

INTERNATIONAL PROCUREMENT OFFICE : IPO

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Investment Promotion Officer

7.37 International Procurement Office : IPO

- ❖ Announcement of the Board of Investment No. Sor 1/2564
- ❖ A company incorporated under Thai laws that purchases and sells **raw materials, parts and components** to manufacturers or distributors in Thailand and/or in overseas countries
- ❖ The intermediary between the manufacturers and the suppliers
- ❖ **NOT** being Agents – No Commission Fee



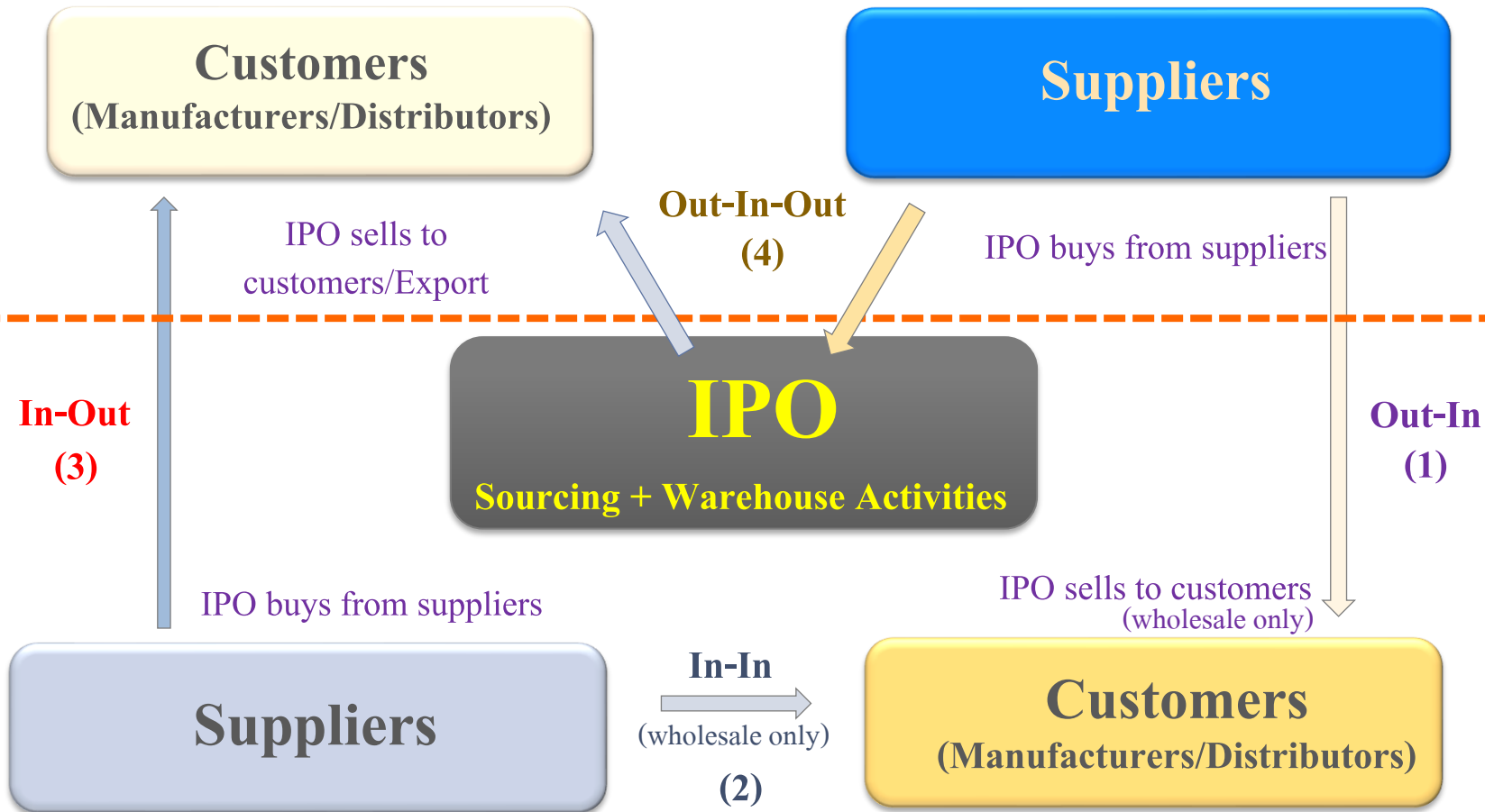


IPO Activities



Procurement Activities

Overseas



Thailand

Specific Conditions

1. Must be procurement of raw materials, parts, and components used in manufacturing industries

- E.g. Bolts and Nuts for Automotive industries
- Not include finished goods



2. Must own or rent a warehouse and manage inventory with IT-based system exclusive for warehouse management

- In-In, In-Out, Out-In, Out-In-Out
- Not include Out-Out activities

Specific Conditions

3. Must have appropriate activities of merchandise procurement and management

- Quality Inspection
- Packaging/ Repackaging



4. Must have several procurement resources, at least including a domestic resource



Specific Conditions

5. Must be domestic wholesale and/or oversea exports

Wholesale = Not direct sale to end-users

6. Must have no less than 10 million baht paid-up registered capital

- Before issuing the BOI Certificate

7. Not eligible for merit-based incentives

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

Investment Incentives under IPO : B1

TAX INCENTIVES



- Exemption of import duty on raw material imported for use in production for export
- Exemption of import duty on machinery used in IPO project



