

Professional Services

(IBC, TISO and IPO)

Investment Promotion Division 4



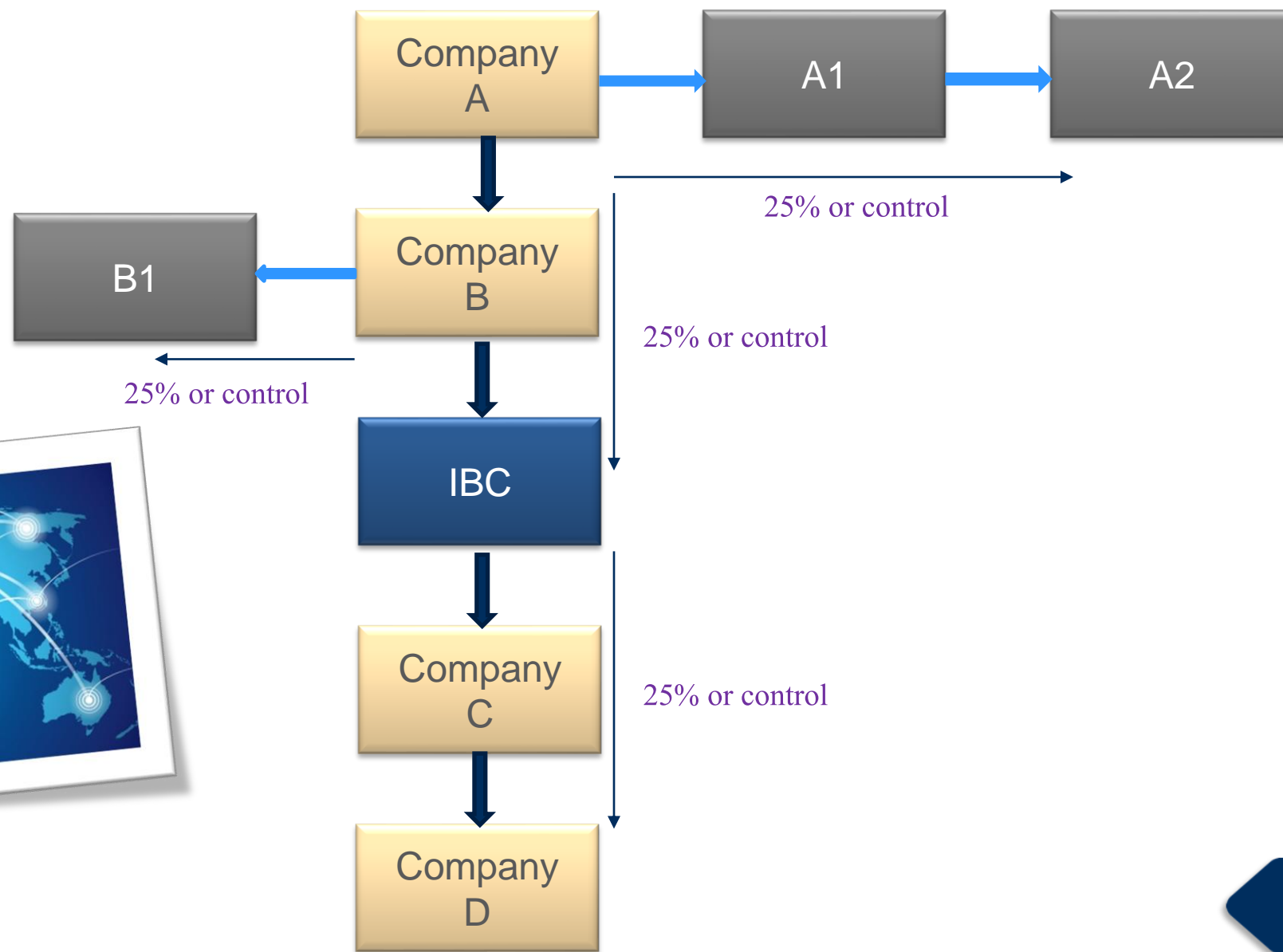
INTERNATIONAL BUSINESS CENTER : IBC

International Business Center : IBC (Headquarters Scheme)

