

New Investment Promotion Policies

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BOI Introduction

Introduction to Thailand Board of Investment



BOI is a government agency under the Office of the Prime Minister

1. Provide comprehensive information and advice on establishing operations in Thailand
2. Coordinate between the foreign business community and other public agencies
3. Grant “Tax-based incentives” and “Non-Tax incentives
4. Provide Business Support Services for Investors



BOI Investment Promotion Measures

Policy

100% foreign ownership

No local content requirements

No export requirements

No restriction on foreign currency

Tax Incentives

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

Non-tax Incentives

Land ownership

Work permit & visa facilitation

Incentive Packages

		Exemption CIT	Exemption Import duties on machinery	Exemption Import duties on raw materials	Non-tax incentives	
8 years	A1	Knowledge-based activities focusing on R&D and design to enhance the country's competitiveness	8+ Merit years 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+ Merit years	✓	✓	✓
	A3	High technology activities which are important to the development of the country, with a few investments already existing in Thailand	5+ Merit years	✓	✓	✓
	A4	Activities with lower technology than A1-A3 but which add value to domestic resources and strengthen the supply chain	3+ Merit years	✓	✓	✓
	B1	Supporting industry that does not use high technology, but is still important to the value chain	- + Merit years	✓	✓	✓
	B2	Supporting industry that does not use high technology, but is still important to the value chain	- years	-	✓	✓
0 year						

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



New Investment Promotion Targeted Activities

Investment Promotion for Clinical Research

Investment Promotion for **Clinical Research**

A1

8-year CIT exemption (no exemption cap)

7.38.1 Contract Research Organization

A1

8-year CIT exemption (no exemption cap)

7.38.2 Clinical Research Center

Incentive according to Section 30/1 – exemption of import duty on research and development equipment, and related tests - is also granted.



Conditions: 7.38.1 Contract Research Organization (CRO) [1/2]

01

Must have scope of business that support and accommodate clinical research.

02

Must have detail of human resource recruitment plans. Thai personnel working in clinical research must have been trained in **Good Clinical Practice** issued by the International Conference on Harmonization (ICH GCP), or equivalent standards prior to applying for income tax exemption.

03

Payroll for Thai personnel working in clinical research in the project applied for promotion must be **no less than 1,500,000 baht per year** and must be new recruitment, or must have **no less than 1,000,000 baht investment capital** (excluding land cost and working capital).

Conditions : 7.38.1 Contract Research Organization (CRO) [2/2]

04

Must have collaborations with **research organizations, public health organizations, or local educational institutions** as approved by the Board.

05

Revenue eligible for CIT **must come from clinical research** in compliance with the scope approved by the Board.

Conditions: 7.38.2 Clinical Research Center (CRC) [1/3]

01

Must have scope of business to **support and accommodate clinical and preclinical research.**

02

At least one stage of clinical research involving human subjects must be implemented.

03

Must present **relevant detailed information**, i.e. researchers data, research center infrastructures, and participant care and protection scheme, etc.

04

Facilities must be provided to accommodate clinical research implementation, i.e. examination room, medicine storage, medical equipment used in clinical research, etc.

05

Existing medical supplies and equipment are allowed to use in the BOI-promoted project as approved by the Board.

Conditions: 7.38.2 Clinical Research Center (CRC) [2/3]

06

Clinical research must follow the **Good Clinical Practice: GCP or equivalent standards.**

07

Payroll for Thai personnel working in clinical research in the project applied for promotion must be no less than **1,500,000 baht per year and must be new recruitment, or must have no less than 1,000,000 baht investment (excluding land cost and working capital).**

08

Must have Thai personnel working in clinical research and they must have been trained in **Good Clinical Practice: GCP) issued by ICH (International Conference on Harmonization) or ICH GCP or equivalent standards prior to applying for CIT exemption.**

Conditions: 7.38.2 Clinical Research Center (CRC) [3/3]

09

Must have collaborations with **research organizations, public health organizations, or local educational institutions** as approved by the Board.

10

Revenue eligible for CIT exemption **must come from clinical research in compliance with the scope approved by the Board, and permission must granted** by the Ethics Committee: EC or the Institutional Animal Care and Use Committee: IACUC) **prior to applying for CIT exemption.**



New Investment Promotion Targeted Activities

Investment Promotion for Elderly Care Services

Investment Promotion for **Elderly Care Services**

7.28.5 Senior hospital

A3



5-year CIT
Exemption (with
exemption cap)

7.28.6 Senior/dependent care centers

A4



3-year CIT
Exemption (with
exemption cap)

Conditions: 7.28.5 Senior Hospital

01

Must have an appropriate recruitment plan for medical personnel.