NON-TAX INCENTIVES

- 100% foreign shareholding
- Right to own land
- VISA and Work permit



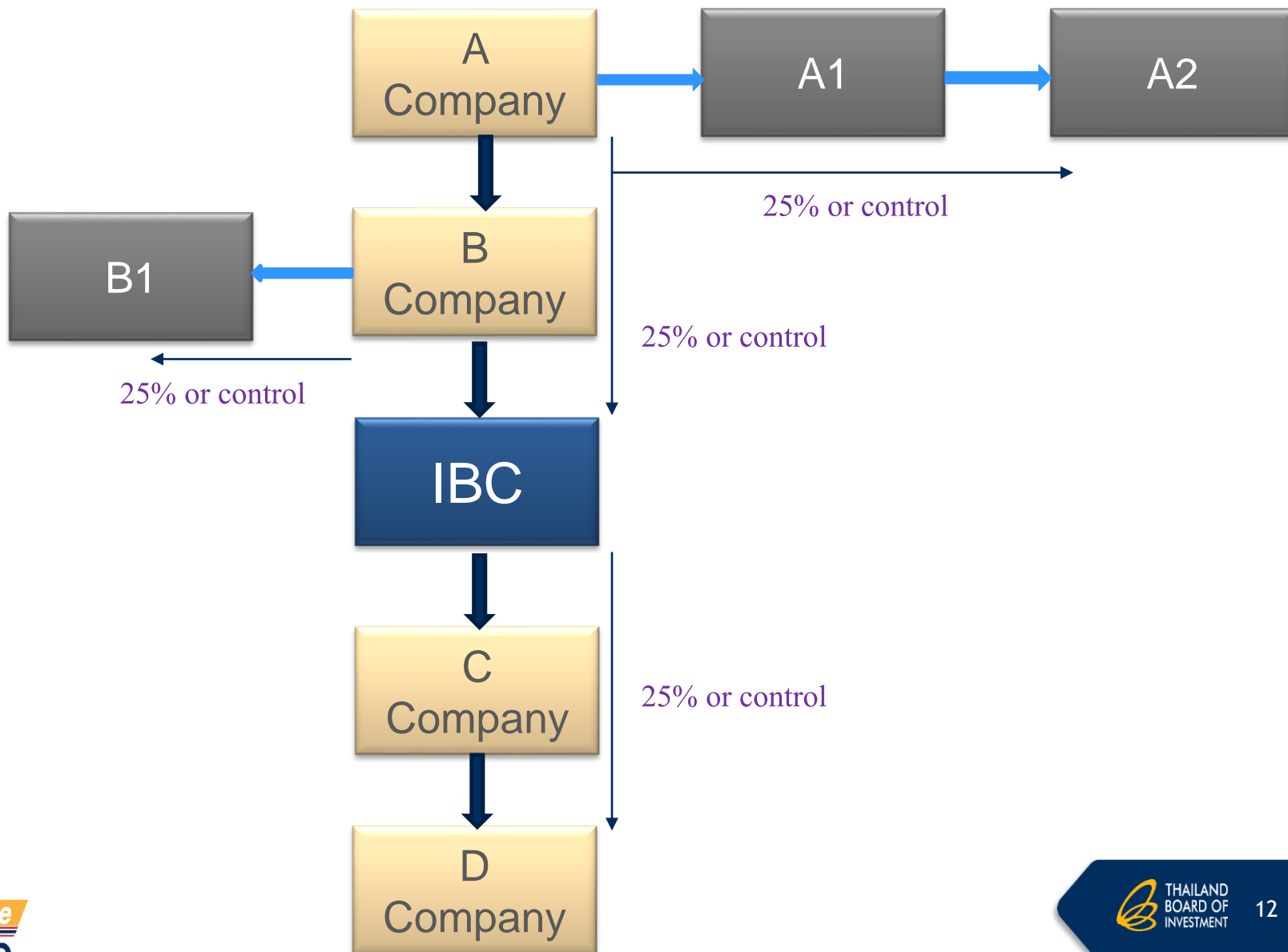
INTERNATIONAL BUSINESS CENTER : IBC

7.34 International Business Center : IBC

- ❖ **Announcement of the Board of Investment No. Sor 6/2561**
- ❖ A company incorporated under Thai laws that **provide services to its associated companies** in overseas countries and/or in Thailand.
(Providing services at least 1 country outside Thailand)
- ❖ Including International Trade
 - **Activities** : Out-In, In-In, In-Out, Out-Out
 - **Finished goods** are included.
 - Selling in Thailand must be **Wholesale** only.



Associated Companies



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. Other supporting services stipulated by the announcement of the Revenue Department



Specific Conditions

1. Must have no less than 10 million baht paid-up registered capital
- before issuing BOI Certificate
2. Must employ at least 10 skilled and knowledgeable staff for IBC
(5 skilled and knowledgeable staff must be employed if providing Treasury Center only)
3. In case of operating International Trade business, at least activities 1-10 (previous slide) must be involved.
4. Not eligible for import duty exemption on raw material or essential materials
5. Not eligible for additional merit-based privileges.

Investment Incentives for IBC : B1

TAX INCENTIVES



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



NON-TAX INCENTIVES

- 100% foreign shareholding
- Right to own land
- VISA and Work permit

IBC Relevant Agencies



Thailand Board of Investment

- **Non-Tax** Incentives for IBC



The Revenue Department

- **Tax** Incentives for IBC



Bank of Thailand

- **Rules and Regulations on Treasury Centers**



Department of Business Development

- **Company Registration**
- **Foreign Business Licenses and Certificates**

