

# Investment Promotion Measures Supporting Economic Transformation

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**Secretary General**  
**Thailand Board of Investment**  
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# Focus of Current Investment Promotion Policies



## Technology and Innovation

- Research and development
- Targeted industries/services
- Value-added creation



## People

- Human capital
- Foreign talents



## Productivity Enhancement

- Upgrading of existing companies
- Development of SMEs



## Development of targeted areas

- Eastern Economic Corridor (EEC)
- Border Special Economic Zones
- Deep South
- Disadvantaged areas



# BOI Investment Incentive Scheme

## Product-based

- Bio & Medical Industries
- Advanced Industries
- Basic & Supporting Industries
- High Value Services
- Creative & Digital Industries



## Technology-based

- Biotechnology
- Nanotechnology
- Advanced Material Technology
- Digital Technology



## Merit-based

- Research & Development (R&D)
- Support academic/research institution, or technology and human resource development fund
- IP licensing fee
- Advanced technology training
- Development of Local suppliers
- Product and packaging design

## Area-based

- EEC (3 provinces)
- SEZ (10 provinces)
- Southern Border (4 provinces, 4 districts)
- 20 Provinces with the Lowest per Capita Income
- Industrial Estates/Zones
- Science and Technology Parks (Science Park, Food Innopolis, Space Krenovation Park: SKP)

## Agenda-based

- Productivity Enhancement
- MAI Listing Support
- SMEs Promotion
- Support to Small and Community Enterprises



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# **Product-Based Incentives**

# Product-based Incentives

Incentives are largely based on several key factors  
i.e. level of technology, role in supply chain



**Bio-based & Medical**



**Advanced Industries**



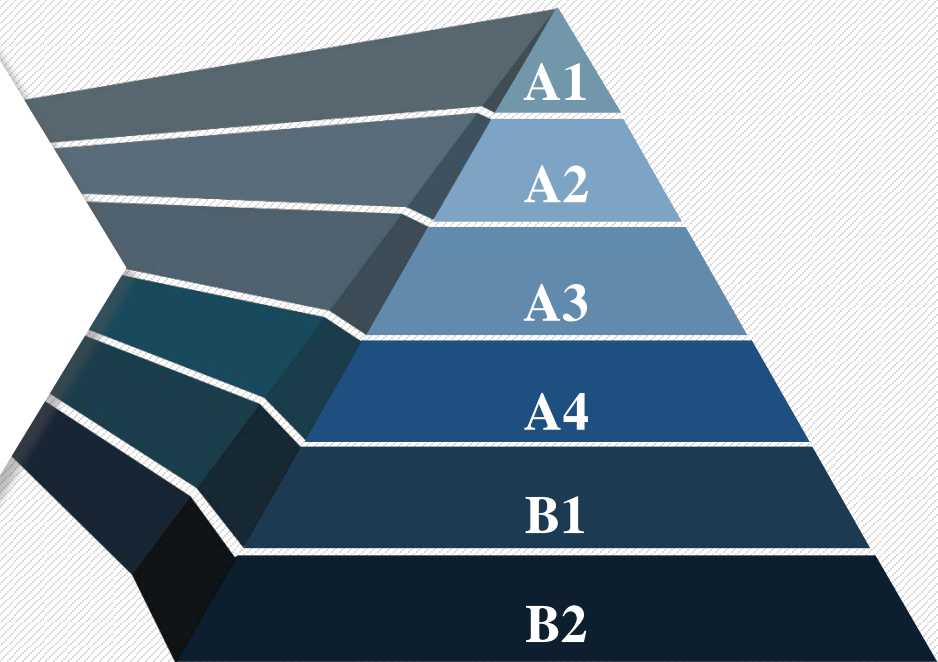
**Basic & Supporting**



**High Value Services**



**Creative & Digital**



**Incentives**

**8**  
years

CIT exemption

**0**  
year



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# Technology-Based Incentives



# Tax Incentives for **Technology-Based** Investments

Additional incentives for investment in the development of Core Technologies in which Thailand has potential to enhance the country's overall competitiveness and industries. Projects must be engaged in technology transfer by cooperating with educational/research institutions e.g. Technology Research Consortium

