

(Unofficial Translation)
Announcement of the Board of Investment
No. 3 /2567
Investment Promotion Measure for Comprehensive Relocation Program

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 foreign investors to relocate integrated businesses, including manufacturing facilities, regional headquarters, and research and development centers, by virtue of Section 16, Section 18, and Section 31 of the Investment Promotion Act B.E. 2520 (1977), the Board of Investment issues the following announcement:

1. New investment projects in manufacturing activities applying for investment promotion

1.1 For applicants conducting all activities under the same juristic person:

Conditions:

- (1) This measure applies to projects that submit applications for promotion from January 2, 2024, to the last working day of 2024.
- (2) Applications for investment promotion of manufacturing activities must be submitted together with applications for investment promotion of International Business Center (IBC) activities only, except for activities that are not eligible for the incentives under specific policies prescribed by the Office.
- (3) Extension of the deadlines for promotion acceptance and document submission for the investment promotion certificate issuance will not be allowed in all cases.
- (4) The International Business Center (IBC) activities and/or Research and Development Center (R&D center) must start earning revenue and/or begin providing services within 1 year from the date of investment promotion certificate issuance. If the applicants fail to comply with the condition within the specified timeframe, the corporate income tax exemption will be withdrawn for 3 or 5 years, as the case may be.
- (5) The applicants must undertake substantial functions of the regional headquarters and/or R&D center as approved by the Board.
- (6) For investment in an R&D center, the applicants must present an operation plan outlining the substantial functions of being an R&D Center.

Incentives

- (1) Manufacturing activities applying for investment promotion, together with International Business Center (IBC) activities are

eligible for an additional 3-year corporate income tax exemption on the net profit from investment in the manufacturing activities. The tax incentive is granted in addition to the standard incentives based on the activity criteria but must not exceed 8 years in total.

- (2) Manufacturing activities applying for investment promotion, together with International Business Center (IBC) activities and an R&D center establishment are eligible for an additional 5-year corporate income tax exemption on the net profit from investment in the manufacturing activities. The tax incentive is granted in addition to the standard incentives based on the activity criteria but must not exceed 8 years in total.
- (3) Non-tax incentives.

1.2 For applicants conducting the activities in association with other juristic persons that operate under the same associated enterprise:

Conditions

- (1) This measure applies to projects that submit applications for promotion from January 2, 2024, to the last working day of 2024.
- (2) Applications for the promotion of manufacturing activities must be submitted together with applications for investment promotion of International Business Center (IBC) activities only, except for activities that are not eligible for the incentives under specific policies prescribed by the Office.
- (3) Extension of deadlines for promotion acceptance and document submission for the investment promotion certificate issuance will not be allowed in all cases.
- (4) International Business Center (IBC) activities must comply with the following procedures:
 - (4.1) The projects must be new investments in IBC activities, and the applications for investment promotion must be submitted by an existing juristic person or a new juristic person operating under the same associated enterprise as the promoted person in the manufacturing activity that applies for additional incentives under this measure.
 - (4.2) The applicants must submit an application for investment promotion of International Business Center (IBC) activities in compliance with the Announcement of the Board of Investment No. 9/2565 dated December 8, 2022. Extension for machinery importation and full operation startup

deadlines will not be allowed in all cases. An application for full operation startup must be submitted within 1 year from the date of investment promotion certificate issuance. If the applicants fail to comply with the specified timeframe of the full operation startup, the manufacturing projects will not be entitled to additional incentives under the investment promotion measure for comprehensive relocation program.

- (4.3) The applicants must undertake substantial functions of regional headquarters and comply with the conditions for the International Business Center (IBC) activities as approved by the Board.
- (5) Manufacturing activities must comply with the following procedures:
 - (5.1) The projects must be new investments applying for promotion for manufacturing activities in Group A, except for activities that are not eligible for the incentives under specific policies prescribed by the Office.
 - (5.2) The applicants must simultaneously submit an application for promotion of the manufacturing activities and an application for promotion of the International Business Center (IBC).
 - (5.3) For additional investment in a Research and Development Center (R&D Center), the applicants must :
 - Apply for expansion of the business scope to include R&D Center activities. The R&D Center must start earning revenue and/or begin providing services within 1 year from the date of investment promotion certificate issuance. If the applicants fail to comply with the specified timeframes, the manufacturing projects will not be entitled to additional incentives under the investment promotion measure for comprehensive relocation program.
 - For investment in the R&D Center, the applicants must submit an operational plan outlining the substantial functions of being an R&D center.
 - (5.4) The applicants must submit an application for additional incentives together with a confirmation letter of investment in an International Business Center (IBC) and/or proof of the R&D Center's first revenue derivation or service provision. The application submission date must not

exceed the period of the corporate income tax exemption incentives granted based on the standard criteria.

Additional Incentives

- (1) Manufacturing activities applying for investment promotion, together with International Business Center (IBC) activities are eligible for an additional 3-year corporate income tax exemption on the net profit from investment in the manufacturing activities. The tax incentive is granted in addition to the standard incentives based on the activity criteria but must not exceed 8 years in total.
- (2) Manufacturing activities applying for investment promotion, together with International Business Center (IBC) activities and an R&D Center establishment are eligible for an additional 5-year corporate income tax exemption on the net profit from investment in the manufacturing activities. The tax incentive is granted in addition to the standard incentives based on the activity criteria but must not exceed 8 years in total.

