

(Unofficial Translation)

Announcement of the Board of Investment

No. 15/2565

Enhancement Measure for Smart and Sustainable Industry

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Subsequent to the Announcement of the Board of Investment No. 8/2565 dated December 8, 2022 on Policies and Criteria for Investment Promotion.

To encourage Thai Industry for development and reformation industry to industry 4.0, and sustainability. By virtue of Section 16, Section 18, Section 28, and Section 31 of the Investment Promotion Act B.E. 2520, the Board of Investment hereby announces as follows:

**1. Efficiency Enhancement Measures for existing projects**

1) This measure is applied to existing projects, whether BOI or non-BOI projects. The activities must be eligible for investment promotion by the Board of Investment at the time of application. There is an exception for the certain activities as specific measures which not eligible for receiving the incentive as prescribed by the Office of the Board of Investment.

2) BOI-promoted projects can apply for this measure when the corporate income tax exemption or reduction period has expired or the projects which have not been granted corporate income tax exemption.

3) The minimum investment capital of the project must not be less than 1,000,000 baht (excluding the cost of land and working capital).

**1.1 Efficiency Enhancement Measure for machinery replacement and automation system**

**Conditions**

1) The applicants must submit an investment plan of machinery replacement or upgrade according to the stipulated criteria, for example, adoption of automation machinery or robotics in the existing production line or service for improvement of efficiency, etc.

2) The investment value of machinery, equipment and digital technology as follow.

2.1) The investment or expenditure on machinery and equipment shall be counted in full.

2.2) The investment or expenditure on utilizing software, program or information technology and renting/using cloud service or data center, shall be counted according to the following rules.

(1) The following investment or expenditure shall be counted in full.

- The investment or expenditure on utilizing software, program, or information technology that integrated with machinery or equipment to manipulate, control, and support the manufacturing system.
- The investment or expenditure on applying Artificial Intelligence (AI) or machine learning, and utilizing big data and data analytics.
- The investment or expenditure on utilizing software, program, or information technology for enterprise management which is developed or improved by entrepreneurs in Thailand certified by related agencies.
- the expenditure on renting/using cloud services or data centers in Thailand

(2) The following investment or expenditure shall be counted as half.

- The investment or expenditure on utilizing software, program, or information technology for enterprise management which is developed or improved by entrepreneurs in Thailand not certified by related agencies, or entrepreneurs in foreign countries
- The expenditure on renting/using cloud service or data center in foreign countries

### **Incentives**

- 1) Exemption of import duties on machinery.
- 2) 3-year corporate income tax exemption on the revenue of existing project with a cap equivalent to 50 percent of the investment capital (excluding the cost of land and working capital) for enhancement.  
However, in case of utilizing machinery with the linkages to domestic automation industry for manufacturing not less than 30 percent of the

total value of the automation system, 3-year corporate income tax exemption of 100 percent of the investment capital excluding cost of land and working capital shall be granted.

- 3) The corporate income tax exemption period shall start from the date of revenue derivation after the promotion certificate is issued and the projects must be completely implemented within 3 years as from the date of promotion certificate issuance.

## **1.2 Efficiency Enhancement Measure for Digital Technology Adoption**

### **Conditions**

- 1) The applicants must submit an investment plan of adopting digital technology to upgrade the operation process according to the stipulated criteria in order to enhance the efficiency of manufacturing or service in any of the following cases.
  - 1.1) Adoption of software, program or information technology with systematic link that interconnects different functions inside the organization (integrated) and partly outside the organization (connected) or both inside and outside the organization. The software must perform at least 3 functions and form data link among them, which enhance resource management and to increase the efficiency of manufacturing or service.
  - 1.2) Applying artificial intelligence (AI), machine learning, and utilizing big data or data analytics.
  - 1.3) Adoption of software, program or information technology for that connects and exchanges data between the company's system and the online system of public sector, e.g., a link with national e-payment system, etc. as approved by the Board of Investment
- 2) For the cases in Item 1.1 and 1.3, there must be the investment or expenditure on utilizing software, program or information technology which is developed or improved by entrepreneurs in Thailand certified by related agencies.
- 3) The investment value of efficiency enhancement by utilizing digital technology shall be counted according to the following rules.
  - 3.1) The following investment or expenditure shall be counted in full.
    - (1) The investment or expenditure on utilizing software, program, or information technology according to Item 1.1 and 1.3 which

is developed or improved by entrepreneurs in Thailand certified by related agencies.

- (2) The investment or expenditure on applying artificial intelligence (AI), machine learning, and utilizing big data and data analytics according to Item 1.2.
- (3) The expenditure on renting/using cloud service or data center in Thailand.