02

Must have **service tools and equipment** as approved by the Board.

03

Must have **no less than 50 beds for overnight stays of admitted patient.**

04

License for specific patient hospital must be obtained prior to open for operation.

05

Must receive **permission from relevant agencies and comply with the regulations on professional standards or relevant standards issued by the Ministry of Public Health.**

A3

5-year
CIT
Exemption
(with
exemption
cap)

Conditions: 7.28.6 Senior/Dependent Care Centers

01 Must be a senior/dependent care center according to the health business establishments Act.

02 Must have no less than 50 beds for stays of admitted patient.

03 Must provide the senior/dependent persons with care and support by allowing them to stay overnight and offering rehabilitation activities.

04 Thai national shareholders must have no less than 51 percent of registered capital.

05 Must receive a license to operate a health business establishment prior to applying for CIT exemption.

06 Revenue eligible for CIT exemption must come exclusively from accommodation and senior care services, i.e. activities and food services, etc.

A4

3-year
CIT
Exemption
(with cap)



New Investment Promotion Targeted Activities

Investment Promotion for International Procurement Office (IPO)

7.37 International Procurement Office: IPO

CONDITIONS

1. Must be procurement of raw materials, parts, and components used in manufacturing industries.
2. Must own or rent a warehouse and manage inventory with IT-based system exclusive for warehouse management.
3. Must have appropriate activities of merchandise procurement and management, i.e. quality inspection, packaging, etc.
4. Must have several procurement resources, at least including domestic resources.
5. Must be domestic wholesale and/or overseas exports.
6. Must have no less than 10 million baht paid-up registered capital.

INCENTIVES



Exemption of import duties on machinery



Exemption of import duties on raw materials or materials used in production for export.