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

Other Category for Trading

7.7 Trade and Investment Support Office



**Monitoring/Servicing
Associated Enterprises**
(e.g., renting out offices/
Factory buildings)



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



**Information Services on
Good Sourcing**



**Engineer & 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)



WHOLESALE



**Wholesaling Products
Manufactured in Thailand**



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

Specific Condition & Incentives

Specific Condition

- Must have annual sales and Administrative expenses **at least 10 million baht**
- Examples of Expense :
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

Incentives : B2

- 100% foreign shareholding
- Right to own land
- VISA and Work permit



Comparison for Trading Activities

IPO

Raw Materials
Parts
Components

Out-In
In-In
In-Out
Out-In-Out

Specific Conditions eg.

- 10 mil baht registered cap.
- Warehouse management + suitable activities eg. Inspection/packaging
- Must have a domestic resource

IBC

Finished Products

Out-In
In-In
In-Out
Out-In-Out
Out-Out

Specific Conditions eg.

- 10 mil baht registered cap.
- Must employ at least 10 staff
- Mainly must be Headquarter

TISO

Machines, Engines,
Tools, Equipment
manufactured from
group companies
(Out-In)

Finished Products
manufactured in
Thailand
(In-In)

Specific Condition

- 10 mil baht for sales and admin expense (according to PND. 50)

Selling in Thailand - Wholesale only



BOI General Criteria

Criteria for Granting Investment Incentives

❖ **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



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

Usability guideline

The system is compatible with Google Chrome only.



Login

Login

Forgot Password



Register



Resend email.



