

**Announcement of the Office of the Board of Investment
No. Por. 5/2542
Consideration Regarding the Extension of Machinery Importation periods and
Importation of Machinery Used for Specific Purposes**

With a view to enhancing appropriateness and clarity in considering applications for the extension of machinery importation periods as well as the importation of machinery used for specific purposes such as pollution control or elimination machinery, and machinery and parts required for research and development activities,

The Office of the Board of Investment, authorized by the Board of Investment and by virtue of sections 13 and 16 of the Investment Promotion Act of B.E. 2520, hereby announces as follows:

1. The Announcement of the Office of the Board of Investment No. 45/2534 dated October 1, 1991 regarding the extension of machinery importation periods and the importation of machinery for specific purposes shall be revoked.

2. The criteria in considering the extension of machinery importation periods are as follows:

2.1 In case of applications for an extension of the machinery importation period beyond the investment promotion approval date, the following criteria shall apply.

2.1.1 Tax privileges shall not be granted to machinery brought into the country before the investment promotion application date.

2.1.2 An application for an extension must be filed within 6 months of the investment promotion certificate issuance.

2.2 In case of applications for an extension of the machinery importation period beyond the date specified in the investment promotion certificate (In general, a promoted person must import machinery eligible for import duty reduction or exemption within 24 months of the date of certificate issuance or by the date specified in the certificate.), the following criteria shall apply.

2.2.1 An application for an extension must be filed within 6 months of the expiry of the machinery importation period, and evidences showing the first income generated from the promoted activity must be submitted. If no income has been earned, confirmation in writing is required.

2.2.2 In case of the first extension of no more than 6 months, approval shall be granted in every case (where the project is in partial operation).

2.2.3 In case of an application for an extension of over 6 months, approval shall be granted only to those projects that have imported machinery worth no less than 50 percent of the value of all machinery used in the promoted project.

2.2.4 No more than 2 extensions shall be allowed for each project. If deemed necessary to grant further extensions, the criteria specified in 2.3 and 2.4 shall apply. This shall be at the discretion of the committee or subcommittee authorized.

2.3 In case of an application for the third extension, the following criteria shall apply:

2.3.1 Extensions are possible for machinery that will enhance production efficiency or product quality without increasing the production capacity.

2.3.2 Approval will be granted only to machinery that will make the project reach the full capacity specified in the certificate. The aggregate capacity of the additional machinery approved and existing machinery must not exceed the capacity specified in the certificate.

2.3.3 An application for an extension must be submitted within 6 months of the expiry of the

last authorized period.

2.3.4 A definite list of machinery to be imported as well as relevant details must be available.

2.3.5 Approval will not be granted for spare parts of machinery already imported. Tax privileges will only be provided for spare parts imported along with main machinery eligible for an extension.

2.4 In case of an application for the fourth and subsequent extension, approval will only be granted for machinery and spare parts specified in the list submitted with the application for the third extension. An application must be submitted before the expiry of the last authorized period. Evidences indicating ordering of the machinery in the form of irrevocable letters of credit or purchase orders must be presented to the Office of the Board of Investment.

2.5 In cases where promoted persons do not apply for an extension of the machinery importation period under the criteria in 2.2.1 and/or 2.2.3, approval will only be granted to those with reasonable grounds and evidences showing certainty in implementing the promoted projects. It may be required that the progress of the projects be reported periodically. This shall be at the discretion of the committee of subcommittee authorized.

2.6 Each extension of the machinery importation period shall not exceed 1 year unless there are reasonable grounds and the committee or subcommittee authorized shall use its discretion in this regard.

3. The criteria for extending the period of importation of machinery used for research and development activities and pollution control or elimination machinery are as follows:

3.1 More than 4 extensions are possible. However, promoted persons are required to present a plan containing the details of machinery to be imported, and the machinery to be imported must not increase or replace the capacity of the existing machinery.

3.2 Promoted persons shall receive privileges under the existing project despite modifications of a production process as a result of the addition of machinery and equipment, including those used for research and development activities or pollution control or elimination.

4. These criteria shall be applicable to all promoted persons.

5. In case of interpretation problems, the decision of the Secretary-General shall be deemed final.

Effective from October 1, 1999 onwards,

Announced on September 10, 1999.

Staporn Kavitanon
Secretary General, Board of Investment