

# depa THAILAND DIGITAL VALLEY INCENTIVES

## SUPPLY side

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## CORPORATE INCOME TAX (CIT) EXEMPTION

## DEMAND side

### Incentives:

- Import Duty Exemption on Machinery
- 8 years CIT Exemption
  - Cap 100% of capital investment: **Development of Software**
- Extra 2 years 50% CIT Deduction on investment net profits in TDV
- Extra 3 years 50% CIT Deduction in TDV if:
  - MOU with College: Train students  $\geq 10\%$  of employees or admit 40 students
  - Invest in R&D  $\geq 1\%$  of sales or  $\geq 200$  million THB

### REQUIREMENTS:

#### EXPENDITURE INCURRED FOR

- SALARIES FOR THAI IT PERSONNEL  $\geq 1.5$  MILLION THB/YEAR
- IT DEVELOPMENT COURSES IN ORDER TO RESKILL or UPSKILL THAI IT PERSONNEL
- OPERATION TO GET THE STANDARD CERTIFICATION ISO 29110 OR CMMI FROM LEVEL 2



### Incentives:

**3-year CIT Exemption** on revenue with 50% cap of the investment capital for enhancement

- **Investment value** is **100%** for using software, program or IT developed and enhanced by **digital provider** which is on **Thailand Digital Catalog. (certified by depa)**

### REQUIREMENTS:

- MINIMUM INVESTMENT CAPITAL (excluding land and working capital): 1,000,000 THB FOR LE OR 500,000 FOR SMEs
- INVESTMENT IN SOFTWARE, PROGRAMS, OR IT DEVELOPED and ENHANCED BY DIGITAL PROVIDER LISTED ON THAILAND DIGITAL CATALOG (CERTIFIED BY depa) TO INCREASE PRODUCTIVITY OR SERVICE EFFICIENCY
- APPLYING AI, ML, AND UTILIZING BIG DATA AND DATA ANALYTICS.
- RENTING/USING CLOUD SERVICES OR DATA CENTERS IN THAILAND

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## CAPITAL GAIN TAX EXEMPTION

### Incentive:

- Exemption from PIT or CIT on gains from the transfer of shares in the target startup

### REQUIREMENTS:

- DIRECT INVESTMENT IN THAI DIGITAL STARTUP
  - INVESTOR TYPE: INDIVIDUAL OR CORPORATE (THAI OR FOREIGN), OR STARTUP FOUNDER (HOLD SHARES FOR  $\geq 24$  MONTHS)
  - DIGITAL STARTUP: CERTIFIED BY depa,  $\geq 80\%$  REVENUE FROM DIGITAL INDUSTRY IN THE PAST 2 ACCOUNTING PERIODS



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## THAILAND DIGITAL CATALOG

### Incentives:

### Government Sector

- Special Public Procurement:
  - Specific Method
  - Selection Method

### Private Sector

- Small and Medium-Sized Enterprises
  - **Tax Deductions: 200%** up to **100,000 THB**
- Medium and Large-Sized Enterprises
  - **CIT Exemption: 100%** of digital investment capital (no maximum)

### REQUIREMENTS:

- USE DIGITAL PRODUCTS/SERVICES FROM THE THAILAND DIGITAL CATALOG (depa)



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## THAILAND SMART VISA

### Incentives:

- Maximum **renewable 4-year** visa (2-year for startup experts)
- **Work** in certified businesses **without** a **work permit**
- **Dependents** (spouse and children) can stay in Thailand
- **Extended reporting period** from **90 days to 1 year** at Immigration One Stop Service Center
- **Fast-track service** at international airports