- ❖ Providing services to its associated companies in overseas countries and/or in Thailand.
- ❖ Including International Trade
 - Products : Finished goods, raw materials and parts
 - Wholesale in Thailand and/or export
 - IN-IN, OUT-IN, IN-OUT, OUT-OUT, OUT-IN-OUT



Example of Associated Companies



IBC : Scope of services

1. General business management, business planning and business cooperation
2. Procurement of raw materials and Parts (Information only)
3. Research and development of product
4. Technical support
5. Marketing and sales promotion
6. Human resources management and training
7. Financial advisory
8. Economic and investment analysis and research
9. Credit management and control
10. Treasury Center (TC)
11. International Trade business

12. Lending to associated enterprises outside scope of “Treasury Center” which can be implemented under the exchange control laws, for example :
 - Lending of foreign currency loans to associated enterprises in foreign countries
 - Lending of Thai baht loans to associated enterprises in Thailand
 - Lending of Thai baht loans to associated enterprises in Vietnam and countries bordering Thailand with the requirement of using them for trading and investment in Thailand or in aforementioned countries only
13. Other supporting services as approved by the board

BOI Conditions & Incentives for IBC

SPECIFIC CONDITIONS

- Must have no less than **10 million baht** paid-up registered capital
- Investment must be at least **1 million baht** (excluding cost of land and working capital)
- Must employ at least **10 skilled staff** for IBC (5 skilled staff must be employed if providing Treasury Center only)
- In case of operating International Trade business, at least one activity of 1-10 (previous slide) must be involved.
- In case of offering loans to associated enterprises, at least one activity of 1-9 (previous slide) must be involved.
- Not eligible for import duty exemption on raw material or essential materials and additional merit-based privileges.

BOI INCENTIVES



Majority or 100% foreign ownership



Visa & Work permit facilitation



Permission to own land



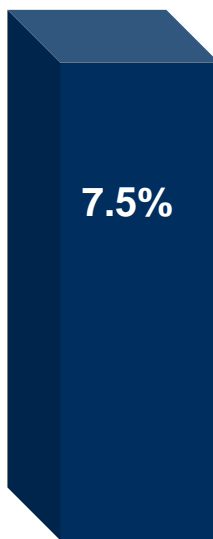
Exemption of **import duty on machinery/equipment** used for R&D and training services in IBC project

By Country

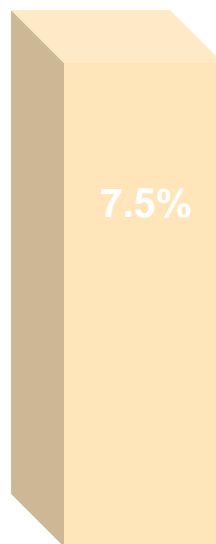
Japan



USA

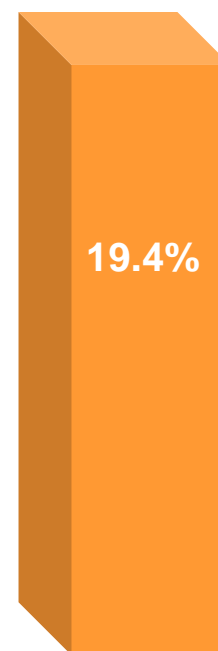


Singapore

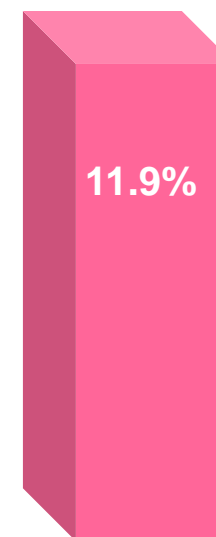


By Sector

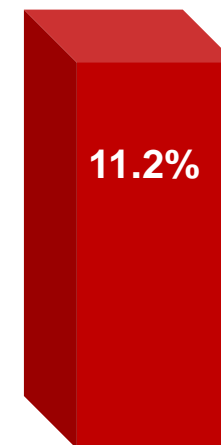
Automotive



**Machinery
& Equipment**



**Plastics
& Chemicals**



Relevant Government Agencies - IBC



**Thailand
Board of
Investment**

- **Non-Tax** Incentives for IBC



**The Revenue
Department**

- **Tax** Incentives for IBC

- Investors can apply both Tax and Non-tax Incentives.
- Both applications must be submitted separately