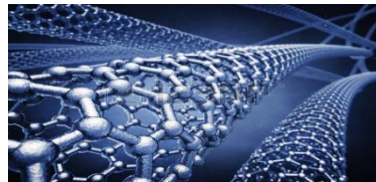
## CIT Exemption for 10 years

### Targeted Core Technologies

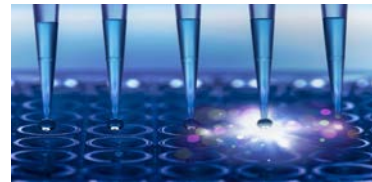
#### Biotechnology



#### Nanotechnology



#### Advanced Material Technology



#### Digital Technology



### Enabling Services

For 2-6, only projects that utilize advanced technology, as approved by the Board

1. Research and Development (R&D)
2. Vocational Training Centers (only in S&T)
3. Electronics Design
4. Engineering Design
5. Scientific Laboratories
6. Calibration Services

# Tax Incentives for **Technology-Based Investments**

Eligible for **“duty exemptions on materials imported for R&D purposes and related testing”** for research and development activities, biotechnology activities (only with R&D), and testing related to R&D with the following guidelines:

- Materials imported for R&D purposes or related testing, **e.g. prototype materials, chemicals etc.**
- Eligible for a 1-year exemption period, which can be renewed annually.

