

MAKE “THAILAND” HEADQUARTERS DESTINATION

Thailand Board of Investment
July 19th, 2023

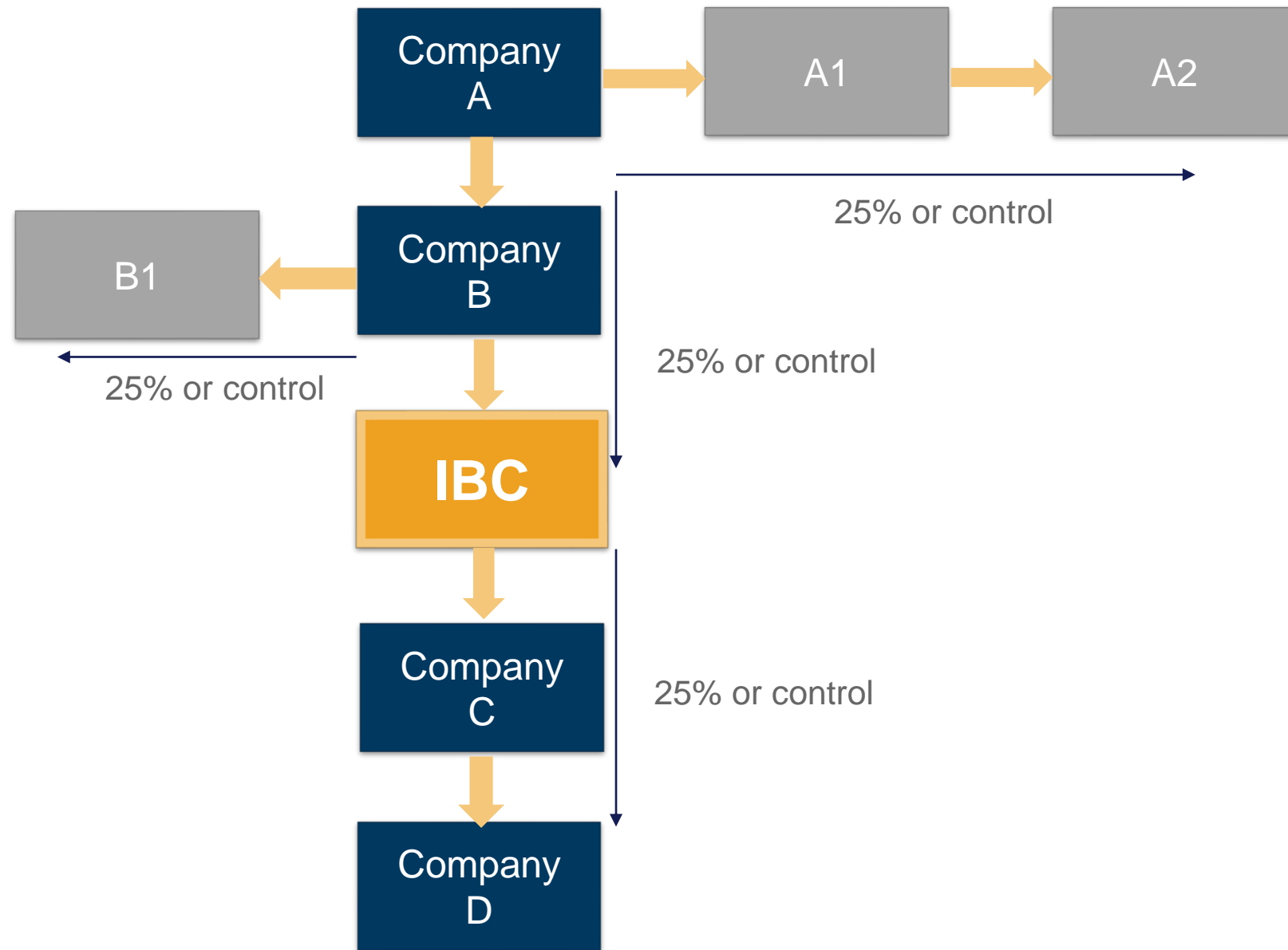


Ms. Worakhon Natkhosit
Special Operation Center for Strategic Investment

Make “THAILAND” HEADQUARTERS Destination

- 1) BOI has been promoting Headquarters activities since 2000
- 2) **BOI promotion category : “INTERNATIONAL BUSINESS CENTER (IBC)”**
- 3) **Scope activity : Providing *services to its associated companies* in overseas countries and/or in Thailand.**
 - **Including International Trade**
 - Products : Finished goods, raw materials, parts and components*
 - Trading activities : wholesale in Thailand and/or export*

Example of Associated Companies



Scope of Services under IBC

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

Product : Finished goods, raw materials, parts and components

Trading activities : Export or domestic sales (only wholesale)

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. Office Building or factory building rental service for associated enterprises
14. Other supporting services as approved by the Board

Required Conditions and Incentives for IBC

Required conditions

- ≥ 1 mil. THB investment (excluding cost of land and working capital)
- ≥ 10 mil. THB paid-up registered capital
- ≥ 10 skilled employees required/ ≥ 5 skilled employees required for only TC)
- Operating International Trade business or office building or factory building rental service must cover at least one more activity of 1-10 (previous slide).
- Project offering loans to associated enterprises must cover at least one more activity of 1-9 (previous slide).

