

(Unofficial Translation)  
based on  
The Board of Investment Announcement  
No. 3/2554  
Promotion of Machinery Upgrade to Improve Production Efficiency  
to Alleviate the Impact of the Strengthening of the Baht

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In order to support the investment promotion policy to solve and alleviate the impact of the strengthening of the Baht,

by virtue of section 16 of the Investment Promotion Act of B.E. 2520, the Board of Investment announced the criteria and conditions for promoting machinery upgrade to improve production efficiency as follows:

1. This measure applies to existing projects only, be it BOI or Non-BOI promoted. In case of non-BOI promoted projects, the activity must be eligible for investment promotion by the Board of Investment.

2. BOI-Promoted projects can also apply for this measure when the tax exemption or reduction period expires or in case the projects do not receive the corporate income tax exemption.

3. The applicant must submit investment plan for machinery change that helps increase the production capacity of the existing project due to production efficiency improvement e.g. an introduction of automation to be used in the existing production line.

4. The following incentives shall be granted:

4.1 Exemption of import duty on machinery

4.2 Three-year corporate income tax exemption on the revenue of existing projects, accounting for 70% of the investment under this measure excluding cost of land and working capital.

4.3 Corporate income tax exemption period shall start from the date of revenue derivation after promotion certificate issuance.

5. Applicants must submit the application within 31 December 2011 and complete the implementation within three years from the date of promotion certificate issuance.

Effective from November 24, 2010 onwards

Announced on January 17, 2011

(Mr. Abhisit Vejjajiva)  
Prime Minister  
Chairman of the Board of Investment