



INVESTMENT SERVICES CENTER
THE BOARD OF INVESTMENT
MINISTRY OF INDUSTRY

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Press Release

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BOI waives tax on new and expansion projects in Pathum Thani and Ayutthaya to boost investment in flooded areas

BOI gave a green light to the latest measure to encourage new investment projects in flood-affected districts. The new measure is aimed at attracting new investors as well as urging the current ones to expand their investments, especially in Pathum Thani and Ayuthaya provinces.

M.R. Pongsavas Svasti, the Minister of Industry, revealed after a BOI board meeting chaired by Deputy Prime Minister and Minister of Commerce Kittirat na Ranong, that the committee had approved tax incentive packages for investment projects in the flood affected areas with a view to encouraging both new and existing investors to continue making investments in BOI-promoted industrial estates or zones in Pathum Thani and Ayuthaya. Eligible applicants shall be those eligible for corporate tax exemption.

The eligible new or expanded investment projects located in Pathum Thani province (in BOI Zone 1) will be exempt from corporate income tax for eight years with a cap of 150% of the investment value.

Those in Ayuthaya (in BOI Zone 2) will also be offered an eight-year corporate income tax exemption, which is subject to a 150% cap on new investment, and a 50% reduction in corporate income tax for three years after the eight-year tax exemption period ends.

Furthermore, both new and expanded investment projects will be granted import duty exemption on new or used machinery provided that not more than ten years elapsed between the year that it was manufactured and the year that it was imported. There will be no time extension in any case except for force majeure causes, which will be considered on a case-by-case basis. Deadline for application is the end of 2012.

Previously, the BOI approved a set of urgent flood relief measures, including import duty exemption for manufacturers whose raw materials were damaged by the flood and an extension of the duty exemption period by six months (from 31 December 2011 to 30 June 2012) for machinery imported to replace the that damaged by flood.

Moreover, in December 2011, the Board already approved additional tax incentives measures to rehabilitate flood affected projects. They included general measures for entrepreneurs directly affected by the flood, and measures both for industrial estates or zones affected by the flooding and those that were not affected by it. Eligible applicants must submit their applications for these incentives by the end of 2012. The details of these incentive packages are as follows:

1. Investment in the same flood affected province: The projects will be treated as new projects receiving full incentives, including an eight-year corporate income tax exemption with a cap of 150 percent of the investment combined with the remaining unused cap of the existing projects.

In case of relocation to other places, the projects will also be treated as new, and as such shall be granted an eight-year corporate income tax exemption with a cap of 100 percent of the investment combined with the remaining unused cap of the existing projects.

2. Existing promoted projects with remaining corporate income tax exemption incentives without tax exemption cap. In cases where the remaining corporate income tax exemption is less than five years, the projects will be exempted from corporate tax for another three years. Projects with a remaining tax exemption period of from five years to six years, they will receive an additional two-year corporate income tax exemption and an additional 50 percent corporate income tax reduction for two years. Projects with a remaining tax exemption period of from six to seven years will receive an additional one-year corporate income tax exemption and an additional 50 per cent corporate income tax reduction for four years. Projects with remaining tax exemption period of more than seven years will receive an additional 50 per cent corporate income tax reduction for five years.
