

(Translation)

Ministerial Regulation

No. 307 (B.E. 2558)

Issued under the Revenue Code

Regarding Exemption from Revenue Taxes

By virtue of Section 4 of the Revenue Code as amended by the Revenue Code Amendment Act (No. 20), B.E. 2513, and Section 42 (17) of the Revenue Code as amended by the Revenue Code Amendment Act (No. 10), B.E. 2496, the Minister of Finance hereby issues Ministerial Regulation as follows:

Clause 1. The provisions of (1) of Clause 2 of the Ministerial Regulation No. 126 (B.E. 2509) Issued under the Revenue Code Regarding Exemption from Revenue Taxes as amended by the Ministerial Regulation No. 132 (B.E. 2513) Issued under the Revenue Code Regarding Exemption from Revenue Taxes shall be repealed and replaced by the following:

“(1) income from the business of private schools established under the law governing private schools, but not including income from the business of non-formal private schools in the type of tutorial schools established under the law governing private schools. However, the aforementioned shall apply to the assessable income derived on and from the date following the date of publication of this Ministerial Regulation in the Government Gazette.”

Clause 2. The provisions of (37) of Clause 2 of the Ministerial Regulation No. 126 (B.E. 2509) Issued under the Revenue Code Regarding Exemption from Revenue Taxes as amended by the Ministerial Regulation No. 197 (B.E. 2538) Issued under the Revenue Code Regarding Exemption from Revenue Taxes shall be repealed and replaced by the following:

“(37) dividend or share of profits of companies or juristic partnerships 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 the business of non-formal private schools in the type of tutorial schools established under the law governing private schools. However, the aforementioned shall apply to the assessable income derived on and from the date following the date of publication of this Ministerial Regulation in the Government Gazette.”

Clause 3. The provisions of (57) of Clause 2 of the Ministerial Regulation No. 126 (B.E. 2509) Issued under the Revenue Code Regarding Exemption from Revenue Taxes as amended by the Ministerial Regulation No. 233 (B.E. 2544) Issued under the Revenue

Code Regarding Exemption from Revenue Taxes shall be repealed and replaced by the following:

“(57) money or other benefits received by directors, executives, teachers or educational personnel in private schools from welfare fund under the law governing private schools upon their termination of employment by reason of age, infirmity or death. However, the aforementioned shall apply to the assessable income derived on and from 1 January B.E. 2551 and shall be in accordance with the rules, procedures and conditions prescribed by the Director-General.”

Given on 18th June B.E. 2558.

Sommaï Phasee

Minister of Finance

Remarks: The reasons for the promulgation of this Ministerial Regulation 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, and moreover, as the income tax exemption on the money and benefits received by headmasters or teachers of private schools from welfare fund, under the law governing private schools according to Clause 2 (57) of the Ministerial Regulation No. 126 (B.E. 2509) Issued under the Revenue Code Regarding Exemption from Revenue Taxes, has not yet been in line with the law governing private schools, which provides that there shall be welfare fund to support the directors, executives, teachers and educational personnel. It is appropriate to regulate the natural person income tax exemption on the income and dividend or share of profits 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, and also to regulate the income tax exemption for directors, executives, teacher and educational personnel on the money or benefits received from welfare fund under the law governing private schools. Therefore, it is necessary to issue this Ministerial Regulation.