**Bank of
Thailand**

- Rules and Regulations on Treasury Centers



**Department of
Business
Development**

- Company Registration
- Foreign Business Licenses and Certificates



Trade and Investment Support Office : TISO

TISO : Scope of services



**Monitoring/Serviceing
Associated Enterprises**



**Engineering & Technical
Services** (except those
related to Architecture &
Civil Engineering)



WHOLESALE

**Wholesaling Products
Manufactured in Thailand**



**Advisory Services on
Business Operation**
(except those that buy/ sell
securities/ FX exchange etc.)



**Businesses Related to
Machinery, Engines,
Tools & Equipment**
(e.g., importing for
wholesaling, training
services, installation,
maintenance and repair,
calibration)



**International Business
Process Outsourcing**
whose services are
provided through
telecommunication
networks
(e.g., administrative
services, finance &
accounting services,
human resources, etc.)



**Information Services on
Good Sourcing**

Conditions & Incentives for TISO

SPECIFIC CONDITIONS

- Investment must be at least **1 million baht** (excluding cost of land and working capital)
- Must have annual sales and Administrative expenses **at least 10 million baht**

NON-TAX INCENTIVES



Majority or 100% foreign ownership



Visa & Work permit facilitation

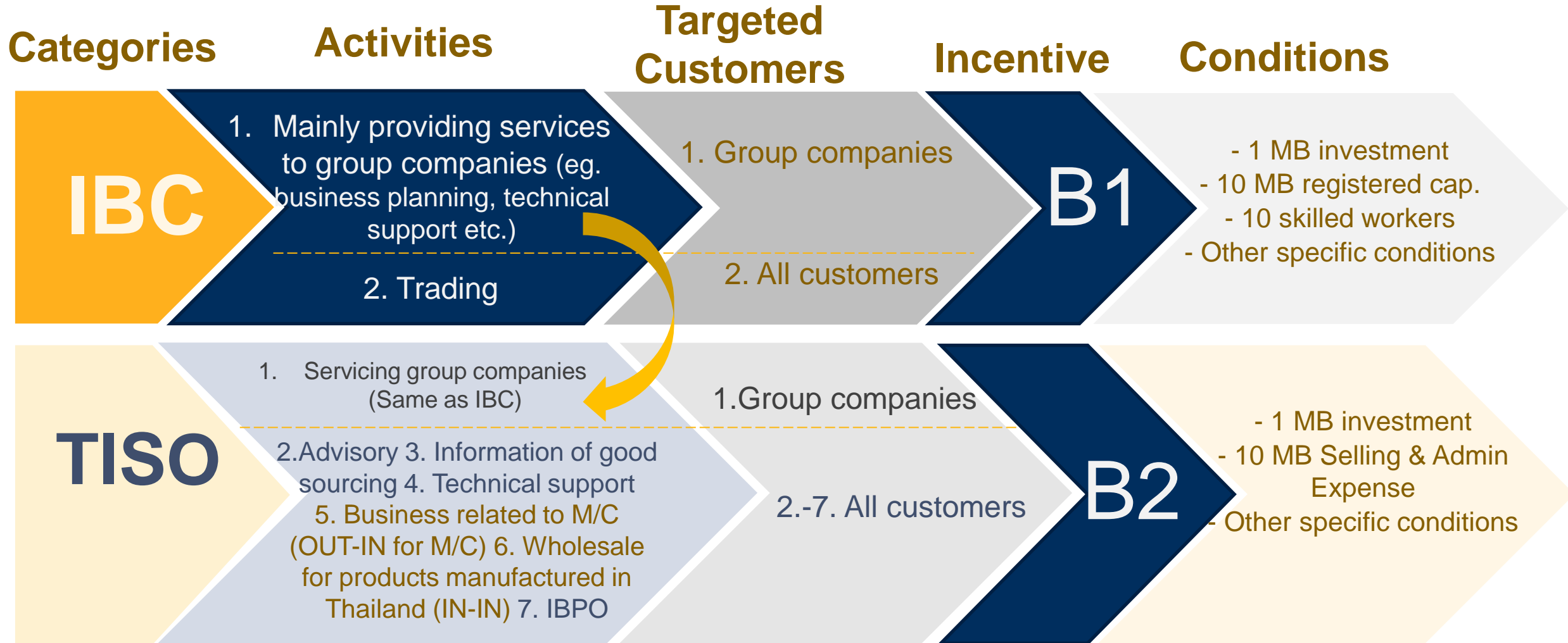


Permission to own land

Sales and Administrative Expenses

- Personnel Expenses
- Electricity, water, and telephone
- Depreciation of Assets
