

(Unofficial Translation)
based on
Office of the Board of Investment Explanatory Notes
on Procedures Regarding Machinery Damaged by Flood

Due to the fact that many promoted companies were affected by flooding that damaged machinery that has been granted import duty exemption or reduction and used in promoted projects to the extent that it is unable to function, in order for the promoted companies to be able to handle the damaged machinery correctly, the Office of the Board of Investment hereby provide the following explanatory notes on procedures regarding machinery damaged by flood:

1. In case the machinery that has been granted import duty exemption or reduction and used in the promoted projects for **more than 5 years** from the importation date, promoted companies can apply for machinery account adjustment using the machinery account form (F PM CM 01-03) or apply for permission to dispose of the machinery using the application form for permission to dispose, transfer or donate machinery (F IN MC 04-03) without import duty liability.
2. In case the machinery that has been granted import duty exemption or reduction and used in the promoted projects for **less than 5 years** from the importation date but destroyed by flood the extent that it is unable to function, promoted companies shall do as follows:
 - 2.1 Promoted companies that wish to export flood-damaged machinery shall submit the application form for permission to export machinery that has been granted rights with exemption / reduction of taxes and duties (F IN MC 06-03). Once the machinery is exported, promoted companies shall submit the export declaration control document for machinery account adjustment using the machinery account form (F PM CM 01-03) without import duty liability.
 - 2.2 Promoted companies that wish to destroy flood-damaged machinery shall follow the Office of the Board of Investment Announcement No. Por 9/2537, regarding conditions and procedures for damaged machinery dated December 12, 1994, as follows:
 - 2.2.1 Promoted companies shall submit a letter requesting permission to destroy the machinery, clearly specifying the method of destroying the machinery damaged by flood.
 - 2.2.2 The Office of the Board of Investment will consider appropriate destroying methods such as crushing, cutting or dismantling and, upon approval, issue the letter granting permission to destroy the damaged machinery by the method deemed appropriate.
 - 2.2.3 After destroying the machinery by the method that the Office deems appropriate, promoted companies shall submit evidence of the destruction or a letter of confirmation from the service provider that destroyed the machinery for permission to adjust machinery account, using the machinery account form (F PM CM 01-03).

2.2.4 After following practices in 2.2.1-2.2.3, promoted companies will be granted permission by the Office to adjust the machinery account without import duty liability.

2.3 In case promoted companies are insured against flood damage and insurers wish to move the flood-damaged machinery out of the promoted factory location without destroying the machinery, this shall be considered as application for permission to dispose of the machinery. Promoted companies shall do as follows:

2.3.1 Promoted companies shall apply for permission for machinery disposal, using the application form for permission to dispose, transfer or donate machinery (F IN MC 04-03), specifying the disposal of machinery to insurance company or insurer.

2.3.2 The Office will consider and grant permission to dispose of the machinery with import duty liability, computed on the state of machinery on the date the application was submitted.

2.3.3 Promoted companies shall pay the machinery import duty according to the Office's letter of notification to the Customs Department.

2.3.4 After paying the machinery import duty, promoted companies shall submit the payment receipt to apply for permission to adjust machinery account, using the machinery account form (F PM CM 01-03).

For your acknowledgement

Office of the Board of Investment
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