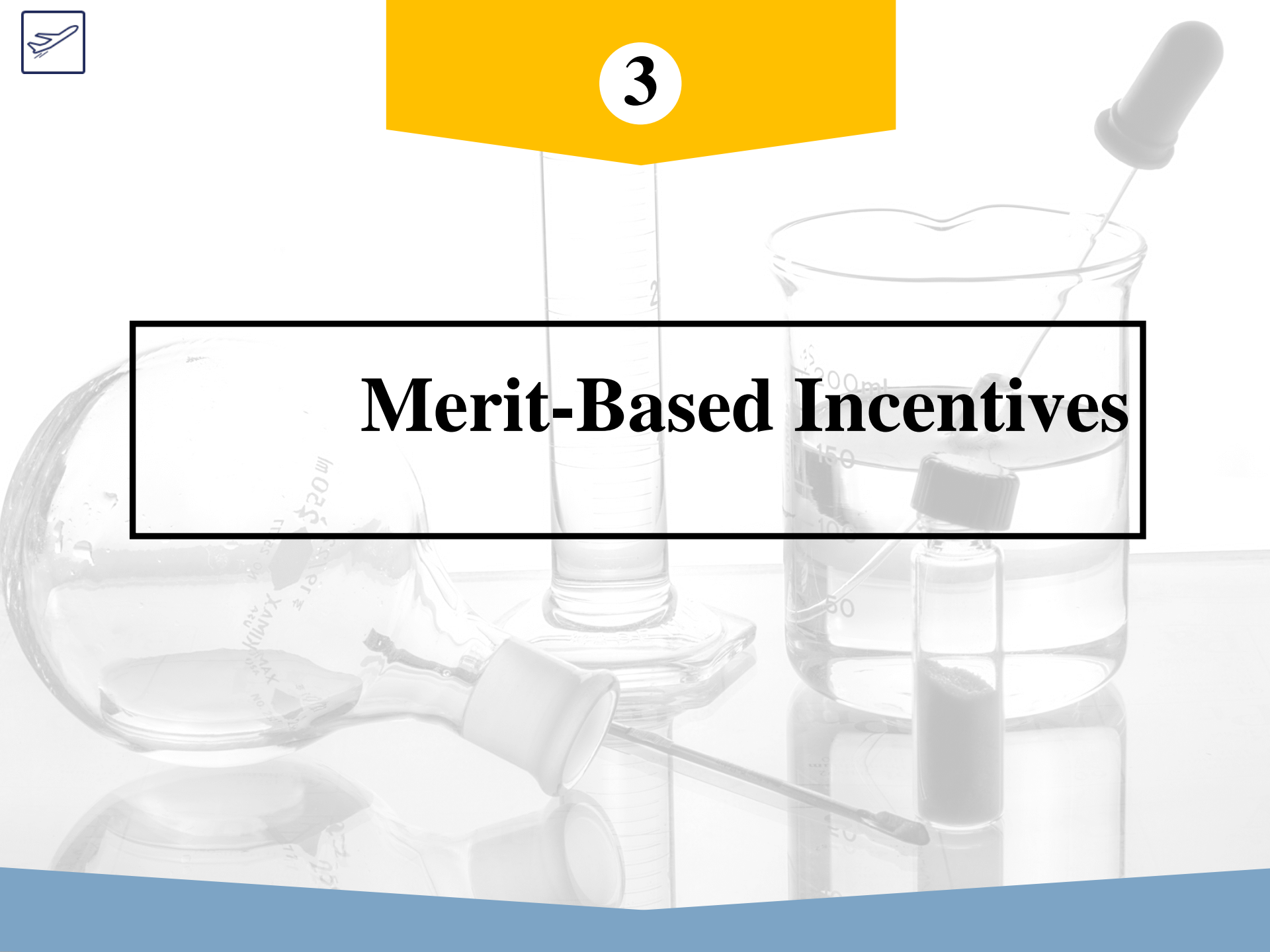




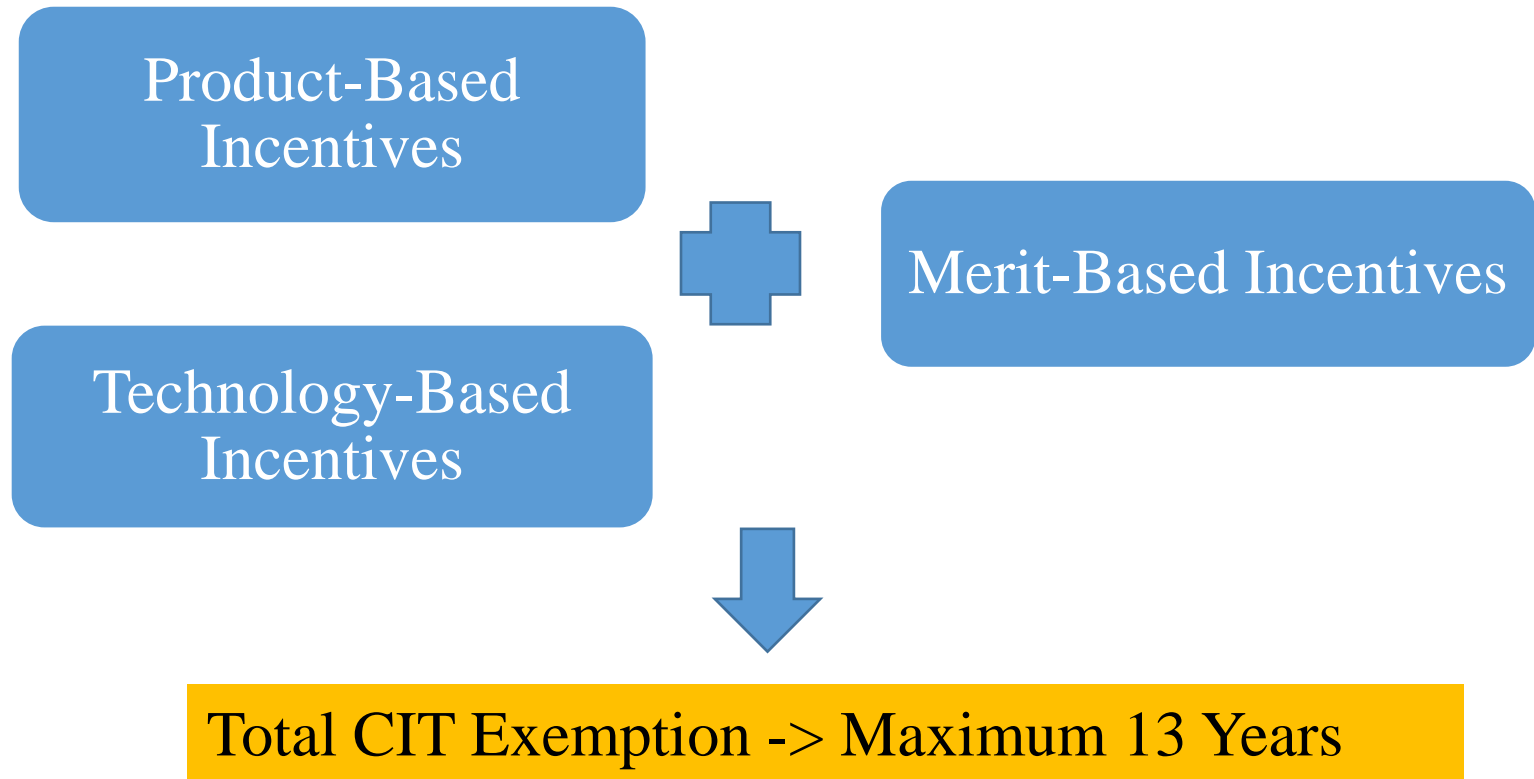


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# Merit-Based Incentives



# Merit-Based Incentives-Optional Scheme



# Merit-Based Incentives

Types of eligible investments/expenditures	Additional Cap (% investment capital / expenditure incurred)
1. R&D: In-house, outsourced in Thailand or joint R&D with overseas institutes	300%
2. Donations to technology and human resource development funds, educational institutes, specialized training centers, R&D institutes or governmental agencies in the S&T field	100%
3. IP acquisition/licensing fees for commercializing technology developed in Thailand	200%
4. Advanced technology training, including digital training such as IoT	200%
5. Development of local suppliers with at a least 51% Thai shareholding in advanced technology training and technical assistance	200%
6. Product & packaging design: In-house or outsourced in Thailand	200%

## Additional CIT incentives depending on investment/expenditure ratio (%)

% of qualified investments/expenditures to combined revenue for the first three years	Add. CIT exempt.
1% or $\geq$ 200 MB.	1 year
2% or $\geq$ 400 MB.	2 years
3% or $\geq$ 600 MB.	3 years




