



## **New Certification Requirements for Thailand's 150% Tax Deduction on STEM Employee Salaries**

Since 2021, Thailand has introduced a series of policy measures aimed at enhancing national competitiveness by attracting and retaining highly skilled professionals, particularly in science, technology, engineering, and mathematics (STEM). These initiatives support Thailand's transition toward a digital, innovation-driven economy by incentivizing investment in qualified human capital within designated target industries.

One of the key measures is the 150% tax deduction for salary expenses paid to qualified STEM employees, granted under Royal Decree No. 777. While the incentive remains available, recent regulatory developments have introduced additional compliance requirements that businesses must carefully address.

Under Royal Decree No. 777, companies operating in target industries are entitled to claim a 150% corporate income tax deduction on salary expenses paid to eligible STEM employees during the period 1 January 2023 to 31 December 2025. This effectively allows businesses to deduct an additional 50% of qualifying salary costs, subject to a cap of THB 100,000 per employee per month.

The incentive is intended to encourage investment in research, development, and technology-driven activities by reducing employment-related tax costs for companies engaging qualified STEM professionals.

As of 22 September 2025, the Thai Revenue Department has introduced a significant compliance update through the Notification of the Director-General on Income Tax No. 46.

Under the new rules, both the STEM employee and the relevant job position must be officially certified by either the Office of National Higher Education Science Research and Innovation Policy Council (NXPO), or the Digital Economy Promotion Agency (DEPA).

This certification requirement is designed to ensure that the tax incentive is granted only to genuinely qualified professionals performing roles that fall within approved STEM-related functions. The incentive itself remains unchanged, but eligibility is conditional upon obtaining and maintaining proper certification.

To successfully claim the deduction, companies must secure certification from the relevant authority and retain supporting documentation in accordance with the Revenue Department's audit standards. Employment contracts, job descriptions, payroll records, and certification documents must be consistent and readily available for inspection.

Failure to obtain or maintain proper certification may result in denial of the additional tax deduction, reassessment of tax liabilities, and potential administrative penalties during a tax audit.

Thailand's 150% tax deduction for STEM employee salaries remains a valuable incentive for companies investing in innovation and advanced human capital. However, the introduction of certification requirements significantly increases compliance complexity.

Businesses intending to claim the deduction should proactively review their employment structures, assess certification eligibility, and ensure alignment with NXPO or DEPA standards to mitigate tax risk and preserve the benefit.

Should you have any question, please do not hesitate to contact us via [info@bgloballaw.com](mailto:info@bgloballaw.com)