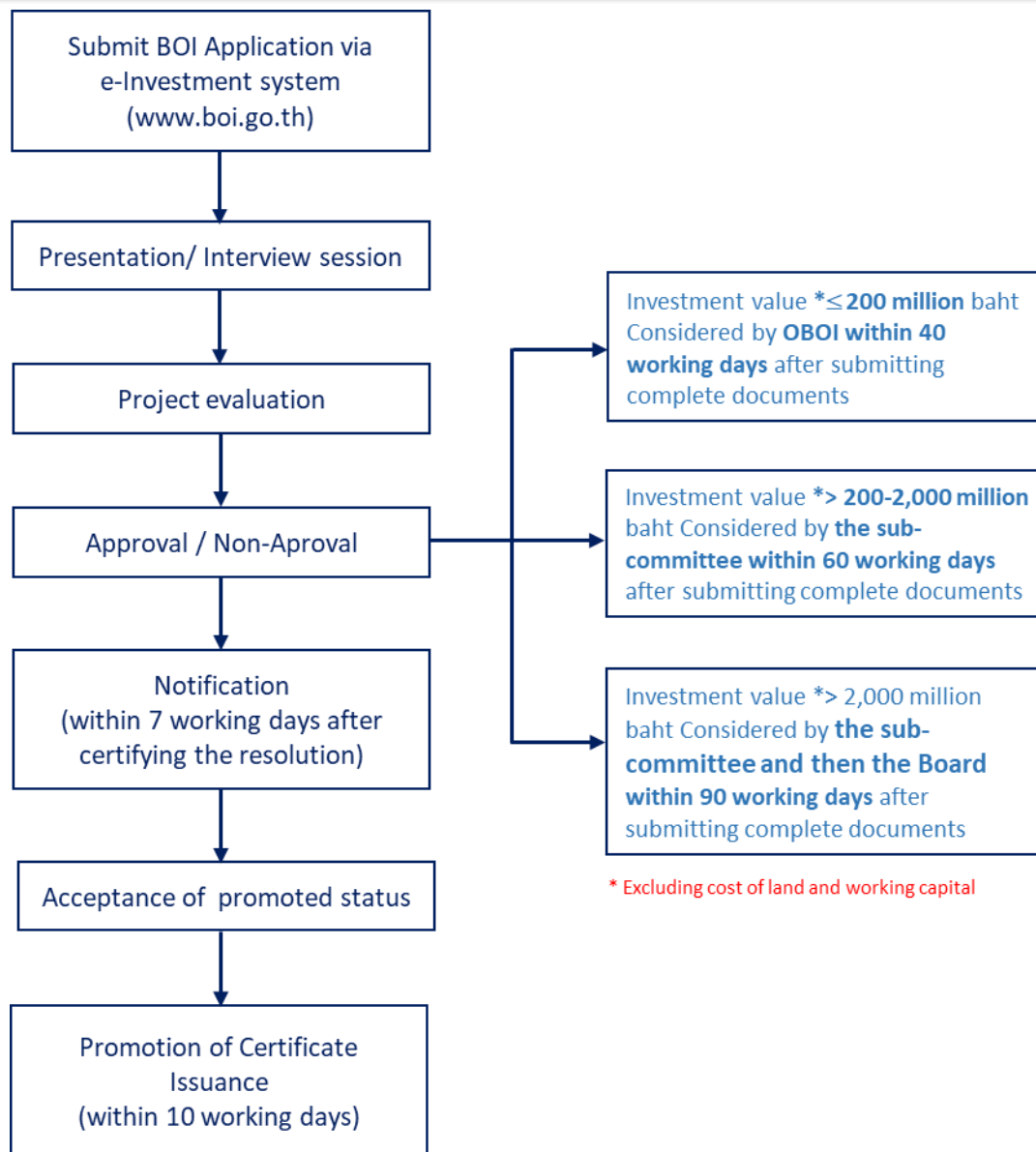
User Manual



Contact

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Procedure for Investment Promotion Application



Foreign Business Act

(Only parts related to BOI)

List 1

Not permit to foreign companies

- The Press, radio broadcasting station or radio and television station business
- Rice farming, plantation or crop growing
- Livestock farming
- Forestry and timber processing from natural forest
- Fishery
- Extraction of Thai medicinal herbs
- Trade and auction sale of Thai antique or historic objects
- Making or casting Buddha Images and monk alms-bowls
- Land trading

List 2

Only where ;

- More than 40% of its shares are held by Thai.
- More than two-fifth of directors must be Thai.
- Must obtain **Foreign Business License (FBL)** permitted by Commerce Minister with Approval of Councils of Minister

Chapter 1 : Businesses related to national safety or security

Chapter 2 : Businesses having impact on Arts, Culture, Traditions, customs and folklore handicrafts

Chapter 3 : Businesses having impacts on Natural Resources or the environment

Foreign Business Act B.E. 2542 (1999) – List three

List 3 Foreign companies must apply Foreign business license (FBL)

- (1) Rice milling and production of flour from rice and economic plants
- (2) Fishery only in respect of the hatching and raising of aquatic animals
- (3) Forestry from a grown forest
- (4) Production of plywood, veneer wood, chipboards or hardboards
- (5) Production of lime
- (6) Provision of accounting services
- (7) Provision of legal services
- (8) Provision of architectural services
- (9) Provision of engineering services
- (10) Construction **
- (11) Brokerage or Agency **
- (12) Sales by auction
- (13) Domestic Trade of local agricultural products **
- (14) Retail **
- (15) Wholesale **
- (16) Advertising
- (17) Hotel
- (18) Tourism
- (19) Food services
- (20) Cultivation, propagation or development of plant varieties
- (21) Other services **

