



### **Thailand: Tax Incentives for Hiring High-Skilled STEM Employees Under Royal Decrees No. 777 and 778**

With seven months remaining until the end of 2025, companies in Thailand's targeted industries are reminded of the ongoing opportunity to leverage corporate income tax (CIT) incentives for employing highly skilled professionals in science, technology, engineering, and mathematics (STEM) fields.

While Royal Decrees No. 777 and 778, both issued in 2023, introduced these measures, many businesses are still navigating the practical implementation and compliance requirements. With the incentive period ending on 31 December 2025, this update serves as a timely reminder for businesses to plan ahead and maximize available tax benefits.

#### **Royal Decree No. 777: CIT Exemption for Hiring High-Skilled STEM Employees**

- Incentive period: 1 January 2023 - 31 December 2025

Under RD No. 777, companies or juristic partnerships operating in designated target industries under Thailand's Competitiveness Enhancement Act may be entitled to a corporate income tax exemption equivalent to 50% of salary expenses paid to qualifying high-skilled STEM employees.

The incentive applies only to the salary portion not exceeding THB 100,000 per employee per month, and only for payments made within the defined incentive period.

## Eligibility Conditions

To qualify for the tax incentive, employers must ensure that:

1. Employees shall be certified as highly skilled persons who have academic background in the field of science, technology, engineering, or mathematics skills as specified by the Director-General of the Revenue Department.
2. Employees shall work under a contract of employment between 1 January 2023 and 31 December 2025 to comply with the conditions.
3. Employees shall not work in any another targeted industry business for at least one year before the commencement of work under the contract of employment mentioned above.
4. The company shall operate in the target industries under Thailand's Competitiveness Enhancement Act.
5. The company must comply with additional rules, procedures, and conditions as set by the Director-General of the Revenue Department.

## Royal Decree No. 778: Enhanced Deduction for STEM Training Costs

To further support workforce development, Royal Decree No. 778 provides companies or juristic partnerships with an additional corporate income tax deduction of 150% on STEM-related training expenses incurred from 1 January 2023 to 31 December 2025.

## Eligibility Conditions

To qualify for the tax incentive, employers must ensure that:

1. Training must follow curricula accredited by agencies, as specified by the Director-General of the Revenue Department.
2. The expense must not claim any other tax incentive or exemption.
3. The company is not already benefiting from income tax exemptions under the law governing investment promotion, the law governing national competitiveness enhancement for targeted industries, or the law governing the eastern economic corridor (wholly or partially) are not eligible.
4. The company must comply with additional rules, procedures, and conditions as set by the Director-General of the Revenue Department.

## BDO Insights

The tax incentives under RD No. 777 and 778 offer significant opportunities for companies in Thailand's target industries to reduce their tax liabilities while investing in high-skilled STEM talent. With the incentive ending on 31 December 2025, companies are encouraged to act promptly to meet eligibility conditions and optimize tax benefits.

To maximize the benefits of available incentives, companies are encouraged to adopt a strategic and forward-looking approach to planning and regulatory compliance. Early engagement with the National Science and Technology Development Agency (NSTDA) is advisable to ensure timely certification of eligible high-skilled STEM professionals.

It is essential to maintain clear and comprehensive documentation, including employment contracts, job descriptions, payroll records, and official qualification certificates, to support any tax claims and to ensure preparedness in the event of a tax audit.

For tailored guidance and hands-on support in navigating these incentives, BDO in Thailand stands ready to assist. Our team of experienced professionals can help you unlock the full potential of available tax benefits and ensure compliance with confidence.

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