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# NEWSLETTER

# THAI GOVERNMENT APPROVED THAI ESG EXTRA FUND WITH TAX DEDUCTION UP TO THB 500,000

On 11 March 2025, Mr. Pichai Chunhavachira, Deputy Prime Minister and Minister of Finance announced that the Thai Cabinet has approved the draft Ministerial Regulation under the Revenue Code, granting tax incentives for individuals to promote investment in sustainable stocks (ESG) and enhance the stability of the Thai capital market.

Under this initiative, investors holding Long-Term Equity Funds (LTFs) which have passed the lock-in period will have the option to transfer their investments into the newly established Thai ESG Extra Fund while benefiting from tax deductions of up to THB 500,000. The tax benefit is structured as follows:

| | |
|---|---|
| **THB 300,000** | **deductible in the 2025 tax year** |
| **THB 50,000 PER YEAR** | **from the 2nd to the 5th year (totaling THB 200,000)** |

Additionally, new capital inflows into the Thai ESG Extra Fund are also encouraged. Investors will be able to participate after the Cabinet's approval, with the investment transfer set between May and June 2025. Those who invest during this period will immediately qualify for a THB 300,000 tax deduction in 2025 and THB 50,000 per year from 2026 to 2029.

This move aims to drive sustainability-focused investments while reinforcing the long-term growth of Thailand's capital market. Stay tuned for further details on investment guidelines and fund participation.

**For further information on Thai tax law advisory services, please contact:**

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