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# Area-Based Incentives

01/1 Mini-MODULE  
AM 414

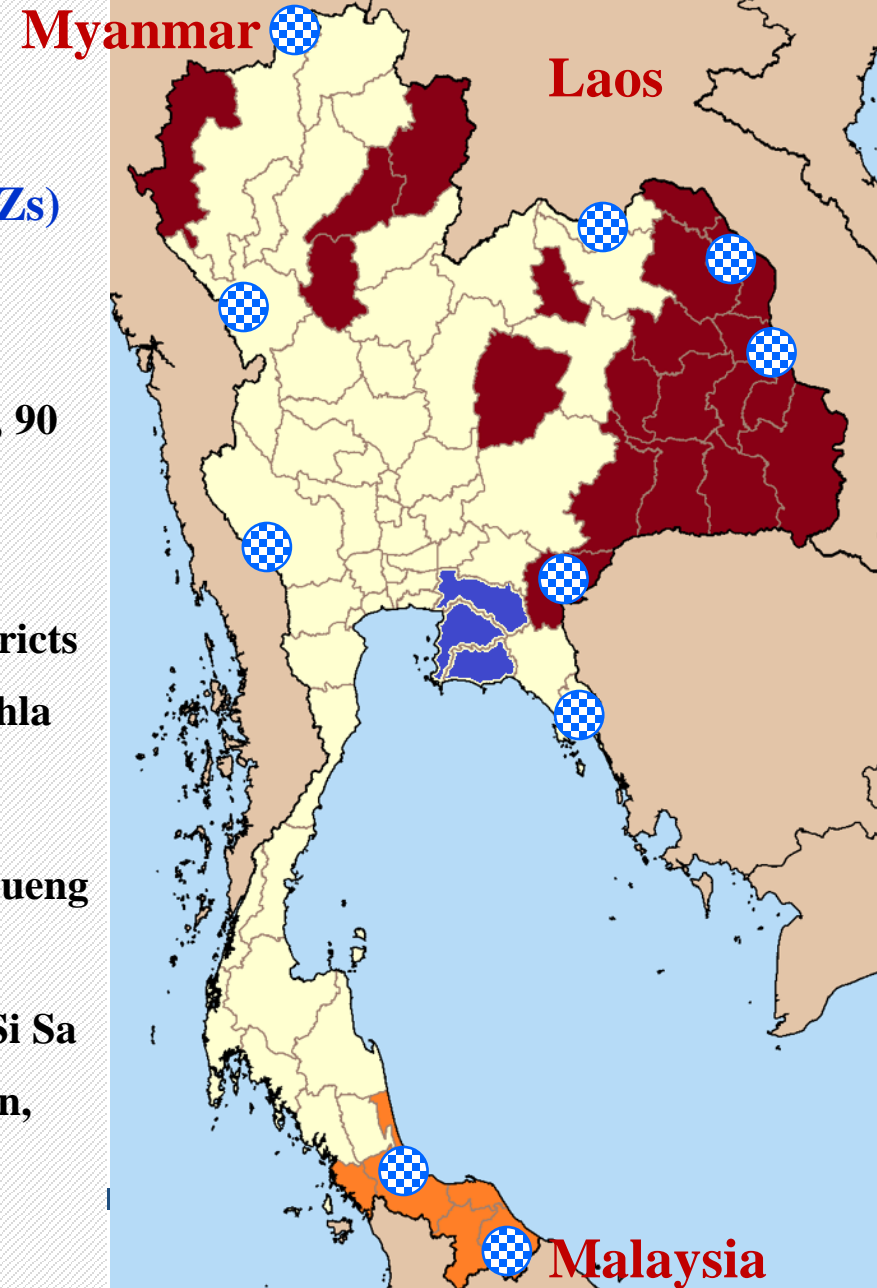
# Targeted Areas

 **Eastern Economic Corridor (EEC)**  
(Chachoengsao, Chonburi and Rayong)

 **Special Economic Development Zones (SEZs)**  
(Tak, Sa kaew, Trat, Mukdahan, Songklah, Nongkhai, Narathiwat, Chiang Rai, Nakhon Panom, kanjanaburi : 10 provinces, 23 districts, 90 sub-districts)

 **Border Provinces in Southern Thailand**  
Narathiwat, Pattani, Yala and Satun and 4 districts (Jana, Na Thawee, Saba Yoi, Dhepha) in Songkhla

 **The 20 Poorest Provinces**  
Kalasin, Chaiyaphum, Nakhon Phanom, Nan, Bueng Kan, Buri Ram, Phrae, Maha Sarakham, Mukdahan, Mae Hong Son, Yasothon, Roi Et, Si Sa Ket, Sakhon Nakhon, Sa Kaew, Sukhothai, Surin, Nong Bua Lamphu, Ubon Ratchatani and Amnatcharoen)



# New Investment Promotion Measures in the EEC -starting January 1, 2018

- Applications must be submitted by the end of 2019
- Must have cooperation with academic institution / research institution / Center of Excellence to develop human resource and improve the level of technology

## Area-based

## Condition

**1. Promoted Zones for Specific Industries (EECi, EECd, EEC Aerotropolis)**

**No. of apprentices:  
≥ 10 % of all employees hired or at least 50**

**2. Promoted Zones for Specific Targeted industries**

**No. of apprentices:  
≥ 5 % of all employees hired or at least 25**

**3. Other Industrial Estates/ Industrial Parks in EEC**

**Note: Projects applied for this measure shall not receive additional incentive under merit on Industrial Area Development.**

## Targeted Industries in the EEC



S-Curve Industries  
+  
Activities Supporting  
S&T  
+  
Basic Infrastructure

**116 Industries in  
Total**

**Promoted Zones for  
Specific Industries**

### Targeted Industries:

**Additional 2 years of CIT  
exemption** (could be more than 8 years)  
**+ 50% CIT reduction for 5 years**

### Other Industries:

**Additional 3 years of 50% CIT  
reduction**

**Promoted Zones for  
Targeted Industries**

### Targeted Industries:

**Additional 5 years of 50% CIT  
reduction**

### Other Industries:

**Additional 3 years of 50% CIT  
reduction**

**Other Industrial  
Estates / Industrial  
Parks**

### Targeted Industries in the EEC:

**Additional 5 years of 50% CIT  
reduction**



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# Productivity Enhancement Measures





# Productivity Enhancement Measure



**Replace or upgrade machinery for energy conservation, alternative energy utilization, reduction of environmental impacts**



**Replace or upgrade machinery for efficiency enhancement, e.g. Automation, Digitalization**

**Invest or spend in R&D / advanced engineering designs**



**Upgrade production line to acquire international agricultural industrial standard**



# Productivity Enhancement Measure

## Eligibility

- Applicants must be existing businesses, whether BOI or non-BOI promoted (except certain businesses).
  - In the case of non-BOI status, the company must conduct a BOI-eligible activity.
  - In case of BOI status, CIT exemption must have already expired or has never been granted.
- Minimum investment of 1 million Baht (excluding cost of land and working capital) or 0.5 million for SMEs

## Incentives

- Exemption of import duties for machinery
- 3-year CIT exemption on the revenue of an existing project with the total tax exemption amount capped at 50% of investment in productivity enhancement (In case of investment in automation, the cap will be raised to 100% if minimum 30% local industrial linkages are reached.)
- Corporate income tax exemption period starts from the date of investment promotion certificate.