3.2) The following investment or expenditure shall be counted as half.

- (1) The investment or expenditure on utilizing software, program or information technology according to Item 1.1 and 1.3 which is developed or improved by entrepreneurs in Thailand not certified by related agencies, or entrepreneurs in foreign countries.
- (2) The expenditure on renting/using cloud service or data center in foreign countries.

#### **Incentives**

- 1) 3-year corporate income tax exemption on the revenue of an existing project with a cap equivalent to 50 percent of the investment capital (excluding cost of land and working capital) for enhancement.
- 2) The corporate income tax exemption period shall start from the date of revenue derivation after the promotion certificate is issued and the project must be completely implemented within 3 years as from the date of promotion certificate issuance.

### **1.3 Efficiency Enhancement Measure for Industry 4.0 Transformation**

#### **Conditions**

- 1) The applicant must submit an investment plan of efficiency enhancement for Industry 4.0 transformation that qualified by the National Science and Technology Development Agency (NSTDA). The project must be completely implemented as approved plan.
- 2) The projects must invest in machinery replacement or upgrade for Industry 4.0 Transformation according to the stipulated criteria such as the implementation of automation and network technology, data analytics and smart operations, or digital technology adoption in

production and enterprise processes to enhance the efficiency of existing manufacturing or service.

- 3) The investment value of efficiency enhancement for industry 4.0 transformation shall be counted only investment on machinery, equipment and digital technology for the implementation of automation and network technology, data analytics and smart operations and digital technology adoption in production and enterprise processes.

3.1) The investment or expenditure on machinery and equipment shall be counted in full.

3.2) The investment or expenditure on utilizing software, program or information technology and renting/using cloud service or data center, shall be counted according to the following rules.

- (1) The following investment or expenditure shall be counted in full.
- The investment or expenditure on utilizing software, program, or information technology that integrated with machinery or equipment to manipulate, control, and support the manufacturing system.
  - The investment or expenditure on applying Artificial Intelligence (AI) or machine learning, and utilizing big data or data analytics.
  - The investment or expenditure on utilizing software, program, or information technology for enterprise management which is developed or improved by entrepreneurs in Thailand certified by related agencies.
  - The expenditure on renting/using cloud services or data centers in Thailand.
- (2) The following investment or expenditure shall be counted as half.
- The investment or expenditure on utilizing software, program, or information technology for enterprise management which is developed or improved by

entrepreneurs in Thailand not certified by related agencies, or entrepreneurs in foreign countries.

- The expenditure on renting/using cloud service or data center in foreign countries

#### **Incentives**

- 1) Exemption of import duties on machinery.
- 2) 3-year corporate income tax exemption on the revenue of existing project with a cap equivalent to 100 percent of the investment capital (excluding the cost of land and working capital) for enhancement.
- 3) The corporate income tax exemption period shall start from the date of revenue derivation after the promotion certificate is issued and the project must be completely implemented within 3 years as from the date of promotion certificate issuance.

#### **1.4 Efficiency Enhancement Measure to improve the efficiency of energy conservation, alternative energy utilization or environmental impact mitigation.**

##### **Conditions**

The applicant must submit an investment plan of machinery replacement or upgrade for energy conservation, alternative energy utilization or environmental impact mitigation by implementing one of the followings.

- 1) Projects must invest in upgrading machinery to modern technology to reduce energy consumption at the stipulated ratio.
- 2) Projects must invest in upgrading machinery to utilize alternative energy at the stipulated ratio to the total energy consumption.
- 3) Projects must invest in upgrading machinery to mitigate environmental impacts, namely reduction of waste, waste water or polluted air according to the stipulated criteria.
- 4) Projects must invest in upgrading machinery to mitigate the environmental impacts to reduce greenhouse gas emission at the stipulated ratio and must be registered and certified for the

amount of greenhouse gas emission by Thailand Greenhouse Gas Management Organization (Public Organization).

**Incentives**

- 1) Exemption of import duties on machinery.
- 2) 3-year corporate income tax exemption on the revenue of an existing project with a cap equivalent to 50 percent of the investment capital (excluding cost of land and working capital) for enhancement.
- 3) The corporate income tax exemption period shall start from the date of revenue derivation after the promotion certificate is issued and the project must be completely implemented within 3 years as from the date of promotion certificate issuance.

**1.5 Efficiency Enhancement Measure to improve the efficiency of upgrading production line to acquire international sustainability certification**

**Conditions**

Projects must have the investment or expenditures to upgrade the industry to acquire international sustainability certification, for example, Good Agriculture Practices (GAP), Forest Stewardship Council (FSC), Program for the Endorsement of Forest Certification Scheme (PEFCs), Food Safety Management System (ISO 22000) or Sustainable Forest Management System (SFM, ISO 14061), etc.

