incurred between 1 May and 30 November 2024. Businesses must ensure payments are made to VAT-registered entities and must obtain approved e-Tax invoices that can be used as supporting documentation.

### **Our observations**

Businesses should review the documentation they received between 1 May and 30 November 2024 to ensure compliance with this Royal Decree and the forthcoming Notification of the Director-General. This step is crucial to qualify for the outlined tax exemptions and deductions.



## 2. Royal Decree 793: Tax incentives to encourage Thai professionals working overseas to return home

This Royal Decree offers both PIT and CIT reductions and exemptions to boost Thailand's competitiveness and stimulate investment in economically significant target industries. It aims to encourage Thai nationals working abroad to return to Thailand by offering them a lower, and more favourable, tax rate. Additionally, it encourages businesses to hire these professionals, fostering growth and innovation in target sectors.

### Key provisions

The decree targets companies in industries that qualify for income tax exemptions under national competitiveness laws and investment promotion (BOI) laws. It also covers tax exempt businesses operating within special economic zones in the Eastern Economic Corridor. The decree outlines a final 17% withholding tax rate on income earned by employees who work in, and meet the criteria set for target industries.

To qualify for these benefits, individuals must be Thai nationals and hold at least a bachelor's degree. They must have two or more years of work experience outside of Thailand. Furthermore, they must not have worked in Thailand in the year this reduced withholding tax rate becomes effective or have been a tax resident in the two fiscal years preceding their eligibility. Their employment in Thailand must have started after the decree's effective date and before 31 December 2025.

In addition to PIT incentives, the decree offers a CIT advantage. Companies that hire qualifying individuals can benefit from a 150% deduction on costs related to these employees' salary, as long as salary expenses haven't been used for other tax exemption purposes.

This tax measure applies from the decree's effective date until 31 December 2029.

### Our observations

To fully secure the incentives this decree offers, businesses must comply with specific requirements, including filing necessary declarations with the Revenue Department.

## 3. Royal Decree 794: Tax deductions for e-Donations made to the Office of Knowledge Management and Development

This Royal Decree offers significant tax incentives to encourage e-Donations to the Office of Knowledge Management and Development (OKMD). These will support the creation of the National Learning Centre and the Learning Centre for Sustainable Development. The decree allows individuals and businesses to claim twice the amount they donate as a tax deduction, promoting charitability and easier digital record-keeping.

### Key provisions

This Royal Decree provides a double tax deduction for e-Donations made to the OKMD between 1 January 2025 and 31 December 2026. Individual taxpayers can deduct twice the amount donated from their assessable income, after standard deductions, provided the donation is made in cash. Similarly, businesses can claim tax exemptions equivalent to twice the donated amount (in cash or property contributions). However, these deductions are capped at 10% of the individual's assessable income and of a business's net profit before other specific deductions are made.

The decree also waives income tax, VAT, specific business tax and stamp duty on income received from transferring assets or selling goods related to these donations. However, donors can't deduct the costs of these assets or goods as expenses in their tax calculations.

## Our observations

To take advantage of these tax incentives, it's essential to use the e-Donation system. Donations made through traditional methods don't qualify. Organisations and donors must look out for, and comply with the forthcoming guidelines from the Director-General.

### 4. Royal Decree 795: Tax deductions for e-Donations that support healthcare foundations

This Royal Decree provides tax exemptions to incentivise charitable e-Donations, aiming to support critical healthcare and educational foundations in Thailand. It allows individuals and corporations to deduct twice the donated amount from their assessable income and profit.

#### Key provisions

As Royal Decree 771 expired on 31 December 2024, Royal Decree 795 was announced to allow income tax exemptions for individuals and companies that make e-Donations to the Thai Red Cross Society or listed medical and public health foundations. Donations must be made between 1 January 2025 and 31 December 2027 to qualify. Individuals can deduct twice their donation amount from their taxable income after regular deductions, provided the donation is made in cash. Companies can do the same for their monetary or asset donations. However, these deductions can't exceed 10% of their total income or profit after deductions.

To be eligible for these tax benefits, individuals and companies must comply with rules set by the Director-General. Donors must combine their exempted earnings with other similar benefits, ensuring deductions don't surpass 10% of their income or profit before accounting for charitable deductions.

The decree also waives income tax, VAT, specific business tax and stamp duty on income from transferring assets or selling goods related to these donations. However, donors can't deduct the costs of these assets or goods as expenses in their tax calculations.

#### Our observations

- Royal Decree 771 only covered 12 foundations, whereas Royal Decree 795 covers 26 foundations. Donors can therefore benefit from double deduction incentives on a larger variety of foundations.
- To take advantage of these tax incentives, the e-Donation system must be used, as donations made through conventional methods don't qualify. Both donors and organisations should comply with forthcoming guidelines from the Director-General. Additionally, it's important to make sure that the foundations being donated to are listed as eligible entities in the decree.



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