### REQUIREMENTS:

- **2-YEAR SMART "S" VISA:** CERTIFIED STARTUP ENTREPRENEURS
  - ESTABLISHED **CERTIFIED STARTUP** IN **depa-TARGETED INDUSTRIES**
  - **HOLD  $\geq 25\%$  COMPANY CAPITAL OR DIRECTOR ROLE**
  - **$\geq 600,000$  THB DEPOSIT FOR  $\geq 3$  MONTHS** IN THAI/RESIDENT BANK ACCOUNT
- **1-YEAR SMART "S" VISA:** ACCELERATOR PARTICIPANTS & FUNDED ENTREPRENEURS
  - **ATTEND depa-CERTIFIED INCUBATOR, ACCELERATOR, OR SIMILAR PROGRAM, OR RECEIVE JOINT VENTURE FUNDING WITH THE PUBLIC SECTOR OR ENDORSEMENT BY DEPA**
  - **$\geq 600,000$  THB DEPOSIT FOR  $\geq 3$  MONTHS** IN THAI/RESIDENT BANK ACCOUNT
- **6-MONTH SMART "S" VISA:** PLANNING STARTUP FOUNDERS & STARTUP CAMP PARTICIPANTS
  - **PLAN TO ESTABLISH A TECH STARTUP** IN THAILAND OR ENGAGED IN **PROMOTING STARTUPS** (E.G., STARTUP CAMP ACTIVITIES), **ENDORSED BY depa**
- **SMART "E" VISA (EXECUTIVE)**
  - **HIGH-LEVEL EXECUTIVES** WITH **SALARY  $\geq 200,000$  THB/MONTH**
  - **BACHELOR'S DEGREE OR HIGHER** WITH  **$\geq 10$  YEARS OF WORK EXPERIENCE**
  - **$\geq 1$ -YEAR REMAINING ON AN EMPLOYMENT CONTRACT WITH A depa-CERTIFIED DIGITAL INDUSTRY COMPANY**
- **SMART "T" VISA (TALENT)**
  - **DIGITAL TECHNOLOGY EXPERTS** WITH **SALARY  $\geq 100,000$  THB/MONTH (DIGITAL COMPANIES) OR  $\geq 50,000$  THB/MONTH (STARTUPS)**
  - **$\geq 1$ -YEAR REMAINING ON AN EMPLOYMENT CONTRACT WITH A depa-CERTIFIED DIGITAL INDUSTRY COMPANY**
- **SMART "I" VISA (INVESTOR)**
  - **20 MILLION THB MINIMUM INVESTMENT** IN **depa-CERTIFIED TECHNOLOGY-BASED MANUFACTURING OR SERVICE COMPANY** IN THE **DIGITAL INDUSTRY**

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## PERSONAL INCOME TAX (PIT) 17%

### Incentive:

- **17% PIT Flat Rate** for Highly Skilled Professionals (LTR Visa)

### REQUIREMENTS:

- **SALARY  $\geq \$80,000$ /YEAR** FOR THE PAST 2 YEARS
- **OR SALARY  $\geq \$40,000$ /YEAR** FOR THE PAST 2 YEARS WITH A **MASTER'S DEGREE OR HIGHER** IN **DIGITAL TECHNOLOGY**
- **CONTRACTED WITH A THAI OR FOREIGN COMPANY** IN THE **DIGITAL INDUSTRY** (NO MINIMUM CONTRACT DURATION)
- **5 YEARS OF EXPERIENCE** IN THE **DIGITAL INDUSTRY** WITHIN THE **LAST 10 YEARS** (**EXEMPT FOR PHD HOLDERS** WORKING FOR **THAI GOVERNMENT AGENCIES**)



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## DIGITAL WORKFORCE DEVELOPMENT TAX 250% & EMPLOYMENT TAX 150%

**Incentives:** **250% Tax Deduction** for **Digital Workforce Development**

### REQUIREMENTS:

- **TRAINING COURSES** IN **DIGITAL SKILLS** CERTIFIED BY **DEPA**

**Incentives:** **150% Tax Deduction** for **Digital Employment**

### REQUIREMENTS:

- **EMPLOYER MUST BE IN THE DIGITAL INDUSTRY**
- **EMPLOYEE SALARY  $\leq 100,000$  THB/MONTH** PER PERSON
- **EMPLOYEE MUST HAVE HIGH DIGITAL EDUCATION OR SKILLS**
- **EMPLOYEE NOT EMPLOYED BY A DIGITAL COMPANY** IN THE **PAST 1 YEAR**