Section 12

- Foreign company is promoted under Investment Promotion Act of BOI and its business specified in List Two or List Three.
- Shall notify DBD Director-General in order to obtain Foreign Business Certificate (FBC)

(No need to apply Foreign Business License)

IPO, IBC and TISO → List Three

**Non BOI
Promotion**



**Section 17,
Apply for FBL**

**Permit (or not
permit) with DBD
conditions**



**With BOI
Promotion**

**Section 12,
Notify for FBC**

**Permit
Conditions same
as BOI**

Business
under IPO,
IBC or TISO

FBL or FBC

FBL

Tor. 3

ใบอนุญาตเลขที่ XXXXXXXX แบบ ศ.3



License

ใบอนุญาตประกอบธุรกิจของคนต่างด้าว

ใบอนุญาตนี้ออกให้เพื่อแสดงว่า

บริษัท _____ จำกัด

ได้รับอนุญาตให้ประกอบธุรกิจตามมาตรา 17 แห่งพระราชบัญญัติ
การประกอบธุรกิจของคนต่างด้าว พ.ศ.2542 ดังนี้

ผู้มีสิทธิยื่นขอรับใบอนุญาตประกอบธุรกิจคนต่างด้าว
ตามระเบียบกรมส่งเสริมการค้าระหว่างประเทศว่าด้วยการประกอบธุรกิจคนต่างด้าว
ผู้จำหน่าย จำนวน 12 ราย ได้แก่

- (1) บริษัท _____ จำกัด
- (2) บริษัท _____ จำกัด (ต่อสายหนึ่ง)

โดยต้องปฏิบัติตามเงื่อนไข ดังนี้

- 1. ผู้ได้รับอนุญาตให้ประกอบธุรกิจคนต่างด้าว ต้องปฏิบัติตามเงื่อนไขของกรมส่งเสริมการค้าระหว่างประเทศ
- 2. ผู้ได้รับอนุญาตให้ประกอบธุรกิจคนต่างด้าว ต้องปฏิบัติตามเงื่อนไขของกรมส่งเสริมการค้าระหว่างประเทศ

ออกให้ ณ วันที่ ๓ สิงหาคม ๒๕๕1

FBC

Tor. 7

หนังสือรับรองเลขที่ XXXXXXXX แบบ ศ.7



Certificate

ทะเบียนเลขที่ XXXXXXXX

หนังสือรับรองการประกอบธุรกิจของคนต่างด้าว

หนังสือรับรองนี้ออกให้เพื่อแสดงว่า

บริษัท _____ จำกัด

ได้รับหนังสือรับรองการประกอบธุรกิจตาม มาตรา 12
แห่งพระราชบัญญัติการประกอบธุรกิจของคนต่างด้าว พ.ศ.2542 ดังนี้

ผู้มีสิทธิยื่นขอรับหนังสือรับรองการประกอบธุรกิจคนต่างด้าว
ตามระเบียบกรมส่งเสริมการค้าระหว่างประเทศว่าด้วยการประกอบธุรกิจคนต่างด้าว
ผู้จำหน่าย จำนวน 12 ราย ได้แก่

- (1) บริษัท _____ จำกัด
- (2) บริษัท _____ จำกัด (ต่อสายหนึ่ง)