- Interest Payment
- Rent
- Traveling/Accommodation
- Freight and Transportation Costs
- Entertainment Expense
- Commission, advertisement and Sales Promotion
- Consultancy

Comparison for activities in IBC and TISO



Note : Incentive B1 for IBC : Exemption on M/C used for R&D and Training + Non-Tax Incentive
Incentive B2 for TISO : Non- Tax Incentive



INTERNATIONAL PROCUREMENT OFFICE : IPO

International Procurement Office : IPO

- ❖ Purchasing and selling **raw materials, parts and components** to manufacturers or distributors in Thailand and/or in overseas countries



Procurement Activities



Thailand

Example of Procurement

Raw Materials/ Parts/ Components	Suppliers	Country	Customers	Country
Bolts (Used for Producing Cars)	ABC Co., Ltd.	Japan	XYZ Co., Ltd	Thailand (Manufacturer)
Nuts (Used for Producing Cars)	DEF Co., Ltd.	Thailand	JKL Co., Ltd.	Japan

Conditions & Incentives for IPO

SPECIFIC CONDITIONS

- **10 million baht paid-up registered capital**
- **1 million baht for investment** (excluding cost of land and working capital)
- Procurement of **raw materials, parts, and components** used in manufacturing industries
- Owning or renting a warehouse and manage inventory with IT-based system exclusive for warehouse management
- Having appropriate activities of merchandise procurement and management e.g. inspecting/repackaging
- Having several procurement resources, at least including a domestic resource
- Domestic wholesale and/or oversea exports



