

# Research and development

Activities	Conditions	Incentives
7.11 Research and development	<ol style="list-style-type: none"> <li>1. Must have scope of business, as follows:               <ol style="list-style-type: none"> <li>1.1 Basic research refers to theoretical or operational activities that are conducted to explore new knowledge from basic natural phenomena and factual observation, without initially considering the application.</li> <li>1.2 Applied Research refers to research that applies basic knowledge to solve or develop a concept for commercial purpose, with the objective to obtain a new product or process. Applied research includes related activities such as formula development, product design, and production process design for use at an industrial or commercial level.</li> <li>1.3 Pilot development refers to activities performed to magnify a production scale from basic research and applied research. Pilot development is the development of a prototype and/ or production process testing at a semi-industrial level to test the market and/or collect information on suitable conditions for a production process to use a product design at an industrial level.</li> <li>1.4 Demonstration development refers to research and development that further develops results from a pilot development in order to test a production process at an industrial level to verify a technology and production process and to demonstrate the level of integrity of such process and viability on a commercial scale production in both quality control and cost estimation.</li> </ol> </li> </ol>	A 1

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	<ol style="list-style-type: none"> <li>2. Must provide the Board with the details and scope of such research and development projects, information on projects' researchers, including number of researchers, academic profiles and work experiences.</li> <li>3. Revenues derived from sale of the provision of services that are directly related to a promoted business or which are from downstream production for commercial purposes, either carried by the promoted company or sub- contractor, shall be regarded as revenue of the promoted business.</li> <li>4. Project located in the science and technology park, promoted by the BOI or one that is approved by the Board will receive an additional 50 percent reduction of corporate income tax for 5 years after the end of its corporate tax exemption period.</li> <li>5. Must have expenses for salaries of research and development personnel of at least 1,500,000 baht per year.</li> </ol>	