BOI's Incentives



Majority or 100% foreign ownership



Visa & Work permit facilitation



Permission to own land



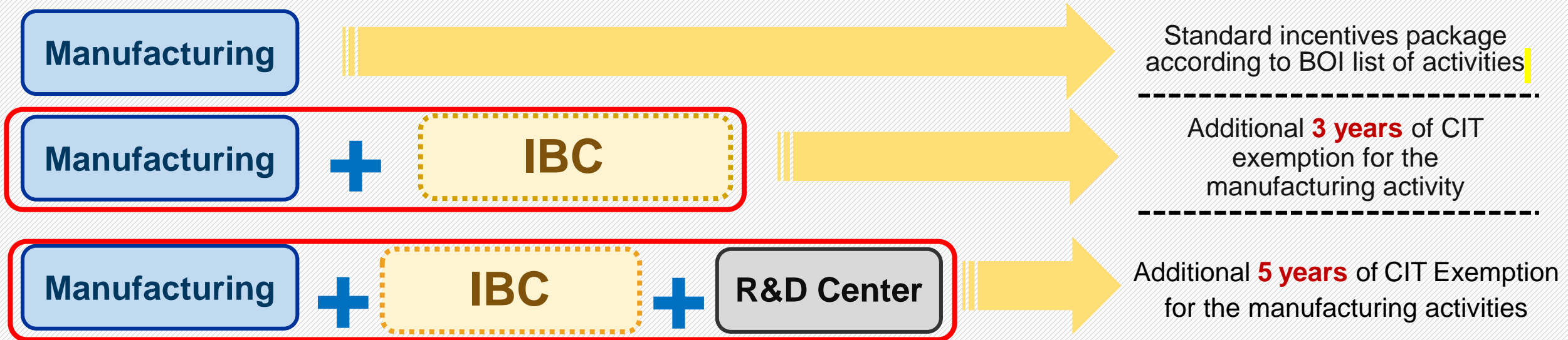
Exemption of **import duty on machinery/equipment** used for used for R&D and training services in IBC project

Note : Not eligible for import duty exemption on raw material or essential materials and additional merit-based privileges.

BOI's Measure for Comprehensive Relocation Program

NEW

Promote a holistic relocation of the entire business operations to Thailand:
manufacturing activities, regional headquarters, and R&D Centers



This program is applicable for both new manufacturing project and promoted project that the CIT exemption period is not expired yet.

Conditions :

- The IBC / R&D Center must provide services within 3 years after the date of BOI promotion certificate issuance or the submission date of the project amendment application.
- The IBC / R&D Center must contain operations as approved by the BOI.
- **Application must be submitted by 2023.**

Trade and Investment Support Office : TISO

- *Providing support services for domestic and/or overseas customers.*

“Same as IBC”



**Monitoring/Service
Associated Enterprises**



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



**Information Services on
Good Sourcing**



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



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



WHOLESALE

**Wholesaling Products
Manufactured in Thailand**



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

Required Conditions and Incentives for TISO

Required conditions

- ≥ 1 mil. THB investment (excluding cost of land and working capital)
- ≥ 10 mil. THB annual selling and administrative expenses

Examples of selling and administrative expenses (according to P.N.D. 50) :

- Personnel expenses
- Electricity, water and telephone
- Depreciation of assets
- Interest payment
- Rent
- Fare and travelling and accommodation
- Freight and transportation
- Repair
- Entertainment
- Commission
- Advertisement and sales promotions
- Consultancy service fees
- etc.

