

*(Translation)*

## **Royal Decree**

**Issued under the Revenue Code**

**Regarding Exemption from Revenue Taxes (No. 588)**

**B.E. 2558**

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**BHUMIBOL ADULYADEJ P.R.**

**Given on the 6<sup>th</sup> day of July B.E. 2558**

**Being the 70<sup>th</sup> Year of the Present Reign**

By Royal Command of His Most Excellent Majesty King Bhumibol Adulyadej, it is hereby proclaimed that :-

Whereas it is deemed proper to grant companies or juristic partnerships income tax exemption on net profit derived from the business of private schools established under the law governing private schools, or the business of private higher education institutes established under the law governing private higher education institutes, in certain cases;

Be it, therefore, enacted a Royal Decree by the King's Most Excellent Majesty, in exercise of the power under Section 22 of the Constitution of the Kingdom of Thailand (Interim), B.E. 2557, and Section 3(1) of the Revenue Code as amended by the Revenue Code Amendment Act (No.10), B.E. 2496, as follows:

Section 1. This Royal Decree is called the "Royal Decree Issued under the Revenue Code Regarding Exemption from Revenue Taxes (No. 588), B.E. 2558".

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

Section 3. The provisions in Section 3 of the Royal Decree Issued under the Revenue Code Regarding Exemption from Revenue Taxes (No. 284), B.E. 2538 shall be repealed and replaced by the following:

“Section 3. Income tax under Part 3, Chapter 3, Title 2 of the Revenue Code shall be exempted on the following income of companies or juristic partnerships:

(1) net profit derived from the business of private schools established under the law governing private schools, or the business of private higher education institutes

established under the law governing private higher education institutes, but not including net profit from the business of non-formal private schools in the type of tutorial schools established under the law governing private schools;

(2) dividend or share of profits of companies or juristic partnerships granted corporate income tax exemption under (1).”

Countersigned  
**General Prayut Chan-o-cha**  
Prime Minister

Remarks: The reasons for the promulgation of this Royal Decree are as follows: The business of non-formal schools under the law governing private schools in certain types is, by nature, aiming to seek benefit rather than to provide education. Therefore, in order to ensure equality and justice and to meet the objective of corporate income tax exemption for private schools, i.e., to encourage the private sector to take part in the education development, it is appropriate to regulate the corporate income tax exemption on the net profit derived from the business of private schools established under the law governing private schools, or the business of private higher education institutes established under the law governing private higher education institutes, excluding the net profit and dividend or share of profits derived from the net profit of the business of non-formal private schools in the type of tutorial schools established under the law governing private schools. Therefore, it is necessary to enact this Royal Decree.