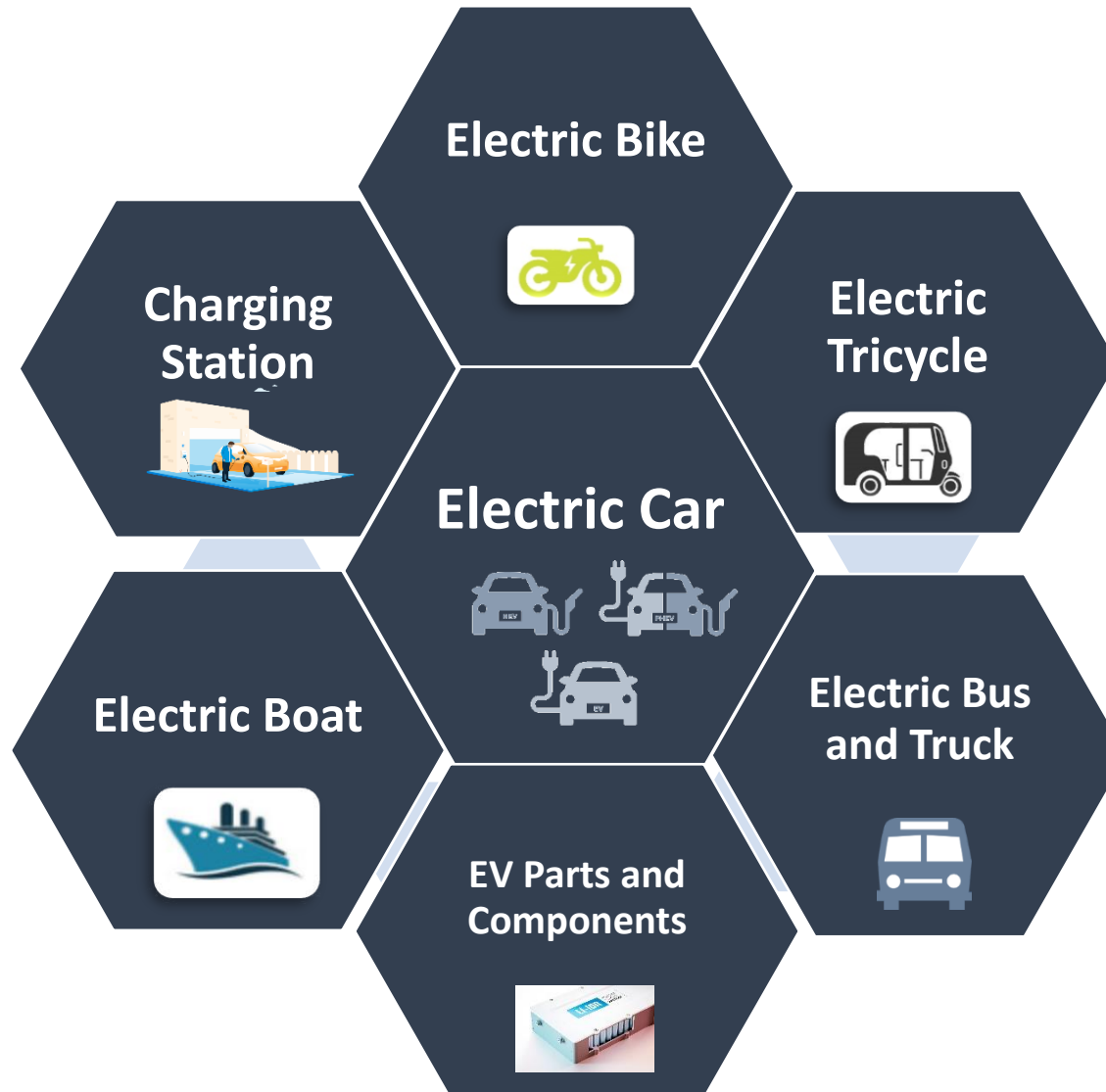
Non-tax incentives



New Investment Promotion Targeted Activities

Investment Promotion for Electric Vehicles (EV)

BOI Promotion Package for EV



Manufacture of Electric Vehicles (BEV, PHEV and HEV)



Conditions:

1. Must propose the plans in package.
2. Within 3 years after the date of promotion certificate issuance: manufacture of all categories of electric vehicles must be started, and electric battery must be started from module manufacture.
3. Within 3 years after the starting date of electric car manufacture: at least 1 out of 3 key parts (Traction Motor, DCU, BMS) must be additionally manufactured. Additionally for HEV and PHEV, at least 2 parts in accordance with activity 4.8.3 must be manufactured.
4. In case of domestic sale, the products must receive stipulated standards, i.e. UN R100, R13H, R94/95, and Euro5 (only for HEV/PHEV). Machinery importing time shall not be allowed to extend, except for justified reasons.

Incentives:

In accordance with the investment capital of the package (excluding cost of land and working capital), e.g. manufacture of BEV car and major parts which are electric battery, BMS, Motor, and DCU, both for the car manufacturers and part manufacturers.

The project's manufacturing quantity is allowed to count as part of the actual manufacturing quantity of Eco Car.

Total investment capital of not less than 5,000 million baht.

HEV: No CIT exemption
 PHEV: 3-year CIT exemption
 BEV: 8-year CIT exemption + 1 to 3-year exemption in case of R&D
No additional exemption in case situated in the industrial area or estate

Total investment capital of less than 5,000 million baht

HEV: No CIT exemption
 PHEV: 3-year exemption
 BEV: 3-year exemption + 2-year exemption if manufacture starts in 2022.
 + 1-year exemption per part in case other key part is manufactured in addition to standard requirements.
 + 1-year exemption in case actual manufacture is >10,000 car/year in any year within 3 years (only for BEV)
 + 1 to 3-year exemption in case of R&D
No additional exemption in case situated in the industrial area or estate.

Manufacture of Battery Electric Motorcycle



Conditions:

1. Must propose the plans in package.
2. Must manufacture battery electric motorcycles and electric batteries within 3 years the date of promotion certificate issuance. (Machinery importing time shall not be allowed to extend, except for justified reasons.)

In case of domestic sale, the products must receive stipulated standards, i.e. UN R136, UN R75 and UN R78.

Incentives:

3-year CIT exemption

- + 1-year exemption if the manufacture starts in 2022.
- + 1-year exemption if the battery manufacture starts from the module production process within 3 years as from the promotion certificate issuance date.
- + 1-year exemption per part in case other key part (BMS, Motor, or DCU) is additionally manufactured within 3 years as from the promotion certificate issuance date.
- + 1 to 3-year exemption in case of R&D

No additional exemption in case situated in the industrial area or estate



Conditions:

1. Must propose the plans in package.
2. Must manufacture electric tricycles and electric batteries within 3 years as from the promotion certificate issuance date. (Machinery importing time shall not be allowed to extend, except for justified reasons.)

In case of domestic sale, the products must receive stipulated standards, i.e. UN R136.

Incentives:

3-Year CIT Exemption

- + 1-year exemption if battery manufacture starts from the module production process within 3 years as from the promotion certificate issuance date.
- + 1-year exemption per part in case other key part (BMS Motor, or DCU) is additionally manufactured within 3 years as from the promotion certificate issuance date.
- + 1 to 3-year exemption in case of R&D.

