

(Unofficial Translation)

Announcement of the Board of Investment

No. 1 / 2567

Investment Promotion Measures for Community and Society Development

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

To encourage business operators to participate in the local community and society development by collaborating with local organizations to enhance competitiveness, develop and strengthen the quality of life towards self-reliance in the grassroots economy, and enhance the environment through forest management to mitigate the PM 2.5 dust problems sustainably; by virtue of Sections 16, 18, and 31 of the Investment promotion Act B.E 2520 (1977), the Board of Investment issues the following announcement:

1. The Announcement of the Board of Investment No.24/2565, dated December 8, 2022, regarding Investment Promotion Measures for Community and Society Development is repealed.
2. This measure applies to projects currently in operation, whether BOI-promoted or non-BOI-promoted projects or new investment projects applying for investment promotion and eligible for corporate income tax exemption incentives. The projects must be activities eligible for promotion by the Board of Investment when submitting the applications under this measure.
3. The projects must have a minimum investment capital of 5,000,000 baht (excluding the cost of land and working capital) and support local organizations at a minimum of 500,000 baht per entity.
4. A supported local organization means a local cooperative, a community, a social enterprise or an agricultural group registered with the relevant authority, a local government organization, a public educational institution, or a public hospital. The organization must operate in at least one activity in the prescribed scope, including agricultural activities, holistic water resource management, local community projects, local community tourism, environmental enhancement, and educational or public health activities. The scope also covers cases of support for local organizations through collaborations with public research or educational institutions.
5. The applicants must submit a plan of collaboration with local organizations outlining the benefits that the communities will receive from any of the following activities: supporting competitiveness enhancement in production or service processes, supporting local organizations in holistic management of water resources; developing sustainable agriculture; enhancing environmental, education, or public health standards. The following activities require approval from related authorities:

- (1) Supporting holistic water resource management: the operation must be conducted in the repetitously drought-stricken or flooded areas only. The water management plan must be approved by the Office of the National Water Resources and comply with the country's water resource management plans.
- (2) Supporting the development of sustainable agriculture: the action plan must be approved by the relevant agencies, such as the National Bureau of Agricultural Commodity and Food Standards.
- (3) Supporting environmental enhancement through forest management and PM2.5 dust reduction sustainably: the action plan must be approved by the Ministry of Natural Resources and Environment.

6. Eligible investment expenses in supporting local organizations shall be counted as specified by the Office as follows:

- Supporting competitiveness enhancement in production or service processes: eligible expenses include costs of factory construction, machinery, equipment, training, etc.

- Supporting holistic water resource management: eligible expenses include costs of supporting activities of digging wells to store water, constructing and repairing dams, drilling, repairing, maintaining, or cleaning groundwater wells, etc.

- Supporting the development of sustainable agriculture: eligible expenses include costs of machinery and equipment, costs of training on modern agricultural technology to reduce greenhouse gas emissions, and production optimization technology for sustainable development, expenses related to using technology in land management, such as surface soil adjustment, management of straw and stubble, produce harvesting, soil and water analysis, and uses of chemicals in production process correctly and safely, costs of rice quality inspection and certification, costs of monitoring the operational results and assessing the quantity of greenhouse gas emission, etc.

- Supporting environmental enhancement: eligible expenses include costs of tools or equipment for waste sorting in the community, etc.

- Supporting forest management to reduce PM2.5 dust problems: eligible expenses include the construction of wet firebreaks, the building of check dams to retain moisture, support expenses for providing firefighting tools and equipment, and training in wildfire prevention and control, etc.

- Supporting public hospitals: eligible expenses include costs of medical tools and equipment, construction or renovation of examination rooms, and patient wards, etc.

- Supporting public educational institutions: eligible expenses include construction or renovation costs of classrooms, laboratories, and supports for tools or equipment for educational institutions, etc.

The applicants must not use the specified expenses to claim duplicative tax privileges from other government agencies.

7. Incentives

7.1 For existing BOI-promoted projects that the corporate income tax exemption or reduction benefits have expired, or the projects have not received corporate income tax benefits or projects that have never received investment promotion:

- (1) 3-year corporate income tax exemption, on the revenue derived by the existing projects, of not exceeding 200 percent of the investment capital excluding the cost of land and working capital. The tax exemption value will be calculated based on the actual investment paid, excluding the cost of land and working capital, in supporting local organizations as specified by the Office.
- (2) The corporate income tax exemption period shall commence from the date of revenue derivation after receiving the investment promotion certificate. The implementation of the approved plans must be completed within 3 years after the date of investment certificate issuance.
- (3) Non-tax incentives.

7.2 For existing BOI-promoted projects that the corporate income tax exemption benefits have not expired or new investment projects that apply for investment promotion and are eligible for corporate income tax exemption:

- (1) A corporate income tax exemption limit of not exceeding 200 percent of the investment capital, excluding the cost of land and working capital. The tax exemption value will be calculated based on the actual investment paid, excluding the cost of land and working capital, in supporting local organizations as specified by the Office.
- (2) Implementation of the approved plans must be completed within 3 years after the date of investment certificate issuance or the date of project amendment approval, as the case may be, and not exceeding the corporate income tax exemption period.

This announcement shall be effective from December 26, 2023, onwards.

Announced on February 7, 2024.

Panpree Bahiddha-Nukara

(Mr. Panpree Bahiddha-Nukara)
Deputy Prime Minister
Chairman of the Board of Investment

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