



**Announcement of the Office of the Board of Investment**  
**No. Por 12/2544**  
**Criteria for Calculating Cap of Corporate Income Tax Exemption**

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In order to clarify the details of corporate income tax exemptions granted under section 31 of the Investment Promotion Act of B.E. 2520, as amended by the Investment Promotion Act (No. 3) of B.E. 2544, and by virtue of the authority set forth under sections 11 and 13 of the Investment Promotion Act of B.E. 2520, the Office of the Board of Investment, as authorized by the Board of Investment, hereby defines the criteria and procedures for calculation of corporate income tax exemptions, as follows:

1. Projects granted corporate income tax exemption according to Board of Investment Announcements No. 1/2543 and 2/2543, for which the amount of the corporate income tax holiday is dependent on the location of the project, shall be subject to the condition that the total amount of corporate income tax exempted must not exceed 100 percent of the total investment, excluding land cost and working capital.
2. The investment capital of a project granted investment promotion (excluding the cost of land and working capital) includes construction costs, machinery costs, machinery installation costs, machinery run-in costs, pre-operational expenses, and the value of other assets in line with the Generally Accepted Accounting Principles (GAAP).
3. The calculation of the corporate income tax to be exempted as specified in 1 shall be based on the amount of investment (excluding land cost and working capital) indicated in the application for investment promotion, and shall be adjusted according to reflect actual investment capital (excluding land cost and working capital) as of the date of operation start-up of the project.
4. In case of problems of interpretation of the guidelines specified above, the Secretary-General shall have the power to resolve all disputes.

Effective from December 1, 2001 onwards

Announced on December 7, 2001

(Chakramon Phasukavanich)  
Secretary General, Board of Investment