



THAILAND BOARD OF INVESTMENT
Your partner for sustainable investment
www.boi.go.th

**Think Asia,
Invest Thailand**
GEARED FOR THE FUTURE



ROH

Regional Operating Headquarters
& Global Sourcing Center



REGIONAL OPERATING HEADQUARTERS/ GLOBAL SOURCING CENTER

The world's largest multinational corporations find Thailand to be one of the most competitive, most reliable, and most desirable locations for sourcing parts and components, and an excellent destination for establishing regional operating headquarters. In the search for cost-savings to remain competitive, high quality low cost sourcing is the difference between success and failure, and Thailand offers the solution.

Thailand also presents the global business community with excellent infrastructure, an educated and cost effective work force, low transportation, raw materials and capital costs, low regulatory burdens and an expanding network of free trade agreements that all combine into making the kingdom your ideal sourcing destination.

In addition to the benefits to be gained from this business friendly investment environment, Thailand also offers attractive investor services and tax and duty incentive packages that significantly reduce operating costs and expedite your return on investment. Thailand succeeds when you do.



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EXCELLENT LOCATION AND INFRASTRUCTURE

With its highly developed infrastructure and proximity to Asia's largest markets, Thailand is a natural sourcing hub. Geographically, Bangkok is closer to the heart of Asia than most any other Asian city, an incredibly important factor when considering transportation costs, delivery schedules, and access to supply and distribution networks.

Thailand is home to six international airports servicing all regions, and its 4,044 km of railway network, with international connections, and over 64,000 miles of well-maintained highways put Thailand well above its neighbors for transportation capacity.

Thailand has 6 deep sea ports and two river ports, and is expanding its infrastructure to meet the demands of the future. Laem Chabang seaport on the Eastern Seaboard

region is already among the world's busiest seaports in terms of cargo throughput, handling approximately 47 million tons of cargo and 4.6 million TEUs of cargo in fiscal year 2009. Customs procedures are processed electronically, streamlining and expediting goods shipped to and from Thailand.

Thailand also offers an advanced telecommunications infrastructure, with ongoing expansion projects; national IT spending is set to grow 6.8% in 2010. Furthermore, current ICT reform is opening the market up to new players with less regulation and government concessions, a development which will lead to significantly lower access fees.

EFFICIENCY AT A LOW COST

The World Bank's Ease of Doing Business survey ranks Thailand #12 out of 183 countries for 2010, finding it to be one of the easiest places in the world to access credit, deal with licenses, and register property.

With its very low cost of living, Bangkok ranks # 121 of 214 cities in the world on the 2010 Mercer Human Resource Consulting cost of living survey, and is similarly competitive on CB Richard Ellis' survey of Total Occupancy Costs for offices, which is far less expensive than other regional contenders.

ATTRACTIVE TAX REGIME



The Thai government offers very attractive incentives for ROHs with 2 options for investors.

- The first option is the current ROH tax regime which has been implemented since 2002, and still effective.
- The second one is the new ROH tax regime approved by the cabinet on June 2, 2010. However, the second option is a temporary measure applied only to ROHs that have notified the Revenue Department within 5 years from the date the relevant law becomes effective.



Summary of ROH Criteria & Benefits

	Option #1 Current ROH Tax Regime	Option #2 * New ROH Tax Regime
1. Criteria	<ul style="list-style-type: none"> • Paid-up capital of at least 10 million baht • Establishment of 3 associated companies/ branches in the 1st year • Income generated from overseas services $\geq 50\%$ of company total income. 	<ul style="list-style-type: none"> • Paid-up capital of at least 10 million baht • Establishment of associated companies/ branches establishment in: at least 1 country in year 1, at least 2 countries by year 3, and at least 3 countries by year 5 • Having staffs working for ROH services and running business operation. • Having business spending ≥ 15 M baht/year or investment spending ≥ 30 M Baht/year • By the end of year 3, skilled staff accounting for at least 75% of total employees, and at least 5 employees receiving remuneration of at least 2.5 MB/year each
2. Corporate Income Tax	<ul style="list-style-type: none"> • 10% (indefinite period) • 10% (indefinite period) 	<ul style="list-style-type: none"> • Exempt for 10 years** • 10% for 10 years**
<ul style="list-style-type: none"> • Overseas income • Local income 		