BOI's Incentives



Majority or 100% foreign ownership

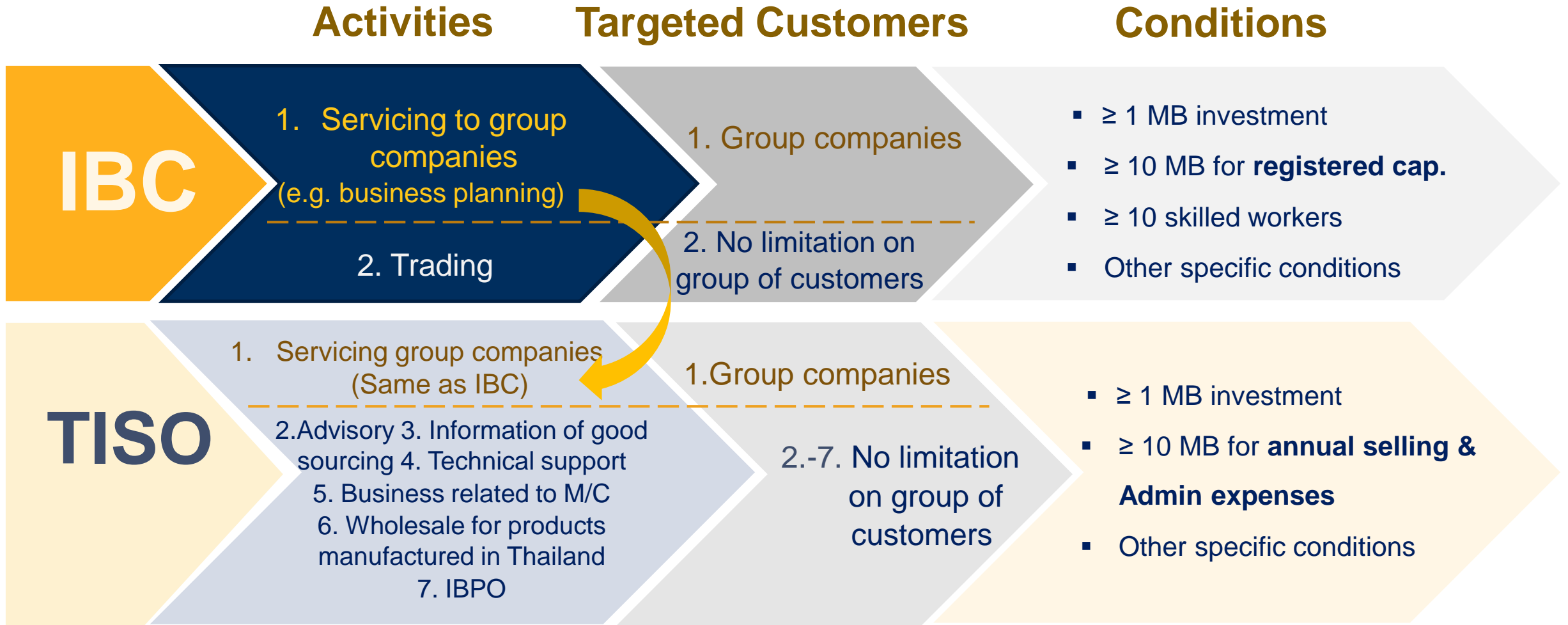


Visa & Work permit facilitation



Permission to own land

Comparison between IBC and TISO



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

Basic Criteria for Investment Promotion (IBC/TISO)



Capital Investment : **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*)