## Requirements

- Investment must be completed within 3 years from the date the promotion certificate is issued.
- Required KPIs include such productivity indicators as reduced unit direct costs, reduced processing time, reduced waste and reduced cycle time.
- Applications must be **submitted by the end of 2020**



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# **MAI Listing Support**

# Measures to Support MAI Listing



## Incentives

- Ceiling for corporate income tax exemption to be lifted to 200% of the actual investment
- Incentives to be granted to all the projects under the listed company

## Criteria

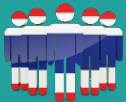
- 1) Companies must be listed on MAI and apply for this measure by December 2020.
- 2) Eligible projects must be approved before the company's listing on MAI and must have remaining corporate income tax exemption benefits.



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# **SMEs Promotion Measure**

# SMEs Promotion Measure



**Thai majority ownership**



**Total fixed assets or investment worth no more than 200 million baht.**

## Special Criteria

- **500,000 THB** of the minimum capital investment (excluding cost of land and working capital)
- Local used machinery can be used in the project (maximum 10 MB)
- New investment in core machinery must be at least 50% of the project's total machinery cost.

## Incentives

- **CIT Exemption based on products with ceiling equivalent to 200% of investment**
- **Criteria in granting merit-based incentives are relaxed.**



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# Support to community enterprises



# Measure to support to community enterprises

## Upstream



Biological fertilizers, organic fertilizers, nano-coated organo chemical fertilizer and bio-pesticides

Plant or animal breeding

cold storage and cold storage transportation

## Midstream



primary processed rubber

fuel from agricultural products

Support

## Downstream



Rubber products

Food and beverages

Grading, packaging and storage of plants, vegetables, fruits or flowers

products from agricultural waste

natural extracts or products from natural extracts

Trading Center for agricultural goods



# Measures to support small or community enterprises

## Scenario 1

### Investment by small enterprises

#### Criteria

- Minimum investment of 500,000 baht
- Thai majority shareholding
- Net fixed assets or investments of not more than 50 million baht
- Local second-hand machinery can be used

#### Incentives

Corporate income tax exemption for 5 or 8 years with the ceiling equivalent to 200% of investment

## Scenario 2

### Support to community enterprises

#### Criteria

- Support worth at least 1 million baht (such as machinery, construction costs)
- Cooperation with local authorities/co-operatives/community enterprises
- Companies providing support being in an activity eligible for BOI promotion and not being tax holidays

#### Incentives

3-year corporate income tax exemption with the ceiling equivalent to 100% of support to community enterprises



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# New Services

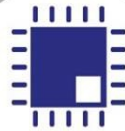
# New Services

**NEW!**

- Single window for visas and work permits
- SMART Visa

# SMART VISA

Launched on Feb.1, 2018



Smart Electronics



Next-Gen Automotive



Affluent, Medical & Wellness Tourism



Food for the Future



Agriculture & Biotech



Medical Hub



Digital



Aviation & Logistics



Biofuels & Biochemicals



Automation & Robotics

Taking Thailand to New Heights with Foreign Talents and Technology



The **Smart Visa** Program is intended to attract experts, senior managers, and investors to work or invest in technology companies to help develop the 10 targeted industries which will, in turn, drive technology and innovation in Thailand.

# Targeted Groups and Benefits of SMART Visa

SMART " T "



TALENT

SMART " I "



INVESTOR

SMART " E "



EXECUTIVE

SMART " S "



STARTUP

- **Maximum 4-year visa, but not exceeding the employment contract term (1 year for startups renewable for another 2 years)**
- **No work permit required**
- **90-day reporting to the Immigration extended to 1 year**
- **No re-entry permit required**
- **Spouse and children granted permission to stay in Thailand**
- **Spouse granted permission to work with no work permit**



**Thank you!**