	Option #1 Current ROH Tax Regime	Option #2 * New ROH Tax Regime
3. Dividends	Exempt	Exempt for 10 Years (If income generated from overseas services \geq 50% of company total income)
4. Interest	10% (indefinite period)	10% for 10 Years** (If income generated from overseas services \geq 50% of company total income)
5. Royalties	10% (indefinite period)	10% for 10 Years** (If income generated from overseas services \geq 50% of company total income)
6. Personal Income Tax for each foreign employee	Flat rate of 15% not for more than 4 Years	Flat rate of 15% for a period not more than 8 years (If income generated from overseas services \geq 50% of company total income)
7. Accelerated Depreciation	Accelerated Ratio (25% of asset value in 20 years)	-
8. Notification Period	No time limit	Within 5 years from the date the relevant law becomes effective

* Effective date published in the Royal Gazette

** A 5-year extension will be granted if all criteria are met and accumulated business spending exceeds 150 million baht by the end of year 10.

Applications for the ROH tax package should be sent to Large Taxpayers Office located on the 11th floor of the Revenue Department headquarters. Tel: +66 (0) 2272 9281

For other ROH queries, please contact +66 (0) 2272 8257, +66 (0) 2272 9686, +66 (0) 2272 8445, +66 (0) 2272 9214
E-mail: roh@rd.go.th.





TREASURY CENTER

New and existing companies can now qualify as a treasury center. However, transaction records of treasury center must be separated from its other businesses. Money transferred or borrowed between the treasury center and its group of companies in Thailand and foreign countries can be done in any foreign currencies. There is no lending ceiling for treasury center to its related companies in foreign countries or deposits in foreign currency for money originated abroad with commercial banks in Thailand. In addition, no approval is required for foreign currency deposit for money borrowed from domestic commercial banks, foreign deposit, and investment abroad, if the sum is under US\$500 million.

SUPPORTIVE GOVERNMENT POLICIES

Government policies further support Thailand's inherent strengths as a center for sourcing and services outsourcing. The BOI provides investors with sourcing and matchmaking services to assist them in locating parts and components that will meet specifications that are built to an international standard and that will greatly reduce the cost of production and transportation. And best yet, all BOI services are free of charge.

The Board of Investment promotes the following activities, and offers varying tax and non-tax incentives:

- Regional operating headquarters
- International procurement offices, involving sourcing, quality control, and packaging
- International distribution centers, covering at least the Southeast Asia region
- Business process outsourcing
- Design centers and activities involving product design
- Research and development

Please see the **Eligible Activities** list on the BOI's website www.boi.go.th for further details on incentives and conditions.

ONE START ONE-STOP INVESTMENT CENTER (OSOS)

One Start One Stop Investment Center (OSOS) provides a comprehensive range of services with representatives from 21 agencies under one roof, thus easing and speeding the relevant process that you need to go through in starting up a business.

Contact us at:

