

(Unofficial Translation)

Announcement of the Board of Investment

No. 2/2566

Investment Promotion Measure to Upgrade Automotive Industry

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Subsequent to the Announcement of the Board of Investment No. 8/2565, dated December 8, 2022, regarding Policy and Criteria for Investment Promotion and the Announcement of the Board of Investment No. 9/2565 dated December 8, 2022, regarding Measures to Promote Investment in Industries that are important to the Country's Development;

To incentivize automotive manufacturers to invest in automation and robotics to enhance manufacturing efficiency, thereby elevating and strengthening the overall competitiveness of the country's automotive industry;

By virtue of Section 16 Paragraph 2, Section 18, Section 28, and Section 31 of the Investment Promotion Act B.E. 2520, the Board of Investment issues the following announcements:

1. Projects applying for investment promotion in the following categories are eligible to apply for incentives under this measure: Category 3.6, the manufacture of general automobiles; and Category 3.8, the manufacture of battery electric vehicles (BEVs), plug-in hybrid electric vehicles (PHEVs), hybrid electric vehicles (HEVs) and BEV platforms (only the manufacturing activities of plug-in hybrid electric vehicles (PHEVs) and hybrid electric vehicle (HEVs) are eligible to apply). The measure applies to existing projects that are currently operational, whether BOI-promoted or non-BOI-promoted, and to new investment projects.

2. Conditions

2.1 Existing BOI-promoted projects may apply for promotion under this measure when the benefits of corporate income tax exemption have expired, or the projects have never received the corporate income tax exemption.

2.2 The applicants must have a minimum investment of 1 million baht, excluding the cost of land and working capital.

2.3 The applicants must submit a plan for investment in the automation system or robotics to support the manufacturing process according to the criteria specified by the Office.

2.4 The applicants must submit an automotive product development plan that utilizes technologies aimed at cleanliness, energy efficiency, safety, intelligent driving, or other appropriate technologies.

2.5 The investment value shall be counted as follows:

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

2.5.2 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

### 3. Incentives

3.1 Exemption of import duties on machinery.

3.2 3-year corporate income tax exemption with a cap equivalent to 50 percent of the investment capital in automation and robotics, excluding the cost of land and working capital.

3.3 The new investment of automation system or robotics are utilized in the production line, which link or support to domestic automation industry not less than 30 percent of the total value of the automation system and robotics, 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 the cost of land and working capital.

3.4 In case of existing projects, the corporate income tax exemption period on the revenue of existing project shall start from the date of revenue derivation after the promotion certificate is issued.

4. Applications for investment promotion must be submitted by the last working day of 2024, and the project must be completed within 3 years from the date of investment promotion certificate issuance.

This announcement shall be effective from November 9, 2023, onwards.

Announced on December 12, 2023.

Parnpree Bahiddha-Nukara

(Mr. Parnpree Bahiddha-Nukara)

Deputy Prime Minister

Chairman of the Board of Investment