NON-TAX INCENTIVES



Majority or 100% foreign ownership



Visa & Work permit facilitation



Permission to own land

TAX INCENTIVES

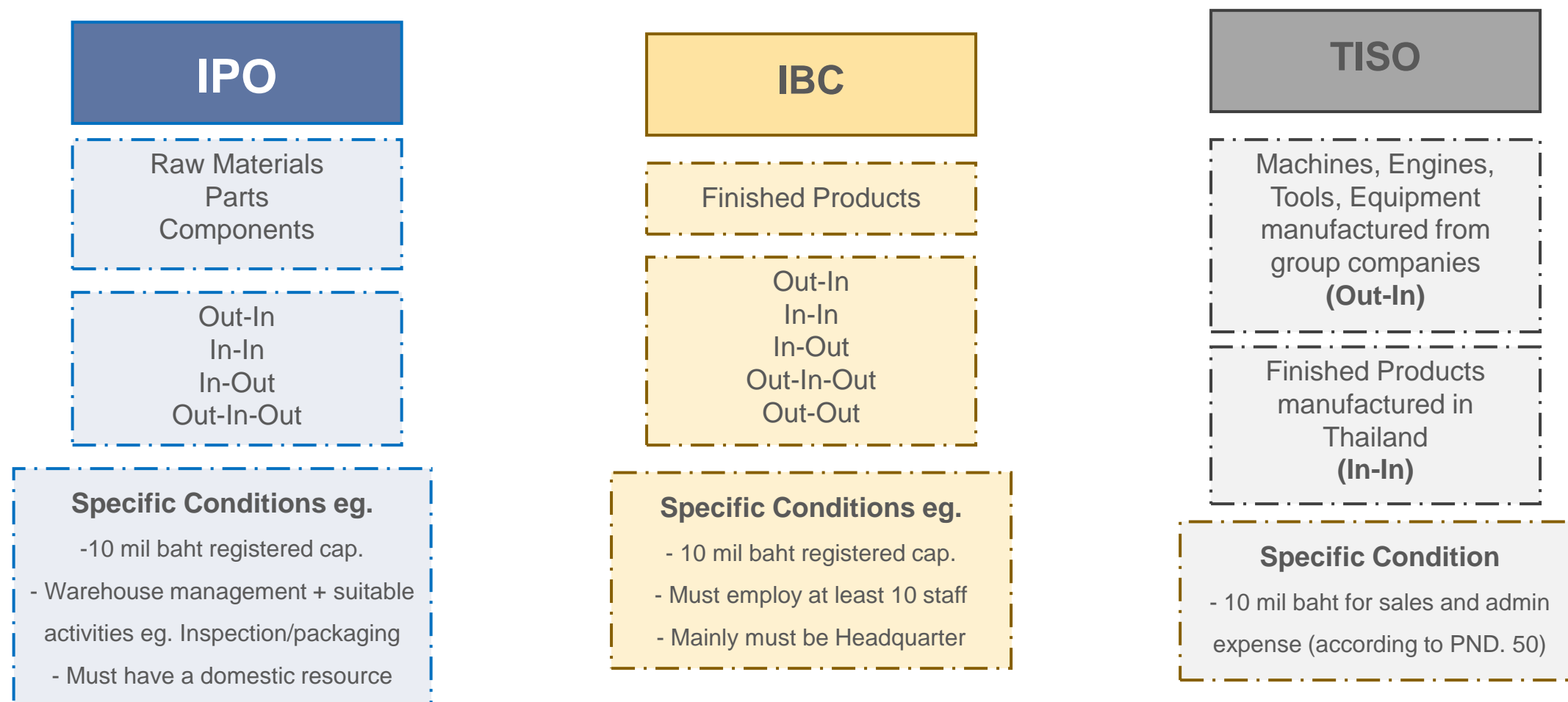


Exemption of import duty on raw material imported for using in production and export



Exemption of import duty on machinery/equipment used for BOI project

Comparison for Trading Activities in IPO, IBC and TISO



Selling in Thailand - Wholesale only

General Criteria for Granting Investment Incentives (IPO/IBC/TISO)

❖ **Capital Investment** must be at least 1 million baht (excluding cost of land and working capital)

- **Cost of Construction or rent for a period of longer than 3 years**
- **Cost of machinery or rent for a period of longer than 1 year**
- **Cost of installation**
- **Cost of test-run**
- **Preliminary Expense** (*For a newly-established company*)
- **Value of other assets** (*For a newly-established company*)

Criteria for Granting Investment Incentives


❖ **New Machinery** must be used in the project.

E.g. Computers, Software, Forklift, Inspection Tools

❖ **D/E ratio**



- Must not exceed 3 to 1 for newly established projects.
- Expansion project shall be considered on a case-by-case basis.

E-Investment Promotion



THAILAND
BOARD OF
INVESTMENT

ระบบสนับสนุนงานส่งเสริมการลงทุน
(e-Investment Promotion)



Clarify

As from 2 January 2020, Office of the BOI will **cancel the document submission** process of Investment Promotion Application Form.
Business operators can submit their investment promotion applications via the e-Investment Promotion System at the website:
<https://boi-investment.boi.go.th/public>


Except:


- Investment promotion applicants for performance improvements
- Investment promotion applicants for business transfer
- Investment promotion applicants for Grassroots Economy


Login


Login

Forgot Password


Register


Resend email.