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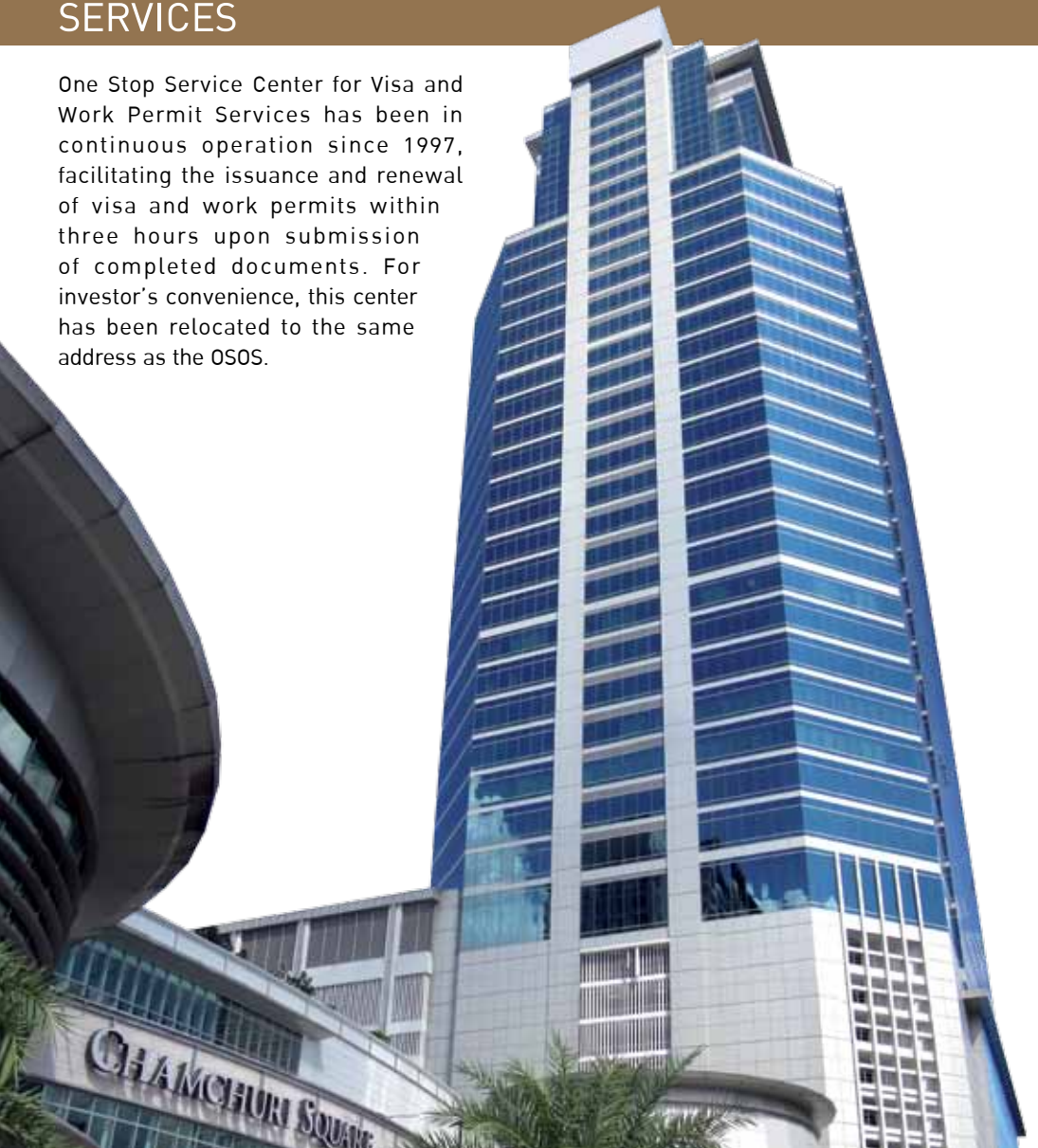
Fax: +66 (0) 2 209 1199

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Web site: <http://OSOS.boi.go.th>

ONE STOP SHOP FOR VISA AND WORK PERMIT SERVICES

One Stop Service Center for Visa and Work Permit Services has been in continuous operation since 1997, facilitating the issuance and renewal of visa and work permits within three hours upon submission of completed documents. For investor's convenience, this center has been relocated to the same address as the OSOS.





JOIN THE WORLD'S ELITE

The world's largest auto manufacturers, including Honda, Isuzu, Toyota, GM, and Mitsubishi have established parts and components production facilities in Thailand, and are increasingly investing to integrate supporting business services with the facilities where goods are produced.

Honda's Asian Parts Centre opened in 1998 to support and oversee production, sales, distribution, and export of automobiles, motorcycles, and 70,000 types of parts and components to 70 different countries. Asian Honda Motor runs the regional operating headquarters, serving to organize logistics and parts procurement for much of the Asia-Pacific region.

Toyota has opened its Toyota Motor Corps Asia-Pacific office as its regional headquarters, supporting services across ASEAN, India, and Taiwan. The regional base in Thailand will also run R&D, staff training courses in production processes, logistics, quality control, and maintenance for employees coming from countries such as India, Pakistan, Taiwan and the Philippines, initially training 4,000 employees a year.



Royal Philips Electronics has been operating a Shared Services Center (SSC) in Bangkok since 2002, offering multiple services to customers in 15 countries in 6 different languages, including reporting, accounts payable and receivable processing, planning, and purchasing. Looking to reduce overhead costs by consolidating similar processing and service functions from around the globe, Philips was able to set up the SSC within a 12-month period in Bangkok — the site deemed to have the best mix of infrastructure availability, political stability, labor costs, educated work force, and general ease of doing business.