New Machinery

must be used in the project



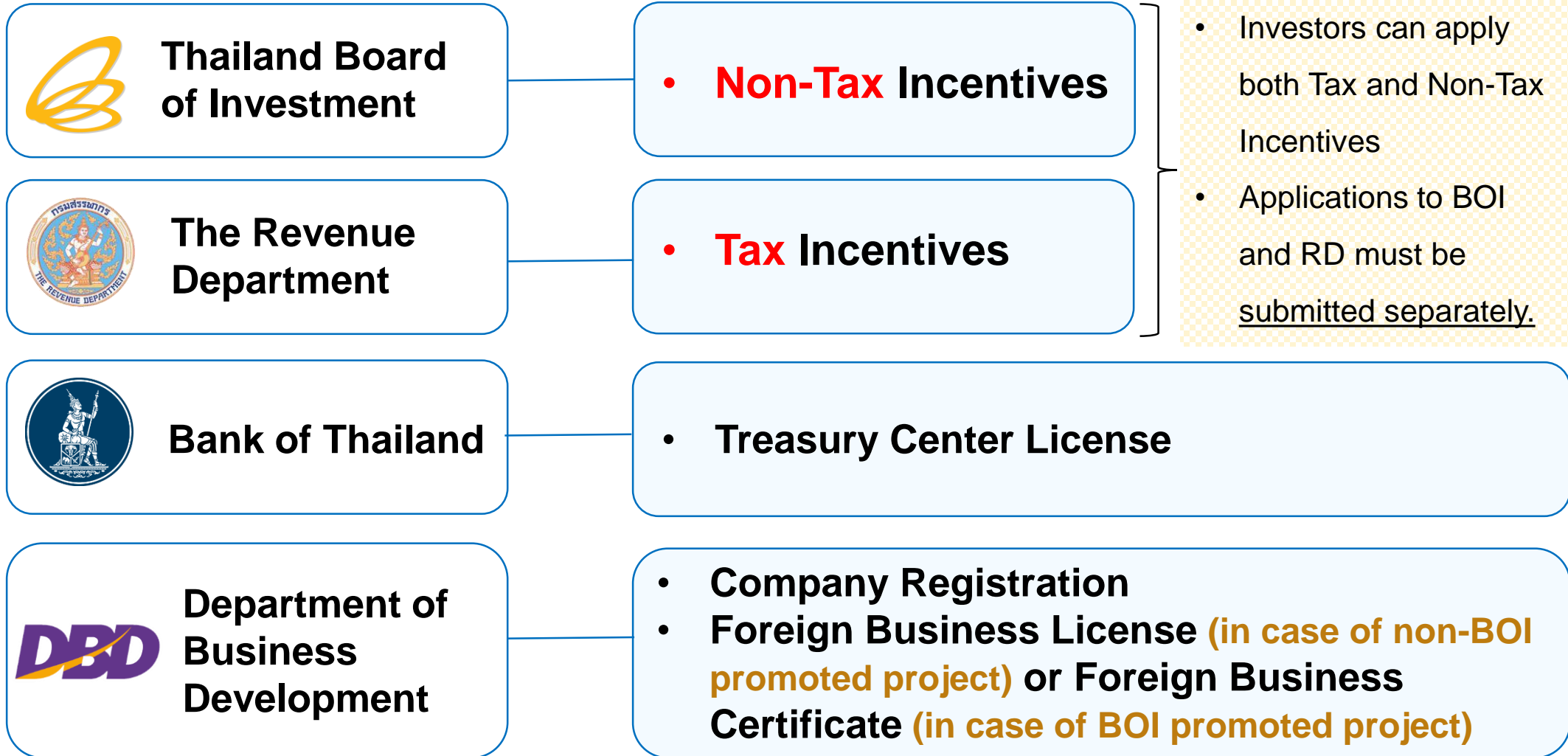
e.g. Computers, Software, Forklift, Inspection Tools

D/E ratio



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

Relevant Government Agencies for IBC activity





HQ Biz Portal Service

NEW

<https://hqbizportal.boi.go.th>

HQ BIZ PORTAL is set up in collaboration of Thailand's key government agencies.



>>> ABOUT HQ BIZ PORTAL <<<



HQ BIZ PORTAL
Enhancing Thailand's position as a
REGIONAL HEADQUARTERS DESTINATION

>>> ONE STOP Information Center <<<

Why **HQ**
in Thailand?



HQ Journeys
in Thailand



HQ Incentives &
Licenses



FAQs



UPDATED!

A comprehensive
RELOCATION PROGRAM
covering regional
headquarters, research &
development and
manufacturing activities

SUBMIT 
APPLICATIONS



>>> ONE STOP Consultation <<<

ONE-STOP
CONSULTATION

with

- Thailand Board of Investment (BOI)
- Revenue Department (RD)
- Department of Business Development (DBD)
- Bank of Thailand (BOT)

online & onsite

BOOK A SESSION 

4 Types of LTR Visa



Wealthy Global Citizen



Wealthy Pensioner



Work-From Thailand Professional



Highly Skilled Professional

Targeted Industries for Highly Skilled Professional category are as follows;

1. Automotive Industry
2. Electronics Industry
3. Affluent Tourism Industry
4. Agricultural, Food and Biotechnology Industry
5. Transportation and Logistics Industry
6. Automation and Robotics Industry
7. Aviation, Aerospace and Space Industry
8. Biofuels and Biochemicals Industry
9. Petrochemical and Chemical Industry
10. Digital Industry
11. Medical Industry
12. Defense Industry
13. Circular Economy
- 14. International Business Center (IBC)**
15. Highly Skilled Professionals with specialized skills in a specific area who work in other industries operated by foreigners

LTR Visa Privileges



10-year visa & Permission to work in Thailand



Fast Track Service at International Airport



90-day report extended to 1-year report and exemption of re-entry permit



Permission to Work in Thailand (Digital Work Permit)



17% Personal Tax Exemption for Highly-skilled Professionals



Facilitation Services at One Stop Service Center



Exemption from 4 Thais : 1 foreigner employment requirement ratio

Remarks: The LTR visa will be granted for 5 years at a time and can be renewed every 5 years if qualifications are met.



Think **Resilience**,
Think Thailand

**Thank
You**

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