User Manual


Contact

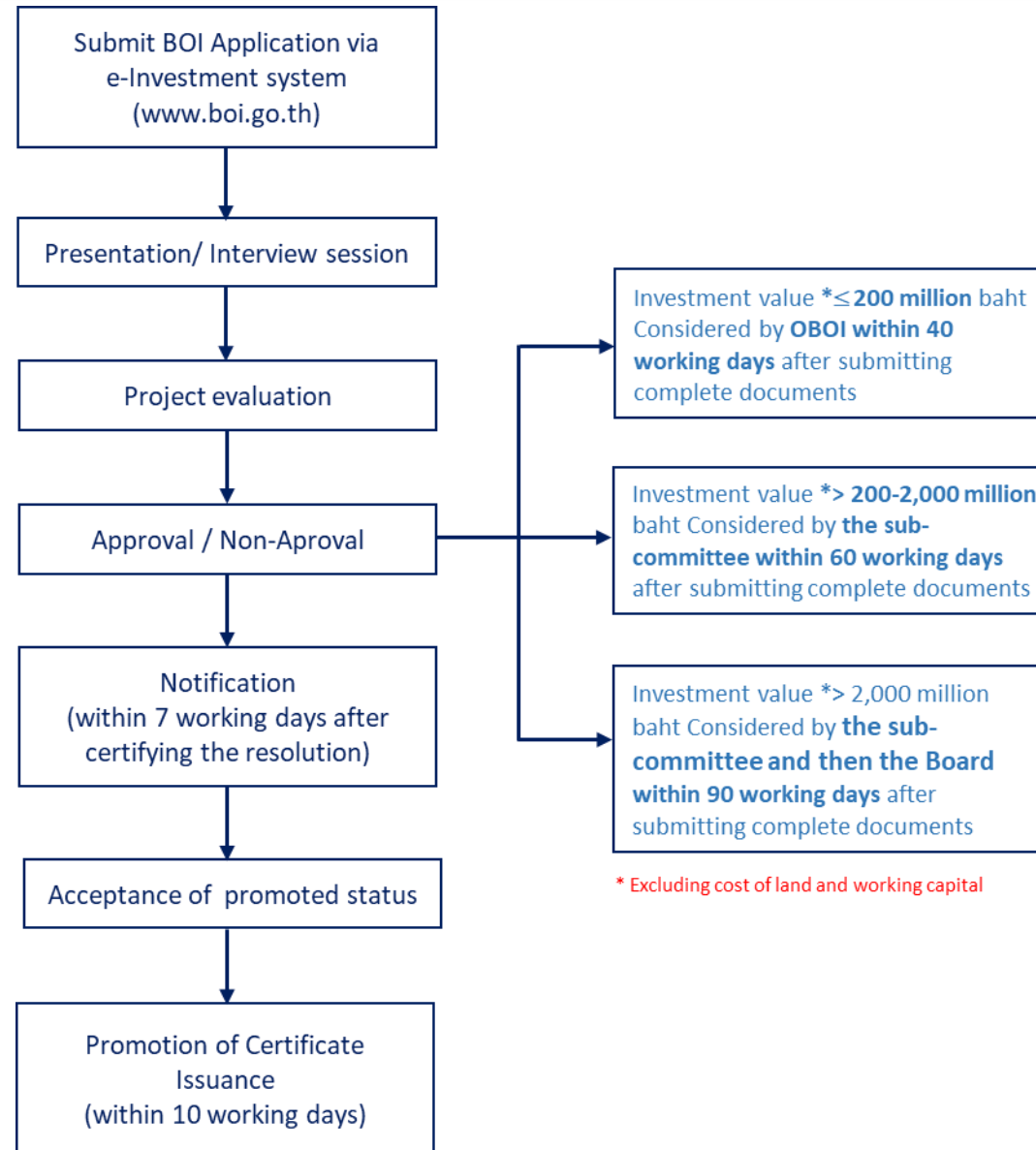
Usability guideline

The system is compatible with Google Chrome only.