No additional exemption in case situated in the industrial area or estate



Conditions:

1. Must propose the plans in package.
2. Must manufacture battery electric bus or truck and electric battery within 3 years as from the date of promotion certificate issuance. (Machinery importing time shall not be allowed to extend, except for justified reasons.)

In case of domestic sale, the products must receive stipulated standards, i.e. UN R100.

Incentives:

3-Year CIT Exemption

- + 1-year exemption if battery manufacture starts from the module production process within 3 years as from the promotion certificate issuance date.
- + 1-year exemption per part in case other key part (BMS Motor, or DCU) is additionally manufactured within 3 years as from the promotion certificate issuance date.
- + 1 to 3-year exemption in case of R&D.

No additional exemption in case situated in the industrial area or estate

Modify the current activity to accommodate the **Electric Boats**

4.9 Building or Repair of Ships

Activities	Incentives
4.9 Building or repair of ships <u>Conditions:</u> Must obtain ISO14000 within 2 years from starting date of operation.	
4.9.1 Building or repair of ships not less than 500 ton gross	A2
4.9.2 Building or repair of ships less than 500 ton gross (only steel or fiber glass ships with installed engine or electric drive system and equipment)	A2



CIT Exemption for 8 years

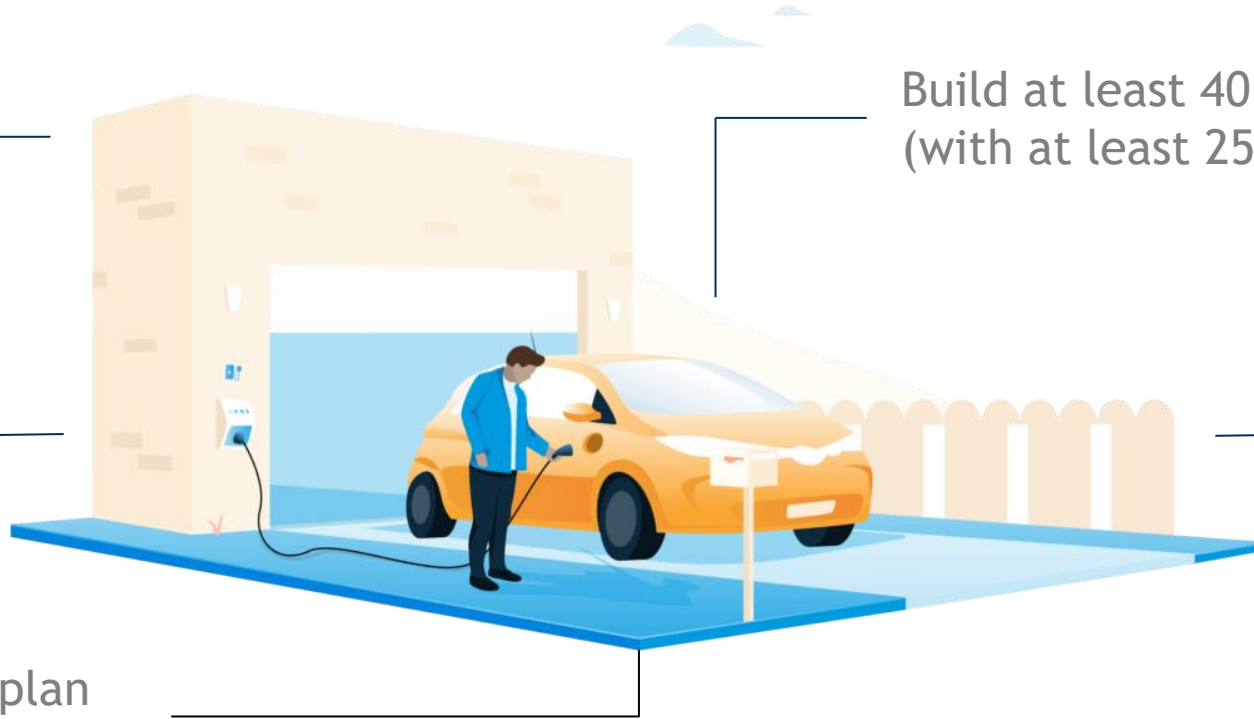
Incentives for Battery Charging Station

- 5 Years of Corporate Income Tax Exemption
- Import Duties on Machinery Exemption

Propose EV Smart Charging System Development plan

Receive ISO 18000 as the standard within 3 years after certified for promotion

Propose procurement plan for parts and equipment



Build at least 40 chargers (with at least 25% are quick type)

