



Thailand : An Investment Destination for Services Businesses

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THERE ARE COUNTLESS REASONS TO

**INVEST IN
THAILAND**

Introduction to the BOI



Introduction to Thailand Board Of Investment

About BOI



Information and advice on establishing operations in Thailand



Coordinate between the foreign business community and other public agencies



Business Support Services for Investors: incentives, sourcing, and SMEs' competitiveness development

OVERSEAS OFFICES



BOI Investment Promotion Measures



Policy

- 100% foreign ownership
- No local content requirements
- No export requirements
- No restriction on foreign currency



Tax Incentives



Non-tax Incentives

- Land ownership
- Work permit & visa facilitation

- Exemption of import duties on machinery
- Exemption of import duties on raw or essential materials imported for export
- Exemption of import duties on goods imported for R&D
- Corporate income tax exemption up to 13 years
- 50% CIT reduction 5 years

BOI Investment Incentive Scheme

Standard Incentives

Activity-Based



≤ 8 years CIT exemption

Technology-Based

- Targeted Core Technologies -



Bio-
Technology



Digital
Technology



Nano-
Technology



Advanced
Material
Technology

10 years CIT exemption



Additional Incentives

Merit-Based

- Research & Development (R&D)
- Support academic / research institutes, or technology and human resource development fund
- IP licensing fee
- Advanced technology training
- Development of local suppliers
- Product and packaging design

Area-Based

- EEC 3 provinces
- SEZ 10 provinces
- Southern border provinces
- 20 provinces with lowest income
- Industrial Estates/Zones
- Science and Technology Parks
(TSP, Food Innopolis, Space Krenovation Park, AIT, TISTR)

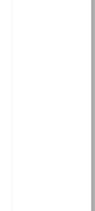
Agenda-based

- Investment Stimulation Measure
- Productivity Enhancement Measure
- Measures to support Grassroots Economy Development

The list of activities eligible for BOI promotion covers a wide range of businesses, not only s-curve industries.

BOI's Basic Incentive Packages

10
years



0
year

CIT exemption

		Exemption CIT	Exemption Import duties on machinery	Exemption Import duties on raw materials	Non-tax incentives
Section 8	Technology and Innovation Development includes targeted core technology development	10 years + Merit no cap	✓	✓	✓
A1	Knowledge-based activities focusing on R&D and design to enhance the country's competitiveness	8 years + Merit no cap	✓	✓	✓
A2	Infrastructure activities for the country's development, activities using technology to create value-added, with no or very existing investments in Thailand	8 years + Merit	✓	✓	✓
A3	High technology activities which are important to the development of the country, with a few investments already existing in Thailand	5 years + Merit	✓	✓	✓
A4	Activities with lower technology than A1-A3 but which add value to domestic resources and strengthen the supply chain	3 years + Merit	✓	✓	✓
B1	Supporting industry that does not use high technology, but is still important to the value chain	— years + Merit	✓	✓	✓
B2	Supporting industry that does not use high technology, but is still important to the value chain	— years	—	✓	✓

Incentives are based on several key factors including level of technology, role in supply chain, and location.



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BOI Incentives for Service Business in Thailand



International Procurement Office : IPO

Announcement of the Board of Investment No. Sor 1/2564

Scope of Services under IPO



The intermediary between the manufacturers
and the suppliers



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



NOT being Agents – No Commission Fee



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)

- Includes finished goods
- Selling in Thailand must be wholesale only
- Includes OUT-IN, IN-IN, IN-OUT, OUT-OUT

Scope of Services under IBC



1) General administration, business planning and business coordination



3) Research and development



5) Marketing and sales promotion



7) Financial advisory services



9) Credit management and control



11) International trade



2) Procurement of raw materials and components



4) Technical support



6) Personnel management and training



8) Economic and investment analysis and research



10) Treasury Center (TC)



12) Any other services announced by the Revenue Department

Conditions for International Business Center (IBC)



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 (in the 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.



Overview of Trade and Investment Support Office (TISO)

Businesses applying for a TISO promotion must have

Annual selling and administrative expenses of at least THB 10 million



Business plan and scope of business approved by the BOI

The following business activities are covered by the TISO promotion:

Monitoring and/or servicing associated enterprises

Including providing or renting out offices or factory buildings to associated enterprises

Advisory services on business operations

Except those engaged in buying and selling securities and foreign currency exchange.

Information services on goods sourcing

N/A

Engineering and technical services

Except those related to architecture and civil engineering

Business activities related to machinery, engines, tools and equipment

Such as

- importing for wholesaling
- training services
- installation, maintenance and repair
- calibration

Wholesaling products manufactured in Thailand

N/A

International business process outsourcing whose services

provided through telecommunication networks, such as administrative services, finance and accounting services, human resource services, sales and marketing services, customer services, data processing, etc.

