

(Unofficial Translation)
The Board of Investment Announcement
No. 1/2555
Tax Measures to Rehabilitate Flood-Affected Investment

In order to assist and rehabilitate the flood-affected investment, by virtue of section 16 and section 18 of the Investment Promotion Act of B.E. 2520, the Board of Investment announced the tax measures to rehabilitate flood-affected investment as follows:

1. General Measure for entrepreneurs directly affected by flood:
 - 1.1 This measure applies to existing promoted projects whose machinery and/or factory buildings were damaged by flood and who still have remaining unused corporate income tax exemption amount and period.
 - 1.2 Investment excluding the cost of land and working capital under this measure refers to investment in fixed assets such as factory construction, machinery and equipment, including costs of repairing damaged factory buildings, machinery and equipment and the costs of replacement machinery previously imported under Board of Investment announcement No. 4/2554, dated January 17, 2011.
 - 1.3 The rights and benefits shall be as follows:
 - 1.3.1 Existing promoted projects subject to the corporate income tax exemption cap shall be granted an 8-year corporate income tax exemption with the cap of 150 percent of the investment specified in 1.2 plus the remaining unused cap of the projects, if they continue to stay in the same flooded provinces where the projects are located.

In case of relocation to other provinces, promoted projects subject to the corporate income tax exemption cap shall be granted an 8-year corporate income tax exemption with the cap of 100 percent of the investment specified in 1.2 plus the remaining unused cap of the projects.

- 1.3.2 Existing promoted projects that receive corporate income tax exemption without being subject to a corporate income tax exemption cap can choose one of the following options:
 - (1) To receive the same rights and benefits as specified in 1.3.1 or
 - (2) To receive an additional corporate income tax exemption of up to 3-year on top of the remaining unused tax exemption period. However, the total tax exemption period must not exceed 8 years. Apart from the additional income tax exemption, promoted projects with more than 5-year remaining unused tax exemption period will also receive additional incentives as follows:
 - (a) Projects that have a remaining unused tax exemption period of over 5 years up to 6 years will receive an additional 50% corporate income tax reduction for 2 years.

- (b) Projects that have a remaining unused tax exemption period of over 6 years up to 7 years will receive an additional 50% corporate income tax reduction for 4 years.
- (c) Projects that have a remaining unused tax exemption period of more than 7 years will receive an additional 50% corporate income tax reduction for the 5 years.

1.3.3 Existing promoted projects shall be granted import duty exemption on both new and used machinery not older than 10 years regardless of project location.

1.3.4 Existing promoted projects shall be permitted to use existing machinery that still functions in the project under this measure, including replacement machinery previously imported under Board of Investment announcement No. 4/2554, dated January 17, 2011 and to increase production capacity according to actual capacity of additional machinery.

2. Measures for industrial estates or industrial zones, including those affected by the flood and those not affected by flood: Projects shall receive an 8-year corporate income tax exemption with a cap of 200% of investment excluding costs of land and working capital. Eligible projects must invest in basic infrastructure construction to prevent flood and set a fair service fee to be collected from companies within their industrial estates or zones according to criteria set by the Office of the Board of Investment.
3. Applicants must submit the application for this measure within 31 December 2012.

Effective from December 29, 2011 onwards

Announced on February 23, 2012

(Mr. Kittiratt Na-Ranong)
Deputy Prime Minister
Chairman of the Board of Investment