2. Existing manufacturing projects in Group A that have been promoted and the corporate tax exemption benefits have not expired, except for activities that are not eligible for the incentives under specific policies prescribed by the Office:

2.1 For applicants conducting all activities under the same juristic person:

Conditions

- (1) The applicants must submit an application for additional incentives by the last working day of 2024.
- (2) The applicants must apply for expansion of the business scope to include International Business Center (IBC) activities, regardless of whether the existing project has already earned revenue from the manufacturing activities. On the date of application submission for additional incentives, the corporate income tax exemption benefits must remain of both time and amount limits.
- (3) The International Business Center (IBC) and /or the R&D Center must start earning revenue and/or begin providing services within 1 year from the date of project amendment approval. This timeline must not exceed the corporate income tax exemption period granted based on the standard criteria. If the applicants fail to comply with the condition within the specified timeframes, the corporate income tax exemption benefits will be withdrawn for 3 or 5 years, as the case may be.

- (4) The applicants must undertake substantial functions of regional headquarters and/or R&D center as approved by the Board.
- (5) For the investment in an R&D Center, the applicants must submit an operational plan outlining substantial activities of being an R&D Center.

Additional Incentives

- (1) Manufacturing activities applying for investment promotion, together with International Business Center (IBC) activities are eligible for an additional 3-year corporate income tax exemption on net profit from investment in the manufacturing activities. The tax incentive is granted in addition to the standard incentives based on the activity criteria but must not exceed 8 years in total.
- (2) Manufacturing activities applying for investment promotion, together with International Business Center (IBC) activities and an R&D Center establishment are eligible for an additional 5-year corporate income tax exemption on the net profit from investment in the manufacturing activities. The tax incentive is granted in addition to the standard incentives based on activity criteria but must not exceed 8 years in total.

2.2 For applicants conducting the activities in association with other juristic persons under the same associated enterprise:

Conditions

- (1) Applications for investment promotion in an International Business Center (IBC) must be submitted by the last working day of 2024 according to the Announcement of the Board of Investment No. 9/2565 dated December 8, 2022.
- (2) International Business Center (IBC) activities must comply with the following procedures:
 - (2.1) The projects must be new investments in IBC activities, and the applications for investment promotion must be submitted by an existing juristic person or a new juristic person operating under the same associated enterprise as the promoted person in the manufacturing activity that applies for additional incentives under this measure.
 - (2.2) Extension of the deadlines for promotion acceptance, document submission for investment promotion certificate issuance, machinery importation, and full operation startup are not allowed in all cases. An application for full-operation start

up must be submitted within 1 year from the date of investment promotion certificate issuance. If the applicants fail to comply with the specified timeframes for the full operation start up, the manufacturing projects will not be entitled to additional incentives under the investment promotion measure to promote comprehensive relocation program.

(2.3) The applicants must undertake substantial functions of regional headquarters and comply with the conditions for International Business Center (IBC) activities as approved by the Board.

(3) Manufacturing activities must comply with the following procedures:

(3.1) In case of additional investment in an R&D Center, the applicants must:

- Submit an application for project amendment to expand the business scope to include R&D center activities, together with an application for promotion of an International Business Center, regardless of whether the existing project has already earned revenue from the manufacturing activities. On the date of submitting the project amendment applications, the corporate income tax exemption benefits must remain of both time and amount limits.
- For the investment in the R&D center, the applicants must submit an operational plan outlining the substantial functions of being an R&D Center.
- Operate the activities with substantial functions of being an R&D center as approved by the Board. The center must start earning revenue and/or begin providing services within 1 year from the date of the project amendment approval. This timeline must not exceed the corporate income exemption period granted based on the standard criteria.

(3.2) The applicants must submit an application for additional incentives together with a confirmation letter of investment in the International Business Center (IBC) and/or proof of the R&D Center's first revenue derivation and/or service provision. The application submission date must not exceed the period of

the corporate income tax exemption incentives granted based on the standard criteria.

Additional Incentives

- (1) Manufacturing activities applying for investment promotion, together with the International Business Center (IBC) activities are eligible for an additional 3-year corporate income tax exemption on the net profit from investment in the manufacturing activities. The tax incentive is granted in addition to the standard incentives based on the activity criteria but must not exceed 8 years in total.
- (2) Manufacturing activities applying for investment promotion, together with International Business Center (IBC) activities and an R&D Center establishment are eligible for an additional 5-year corporate income tax exemption on the net profit from investment in the manufacturing activities. The tax incentive is granted in addition to the standard incentives based on activity criteria but must not exceed 8 years in total.

3. The Office of the Board of Investment is authorized to consider, approve, or disapprove project amendments of all investment sizes that apply for additional incentives under this measure, including approving deadline extensions for submitting evidence of actual investment in applying for additional incentives as appropriate.

This announcement shall be effective from January 2, 2024, onwards.

Announced on February 7, 2024.

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