Nestlé

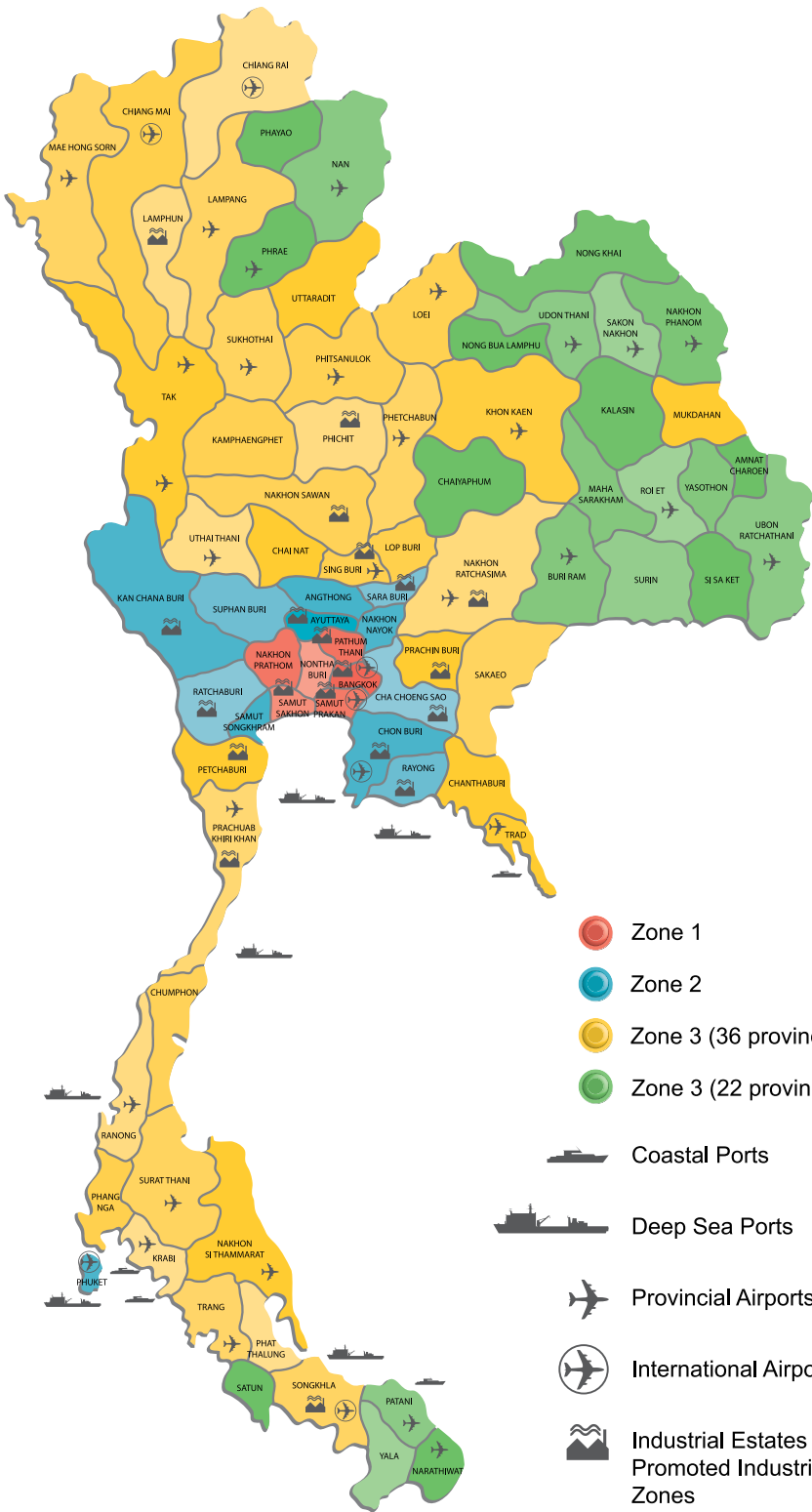
Nestle (Thai) Ltd. joined the ROH scheme in 2009, choosing Thailand as regional headquarters for several reasons. “Because of its central location in Asia, Thailand is a natural geographic hub. It is easy to come here as a business meeting place....The Thai economy is also sound, the facilities are very good, and the country has a good infrastructure for the expatriate community. I think Thailand will play an even stronger role in the region for ROH,” Nophadol Siwabutr, director of Corporate Affairs at Nestle (Thai).

“The Thai economy is also sound, the facilities are very good, and the country has a good infrastructure for the expatriate community. I think Thailand will play an even stronger role in the region for ROH,” he added. Other than being global leaders with years of experience in their respective fields, the preceding companies also have something else in common: they have all been promoted by the BOI.

ExxonMobil

ExxonMobil, providing services in the petrochemical sector, also set up a Business Support Center in Bangkok in 2003, supporting affiliates in Thailand and elsewhere in the Asia-Pacific Region and employing a staff of 600. This ROH supports operations including accounting services, information systems, payroll and human resources data administration, accounts payable and customer services.

BOI ZONING MAP



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