



# Tax News Flash

KPMG in Thailand



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## Tax measures to promote the relocation of production bases to Thailand (Thailand Plus Package)

On 28 April 2020, the Cabinet approved the principles of the three draft Royal Decrees regarding tax measures on 'Thailand Plus Package' which will encourage foreign investors to relocate production bases to Thailand and increase the efficiency of Thailand's competitiveness. These tax measures will provide additional tax deductions for companies or juristic partnerships on certain expenses incurred from 1 January 2019 to 31 December 2020. A summary of each measure is set out below.

- **Tax measure to promote the investment in automation system** which allows 100% additional deduction of expenses incurred from the investment in automatic machines and software used with the machines under the automation system investment project. This additional deduction will not include expenses incurred from the repairment of such machines.
- **Tax measure to encourage the employment of highly skilled personnel** which allows 50% additional deduction of expenses incurred from the salaries, but not exceeding the maximum salaries of Baht 100,000, paid to highly skilled employees in the areas of science, technology, engineering and mathematics who are under the employment between 1 January 2019 to 31 December 2020.
- **Tax measure to encourage employee development** which allows 150% additional deduction of expenses incurred from sending employees for training courses certified by specified authorities.

Further guidelines are yet to be announced. KPMG is at the forefront of the developments on these measures and will provide further updates once they become available.

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