

Royal Decree Prescribing Categories, Rates and Conditions for the Deduction of Capital Expenditure Allowance, B.E. 2516 (1973)

Translation

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

Whereas it is deemed proper to amend the National Executive Council's Decree No. 95, dated 29th February B.E. 2515;

Be it, therefore, enacted by the King's Most Excellent Majesty, in exercise of the power conferred by Section 16 of the Constitution of the Kingdom of Thailand B.E. 2515, and Section 26 (7) of the Petroleum Income Tax Act, B.E. 2514, and a Royal Decree as follows:

Section 1

This Royal Decree shall be called the "Royal Decree Prescribing Categories, Rates, and Conditions for the Deduction of Capital Expenditure Allowances with respect to the Petroleum Income Tax, B.E.2516 (1973)".

Section 2

This Royal Decree shall come into force on the day following the date of its publication in the Government Gazette.

Section 3

The provisions of paragraphs 2 (6) of the National Executive Council's Decree No. 95, dated 29th February B.E. 2515 shall be hereby repealed and replaced by the following:

"(6) Other capital expenditure other than (1), (2), (3), (4), and (5) and which are not capital expenditure expended in the acquisition of land:

- | | |
|---|------------|
| (a) capital expenditure expended in acquiring tangible property | 20 percent |
| (b) capital expenditure other than (a) which expended in the exploration block prescribed by the Department of Mineral Resources as an offshore exploration block having a water depth in excess of 200 meters under the law on petroleum | 20 percent |
| (c) capital expenditure other than (a) and (b). | 10 percent |

Section 4

The provisions of paragraphs 3 (3) of the National Executive Council's Decree No. 95, dated 29th February B.E. 2515 shall be hereby repealed and replaced by the following:

"(3) In the case of a transfer of the petroleum business, the transferee company shall carry the net cost value of the transferor company for the deduction of allowance as if no petroleum business had been transferred; provided, however, that:

- (a) if the compensation paid by the transferee company to the transferor company is less than the net cost value of the transferor company, the transferee company shall carry such net cost value for deduction only in an amount equal to such compensation. If the capital expenditure consists of several items, the compensation shall be apportioned according to the net cost value of each item,
- (b) if the compensation paid by the transferee company to the transferor company exceeds the sum of the net cost value and the balance of the annual loss of the transferor company, the transferee company shall treat

for deduction the excess as a capital expenditure under paragraph 2 (6) (c).

The provisions in (a) and (b) shall not apply to a transfer of concession under Section 48 of the Petroleum Act B.E. 2514"

Countersigned

Mr.Sanya Dhamasakdi

Prime Minister

Published in the Government Gazette, special issue, vol. 90, part 157, dated 4th December B.E. 2516

Disclaimer

This translation is intended to help Thais or foreigners to understand Thailand laws and regulations only, not to use as references, because it is only the original Thai version of legislation that carries legal effect. www.ThaiLaws.com, therefore, shall not be held responsible in any way for any damage or otherwise the user may incur as a result of or in connection with any use of this publication for any purposes. It's the responsibility of the user to obtain the correct meaning or interpretation of this publication or any part thereof from Thai version or by making a formal request to the appropriate or related authorities.