



PRESS RELEASE

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BOI board offers more attractive incentives for SMEs and identifies list of targeted industries in EECi and EECd

Thailand Board of Investment (BOI) today approved more incentives for SMEs to cover more than 100 business activities and increased the ceiling of corporate income tax (CIT) exemption to up to 200 percent to enhance SMEs' competitiveness.

It also identified a list of targeted industries for the Eastern Economic Corridor of Innovation (EECi) and the Digital Park Thailand (EECd).

BOI Secretary General, Ms. Duangjai Asawachintachit revealed after the BOI board meeting chaired by Prime Minister General Prayut Chan-o-cha that the board has approved more attractive incentive programs for SMEs to increase competitiveness including the extension of promotional period of the scheme to 30 December 2019.

The board approved new investment promotion conditions for SMEs as follows:

1. **More business activities and relaxed requirements and conditions:** Activities eligible for investment incentives are expanded from currently 40 to over 100 activities to provide more opportunity for SMEs to seek investment promotions. Meanwhile, some conditions are relaxed for particular business activities.
2. **Tax incentives:** More attractive incentives are offered with both basic and additional tax incentives.
 - 2.1 **Basic tax incentives (Activity-based incentives):** The ceiling of corporate income tax exemption is increased from normally 100 percent to 200 percent, for activities eligible to obtain CIT exemption, meaning the amount of tax exemption on capital investment will be doubled.
 - 2.2 **Additional tax incentives (Merit-based incentives):** SMEs will receive tax exemption or reduction under two conditions:
 - For SMEs operating any activities that enhance competitiveness including research and development, advanced technology training, IP licensing fees, product & packaging design, investment and expenses conditions will be significantly relaxed to enable SMEs to have a better access to enhanced incentives.

- For SMEs located in 20 provinces with lowest per capita income:
 - o Activities that are eligible for eight-year CIT exemption will receive an additional 50 percent CIT reduction for another five years.
 - o Other activities that are eligible for CIT exemption will receive an additional three-year exemption, on top of normal CIT exemption.

Promoted SMEs are allowed to utilize used machines available in Thailand in their projects but with maximum value not exceeding 10 million baht.

Targeted industries identified for EECi, EECd

The BOI board has approved the list of targeted activities to be located in the Eastern Economic Corridor of Innovation (EECi) and the Digital Park Thailand (EECd). These activities will be eligible for a special tax incentives under the EEC scheme.

Investments in the targeted industries in the EECi and EECd were offered, from the previous board meeting on 23 November 2017, two more years of CIT exemption on top of normal incentives and 50 percent CIT reduction for another five years. However, projects are required to have cooperation on human resource development as specified by the board.

More human resource development cooperation in EEC

Additional to the current human resource development scheme with educational institutes or research institutes, such as WiL (Work-integrated Learning), Cooperative Education and Dual Vocational Education and Training, the board has approved a new scheme called “Special Vocational Program in the EEC”. The project focuses mainly on training and human resource development in response to industry sectors’ demand, especially in the high-value-added targeted industries.

Under this program, participating companies will work with educational institutes in recruiting new students and designing courses and curriculums. Financial and other support will be provided to students, including tuition fees, personal expenses and apprenticeship or employment after graduation.

For more information, please contact thailandinvestmentyear@gmail.com or visit www.boi.go.th