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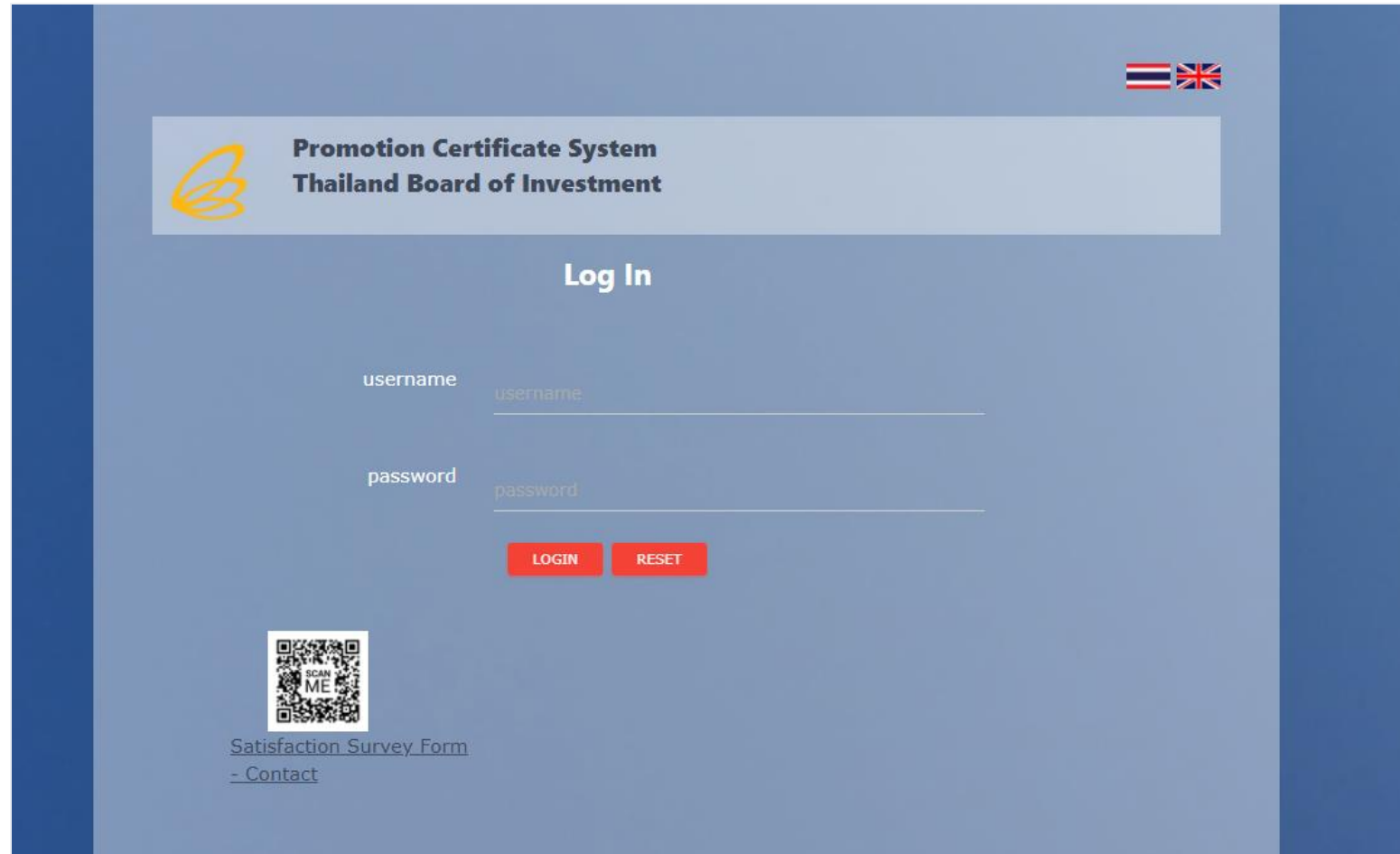
https://boi-investment.boi.go.th/public/index_en.php

Procedure for BOI Promotion Application



Issuing BOI Certificate (within 10 working days)

<https://e-promotion-certificate.boi.go.th>



The screenshot shows the login interface for the 'Promotion Certificate System' of the 'Thailand Board of Investment'. At the top right, there are flags for Thailand and the United Kingdom. The main header area contains the system name and logo. Below this is a 'Log In' section with two input fields: 'username' and 'password'. Each field has a placeholder text matching the label. Below the fields are two red buttons: 'LOGIN' and 'RESET'. At the bottom left, there is a QR code with the text 'SCAN ME' and two links: 'Satisfaction Survey Form' and '- Contact'.

Thailand United Kingdom


Promotion Certificate System
Thailand Board of Investment

Log In

username

password

LOGIN **RESET**


[Satisfaction Survey Form](#)
[- Contact](#)

A sunset scene over a body of water with a large, ornate pagoda in the background. The sky is a mix of orange, yellow, and dark blue. The pagoda is silhouetted against the bright sky. The water in the foreground is dark with some ripples.

Thank you