โดยต้องปฏิบัติตามเงื่อนไข ดังนี้

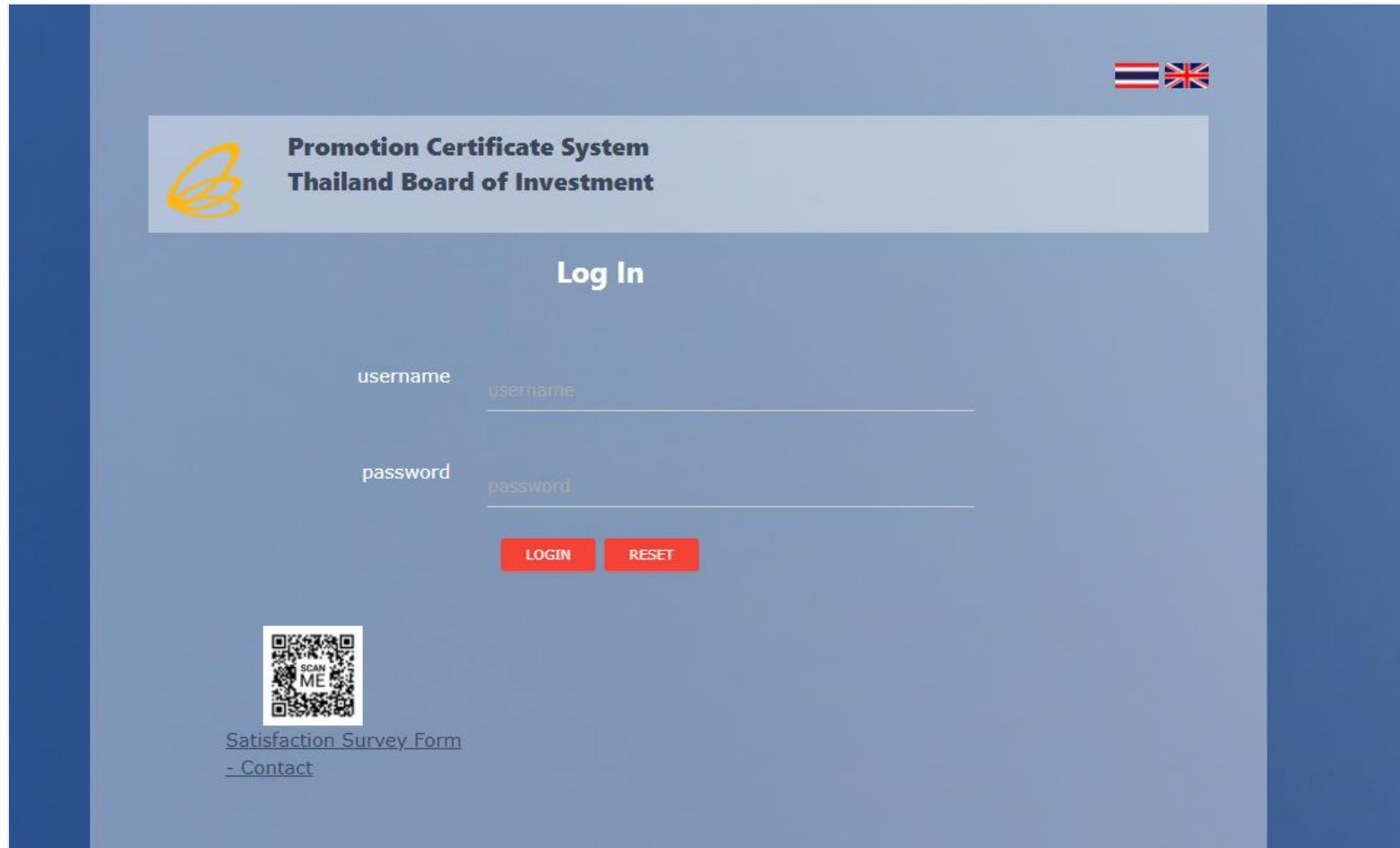
- 1. ผู้ได้รับหนังสือรับรองการประกอบธุรกิจคนต่างด้าว ต้องปฏิบัติตามเงื่อนไขของกรมส่งเสริมการค้าระหว่างประเทศ
- 2. ผู้ได้รับหนังสือรับรองการประกอบธุรกิจคนต่างด้าว ต้องปฏิบัติตามเงื่อนไขของกรมส่งเสริมการค้าระหว่างประเทศ

ออกให้ ณ วันที่ ๓ สิงหาคม ๒๕๕1

Step to obtain FBC after receiving BOI Certificate

Issuing BOI Certificate (within 10 working days)

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



THAILAND
BOARD OF
INVESTMENT

Promotion Certificate System
Thailand Board of Investment

Log In

username

password

LOGIN RESET

SCAN ME

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

Step to obtain FBC after receiving BOI Certificate



Submit the Promotion Certificate Application Form and supporting documents for consideration (submit **within 6 months** counting from the date of promotion acceptance).



For foreign company, select to request for issuing FBC under Section 12 of FBA with Power of Attorney (Download the sample of POA from the system).



After company receives **BOI Certificate**, BOI will send the request of FBC to DBD.



DBD receives the request from BOI, check the information and send the payment form in the system.



Foreign company downloads and prints the payment form from the system and pay the fee.



After payment, foreign company will receive FBC with the receipt. (Download and print from the system)