



INVESTMENT SERVICES CENTER
THE BOARD OF INVESTMENT
MINISTRY OF INDUSTRY

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Thailand BOI encourages more regional headquarter establishment

The Board of Investment (BOI) approved to further encourage foreign companies to establish their regional operating headquarters (ROH) in Thailand by setting up a working committee to revise regulations and improve corporate income tax incentives related to the ROH activities, as the result of its recent meeting chaired by Prime Minister Abhisit Vejjajiva on September 14, 2009.

The working committee aims to expand ROH tax incentives so as to better serve the investors and to keep up with neighboring countries such as Singapore, Malaysia and Hong Kong which have earlier revised their investment incentives and corporate income tax rates to attract more foreign investors.

Mr. Chanchai Chairungruang, Thailand Minister of Industry, said, "Thailand is an excellent destination for the investors to establish their regional operating headquarters. Though various foreign companies in automotive and electronic industries choose us as their manufacturing bases, only few establish their headquarters here compared to other countries that offer more attractive corporate income tax incentives. Tax incentives form an important factor that many multinational companies take into consideration when deciding where to set up a regional office."

The working committee will be chaired by Deputy Finance Minister. Its members include representatives from the Office of the Board of Investment, Fiscal Policy Office, Revenue Department, Ministry of Finance, Department of Business Development, Ministry of Commerce, the Bank of Thailand, the Federation of Thai Industries, and the Thai Chamber of Commerce,

etc. The committee will finish revising the incentive structure and present it to the board of Thailand Board of Investment (BOI) within two months.

Regional Operating Headquarter (ROH) is a company or partnership established under Thai law to provide managerial, technical, or supporting services to its associated enterprise or its domestic or foreign branches. BOI has granted 81 ROH investment projects to multinational companies such as ExxonMobil, Asian Honda Motors and Chevron Asia South, etc.

Mr. Chanchai added that the board also agreed to establish Human Resource and Technology Development Fund to be operated by National Science and Technology Development Agency (NSTDA). The Fund is aimed to enhance the country's competitiveness in the areas of research and development of technology and innovation, human resource development, as well as to support SMEs and to standardize Thailand's industry.
