

(Unofficial Translation)

Announcement of the Board of Investment

No. Sor. 5/2546

Re: Promotion of Product-Design Businesses and Design Centers

Whereby it is deemed expedient to promote product-design businesses and design centers as part of SME promotion in Thailand,

By virtue of Section 16 and Paragraph 2 of Section 31 of the Investment Promotion Act of B.E. 2520, amended (No. 3) in B.E. 2544, the Board of Investment adds the following activity to Section 7 of the list of activities eligible for investment promotion attached to Announcement of the Board of Investment No. 2/2543, dated 1 August 2000, Re: Types, Sizes, and Conditions of activities eligible for promotion. These activities shall be classified as priority activities, and will not be subject to the cap on amount of corporate income tax exemption specified in Paragraph 2 of Section 31.

Business Category	Conditions
7.23 Product design	<ol style="list-style-type: none">1. Classified as a priority activity and will receive exemption from machinery import duty and corporate income tax exemption for a period of 8 years, regardless of zone. Other rights and benefits shall be granted according to BOI Announcement No. 1/2543.2. Promoted projects will not be subject to the cap on the amount of corporate income tax exemption.3. Investment size shall be not less than 500,000 baht (exclusive of land price and working capital).4. Thai shareholders shall hold not less than 51 percent of registered capital, except with approval from the Subcommittee on SME Promotion.5. The ratio of liability to capital shall not exceed 3:1, except with approval from the Subcommittee on SME Promotion.
7.24 Design centers	<ol style="list-style-type: none">1. Classified as a priority activity and will receive exemption from machinery import duty and corporate income tax exemption for a period of 8 years, regardless of zone. Other rights and benefits shall be granted according to BOI Announcement No. 1/2543.2. Promoted projects will not be subject to the cap on the amount of corporate income tax exemption.3. Businesses shall have the following areas and facilities for their main activities:

Business Category	Conditions
	<p>3.1 Lifestyle Centers: Showcase, display, and distribution areas</p> <p>3.2 Creative Space: Areas for exhibitions of knowledge/information regarding design and product development</p> <p>3.3 Design Shop: Areas for the distribution of books, information, equipment, products, and merchandise, in accordance with design.</p> <p>3.4 Business Center: Areas for</p> <p>3.4.1 offering business-related advice, including issues on law, business operations, joint-venture, and purchase/sales agreement</p> <p>3.4.2 offering advice for entrepreneurs on product development</p> <p>3.4.3 offering information centers and libraries for product development</p> <p>3.4.4 Prepare special courses on product design and development</p> <p>3.4.5 Hold international seminars on continuous product development</p> <p>3.4.6 Leasing to private entrepreneurs who wish to operate businesses on product design and development as well as presentation of new products</p> <p>3.5 The area shall not be less than 3,000 square meters</p> <p>3.6 A plan and blueprint must be submitted for approval from the BOI,</p> <p>3.7 Other facilities shall be provided as prescribed by the BOI</p>

Effective from 18 August 2003 onwards

Announced on 16 October 2003

(Mr. Somkid Jatusripitak)

Deputy Prime Minister

Acting Chairman of the Board of Investment