

BOI Explanatory Notes
On Investment Acceleration Special Measures
In accordance with BOI Announcement No. 11/2558

In reference to the BOI Announcement No. 11/2558, dated December 15, 2015, on Investment Acceleration Special Measures, in order to generate real investment and ensure that the promoted projects have met criteria for additional investment promotion rights and privileges, the Board hereby issues the following explanatory notes for further clarification:

1. Procedures for obtaining additional rights and privileges as prescribed in investment acceleration measures

- 1.1. This measure applies to the investment promotion applications submitted between January 1, 2014 - June 30, 2016. Projects must not generate revenue before November 16, 2015 and must not be promoted projects under the Cluster investment promotion policy.
- 1.2. Applicants for investment promotion rights and privileges must submit the form “Application to Receive Additional Rights and Privileges from Investment Acceleration Measures,” within June 30, 2018. Applicants must have corporate income tax exemption quotas left, both regarding the period and amount of CIT exemption, as specified in Section 31 of the Investment Promotion Act B.E. 2520 on the application submission date.
- 1.3. Activities eligible for additional rights and privileges regarding corporate income tax exemption in this measure must be activities entitled to corporate income tax exemption specified in Section 31 such as activities being granted corporate income tax exemption incentives under previous investment promotion measures, projects under the A1- A4 and B categories which are granted additional corporate income tax exemption by merit or specific measures such as Investment Promotion in Special Economic Development Zones policy. Promoted projects under the improvement of production efficiency measures are not included.

2. Procedures for calculating investment capital and expenses of projects eligible for additional rights and privileges

- 2.1. Real investment capital shall be calculated in accordance with procedures for calculating investment capital during the speculation of the commencement of operations.
- 2.2. Real investment refers to the project’s investment capital (excluding cost of land and working capital) invested between November 16, 2015 - June 30, 2016 or to December 31, 2016 depending on the case.
- 2.3. As for projects that involve knowledge-based activities as the primary component of the operation, investment capital shall be calculated as prescribed from wages and salaries paid to experts and specialty personnel. Thus, real investment capital shall be calculated from expenses incurred in the hiring of such experts and specialty personnel between November 16, 2015 - June 30, 2016 or to December 31, 2016 depending on the case.

- 2.4. The comparison regarding investment capital in this measure shall compare real investment capital with investment capital specified in project approval phase or amended investment capital specified in the latest project amendment phase. As for knowledge-based activities, total wages and salaries paid to experts and specialty personnel in the third year specified in project approval phase or amended value specified in the latest project amendment phase shall be used in the calculation.
3. In case projects have received the Board's approval for investment capital reduction following the submission of reduction of production capacity or reduction of investment size request, and have submitted the request for additional rights and privileges from investment acceleration measures as prescribed in Sub-section 1.1-1.3, the Board will not allow projects to increase production capacity or investment size after projects are granted rights and privileges from this measure. The Board shall hold that such projects have received benefits from rights and privileges as a result of the reduction of investment size.
4. Projects that have been granted rights and privileges from one of the cases in the investment acceleration measures are not eligible to apply for additional rights and privileges from the investment acceleration measures.

The above explanatory note is made to give information to all concerned.

The Office of the Board of Investment
January 8, 2016