



INVESTMENT SERVICES CENTER
THE BOARD OF INVESTMENT
MINISTRY OF INDUSTRY

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PRESS RELEASE

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Additional investment incentives given as a New Year's gift BOI helps investors rehabilitate faster, income tax exemption offered

Thailand's Board of Investment (BOI) has approved new measures to encourage investment for business recovery among projects affected by the massive flood crisis. More incentives are being given to industrial estates for additional investment to prevent flooding.

Mr. Wannarat Channukul, Industrial Minister, said after a BOI Board meeting chaired by Deputy Prime Minister Kittirat Na-Ranong that the Board has approved measures to expedite investment for the rehabilitation of businesses following the flood, as proposed by BOI. The measures, applied to both small- and large-scale investors and to both Thai and foreign businesses, include two measures. Interested businesses will have to apply for such incentives before the end of 2012.

1. General Measure for entrepreneurs directly affected by the flood: eligible investors shall be existing promoted investors whose machines and/or factory buildings were damaged by the flood. The eligible projects shall also be in a promoted category. Incentives are offered in two cases:

1.1 In the case of a currently-promoted project that already receives corporate income tax exemption with a tax exemption limit, the entire project shall be considered as if it were a new project. Corporate income tax exemption for eight years is granted.

In cases where a project owner continues to invest in the same flood-affected province, the project will be given an exemption of 150 per cent of the total remaining tax cap, which is considered an appropriate compensation for damages. If the investors decide to move to other provinces, they will receive an additional 100 per cent of the total investment.

1.2 In cases of a currently-promoted project with an unlimited tax exemption limit, the project shall receive incentives and corporate income tax exemption for another 3 years

beyond the current incentive granted. However, the total tax exemption period, including the current one, shall not exceed eight years in total.

Projects with more than five years of remaining incentives and tax exemption shall receive additional incentives. In cases where the remaining tax exemption period is more than 5-6 years, the project will receive a 50 per cent corporate tax reduction for another two years. In cases where the remaining tax exemption period is longer than 6-7 years, the project shall receive a 50 per cent reduction on corporate income tax for another four years. If the remaining corporate income tax exemption period is longer than 7-8 years, the 50 per cent reduction on corporate income tax will be extended for another five years.

Investors entitled to incentives under 1.2 may also choose to receive the incentives under 1.1, instead.

2. Measures for industrial estates and industrial zones both directly affected and not affected directly by the flood, to encourage industrial estates and zones to invest in basic infrastructure improvement and flood prevention systems both on the same premises and expanded facilities operating in the same area:

These projects shall receive an eight-year corporate income tax exemption, and their investment cap shall be extended from no more than 100 per cent to 200 per cent of the total investment value, not including land and revolving capital. Applicants shall begin construction of basic infrastructure to prevent flooding and set a fair service fee collected from business operators within their industrial zones or estates. The BOI will later announce the relevant conditions in detail.