International Distribution Centers and Distribution Centers

7.4.2

International Distribution Centers (IDC)

Conditions

- Paid-up registered capital must not be less than 10 million baht
- Must provide a goods storage facility that is controlled by a modern computerized system.
- Must have a minimum investment of at least 100 million baht (excluding the cost of land & working capital)
- Center must distribute to at least 5 countries

Group A3

- 5-Year CIT Exemption
- Exemption of import duty on machinery
- Other non-tax incentives

7.4.1

Distribution Centers (DC)

Conditions

- Paid-up registered capital must not be less than 10 million baht
- Must provide a goods storage facility that is controlled by a modern computerized system.
- Distribution Centers are not eligible for merit-based incentives

Group B1

- Exemption of import duty on machinery
- Other non-tax incentives

Investment Incentives to Support Thailand in Becoming a Major Logistics Hub

Activities	Group	CIT Exemption	Exemption of import duties on machinery	Exemption of import duties on raw materials used in production for export	Non-Tax Incentives
Rail Transport	A2	8-Years CIT exemption	✓	✓	✓
Maritime Transportation Services	A2	8-Years CIT exemption	✓	✓	✓
Air Transportation Services	A3	5-Years CIT exemption	✓	✓	✓
Pipeline Transportation (except for water pipeline)	B1	Not eligible for CIT exemption	✓	✓	✓

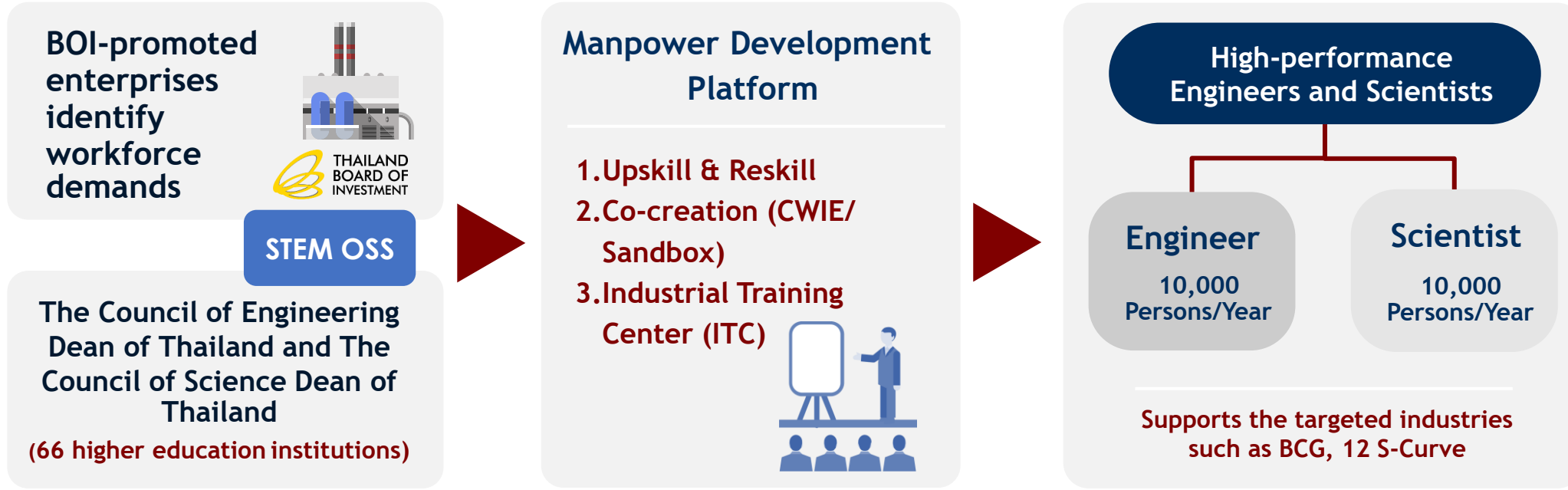


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BOI Supporting Services

High Skill Workforce Development Platform



Impact:

- High performance manpower > 20,000 persons/year, Support investment > 70,000 million bath/year
- Increase productivity of workforce by 10% for higher education workforce. (~500,000 persons/year)

The agreement signing ceremony was held on 26 October 2021



Smart Visa and Long-Term Resident Visa

Smart Visa: Taking Thailand to New Heights with Foreign Talent and Technology



Privileges for the SMART Visa



Maximum 4-year Visa
*Except Smart S



Permission to work with no work permit required



No re-entry required



Fast Track Service at International Airports

Long-term Resident Visa: New type of visa to attract 4 targeted groups



10-year visa & permission to work in Thailand



Spouse & children under 20 included



Additional privileges: reduced personal income tax rate, right to own land

One Start One Stop Investment Center (OSOS)

More Convenience

More Efficiency

Less Time



- Comprehensive information and advice on establishing operation in Thailand
- 1-Stop for visas & work permits in 3 hours
- Easing & speeding procedures for new investors
- Database of useful contacts: public & private organizations
- Other applications for investors



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Thank You

There are countless reason to invest in **THAILAND**

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