**Incentives**

- 1) Exemption of import duties on machinery.
- 2) 3-year corporate income tax exemption on the revenue of an existing project with a cap equivalent to 50 percent of the investment capital (excluding cost of land and working capital).
- 3) The corporate income tax exemption period shall start from the date of revenue derivation after the promotion certificate is issued and the project must be completely implemented within 3 years as from the date of promotion certificate issuance.

**2. Enhancement Industry Measure for New investment project of Group B activities**

Applying additional incentive of this measure must be new investment project in Group B activities list which are eligible for investment promotion by the Board of Investment

at the time of the application. There is an exception for the certain activities as specific measures which not eligible for receiving the incentive as prescribed by the Office of the Board of Investment.

## **2.1 Enhancement Industry Measure for utilizing modern machinery together with automation or robotics system**

### **Conditions**

- 1) The applicants must submit an investment plan of utilizing modern machinery for manufacturing/services together with automation or robotics system in the production line or service.
- 2) The investment value shall be counted for machinery, equipment and digital technology as follow
  - 2.1) The investment or expenditure on machinery and equipment shall be counted in full.
  - 2.2) The investment or expenditure on utilizing software, program or information technology and renting/using cloud service or data center, shall be counted according to the following rules.
    - (1) The following investment or expenditure shall be counted in full.
      - The investment or expenditure on utilizing software, program, or information technology that integrated with machinery or equipment to manipulate, control, and support the manufacturing system.
      - The investment or expenditure on applying Artificial Intelligence (AI) or machine learning, and utilizing big data and data analytics.
      - The investment or expenditure on utilizing software, program, or information technology for enterprise management which is developed or improved by entrepreneurs in Thailand certified by related agencies.
      - The expenditures on renting/using cloud service or data center in Thailand
    - (2) The following investment or expenditure shall be counted as half.



- The investment or expenditure on utilizing software, program, or information technology for enterprise management which is developed or improved by entrepreneurs in Thailand not certified by related agencies, or entrepreneurs in foreign countries
- The expenditure on renting/using cloud services or data centers in foreign countries

#### **Incentives**

- 1) In case the automation system or robotics are utilized in the production line or service. The applicant shall be granted 3-year corporate income tax exemption equivalent to 50 percent of the investment capital (excluding cost of land and working capital).
- 2) In case of utilizing machinery, which link or support to domestic automation industry not less than 30 percent of the value of automation system or robotics in the project. The applicant shall be granted 3-year corporate income tax exemption with a cap equivalent to 100 percent of the value of automation system or robotics in the project (excluding cost of land and working capital).

## **2.2 Enhancement Industry Measure for Industry 4.0 Transformation**

#### **Conditions**

- 1) The applicant must submit an investment plan which adopted Industry 4.0 transformation that qualified by the National Science and Technology Development Agency (NSTDA). The project must be completely implemented as approved plan.
- 2) The investment value for industry 4.0 transformation shall be counted only investment on machinery, equipment and digital technology for the implementation of automation and network technology, data analytics and smart operations and digital technology adoption in production and enterprise processes.
  - 2.1) The investment or expenditure on machinery and equipment shall be counted in full.
  - 2.2) The investment or expenditure on utilizing software, program or information technology and renting/using cloud service or data center, shall be counted according to the following rules.
    - (1) The following investment or expenditure shall be counted in full.

- The investment or expenditure on utilizing software, program, or information technology that integrated with machinery or equipment to manipulate, control and support the manufacturing system.
  - The investment or expenditure on applying Artificial Intelligence (AI) or machine learning, and utilizing big data or data analytics.
  - The investment or expenditure on utilizing software, program, or information technology for enterprise management which is developed or improved by entrepreneurs in Thailand certified by related agencies.
  - The expenditure on renting/using cloud services or data centers in Thailand
- (2) The following investment or expenditure shall be counted as half.
- The investment or expenditure on utilizing software, program, or information technology for enterprise management which is developed or improved by entrepreneurs in Thailand not certified by related agencies, or entrepreneurs in foreign countries
  - The expenditure on renting/using cloud service or data center in foreign countries

### **Incentives**

3-year corporate income tax exemption with a cap equivalent to 100 percent of the investment capital (excluding the cost of land and working capital) for Industry 4.0 Transformation.

This Announcement shall be effective from January 3, 2023, onwards.

Announced on December 8, 2022.

General Prayut Chan-ocha

(Prayut Chan-ocha)

Prime minister

Chairman of the Board of Investment