Applicants must not get privileges from other government sectors

EV Parts and components

17 Key Parts for EVs

- Air Conditioning System
- DCDC converter
- Front / Rear Axle for EV bus
- Electrical Circuit Breaker
- EV Charging Equipment
- Smart Charging System
- On-board Charger
- Traction Motor
- Portable EV Charger
- Inverter
- BMS
- DCU
- Battery*
- High Voltage Harness
- Reduction Gear
- Battery Cooling System
- Regenerative Braking System

CIT exemption - 8 years

Battery* CIT 5-8 years

+ Incentive of 90% import duty reduction for raw and essential materials not available within the country for 2 years

Battery*



Pack Assembly - CIT 5 years

Module Production - CIT 8 years

+ Incentive of 90% import duty reduction for raw and essential materials not available within the country for 2 years

Cell Production - CIT 8 years (No cap)

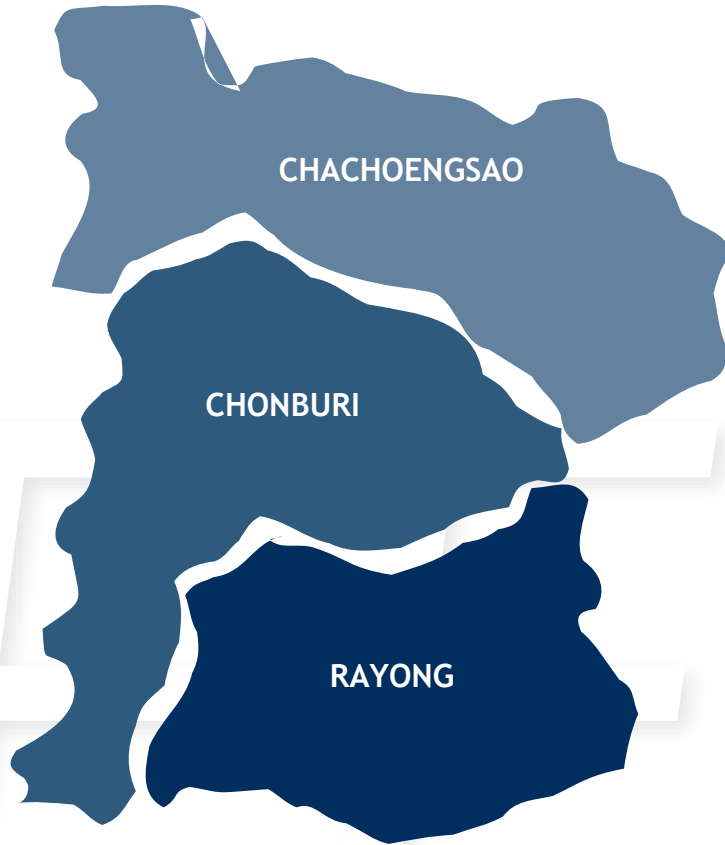
+ Incentive of 90% import duty reduction for raw and essential materials not available within the country for 2 years



New Investment Measures

Investment Promotion Measure in EEC

Incentive Packages in Eastern Economic Corridor (EEC)



Targeted Locations:

Investment projects must be located in Chachoengsao, Chonburi or Rayong.



Targeted Activities:

- New incentives target investment projects that qualify for at least 5-year tax holidays (i.e. Group A1, A2, A3), including Technology and Innovation Development activities under Section 8.
- Does not apply to activities that have no specific location or those required to be located in areas outside EEC.



Application Periods:

- Projects located in the EEC general area must submit applications by 31 December 2021
- Projects located in EECi, EECd, EECa, EEDmd or Geonomics are eligible for the incentives with no application deadline.

New Tax Incentives Scheme under New EEC Packages

Targeted Activities (Basic Incentive)	1 HRD Criteria *	2 Location Criteria	
	All EEC Areas	EECi* / EECa EECd / EECmd / Genomics	Industrial Estates or BOI Promoted Industrial Parks
A1 / A2 CIT Exemption 8 years	+ Reduction of CIT 50% for 3 years	+ Reduction of CIT 50% for 2 years	-
A3 CIT Exemption 5 years	+ Reduction of CIT 50% for 3 years	+ Reduction of CIT 50% for 2 years	+ Exemption of CIT for 1 year
Section 8 CIT Exemption 10 years	+ Exemption of CIT for 2 years	+ Exemption of CIT for 1 year	+ Exemption of CIT for 1 year

* For Human Resource Development Criteria

- Must establish a cooperation with institutions or organizations to develop human resources in Science & Technology
- The training participants must not be less than 10% of the total number of employees or more than or equal to 40 participants.

**The target activities in the science and technology zone, e.g. electronic design, research and development, and target technology development, etc. shall be entitled to additional incentives as the projects are located in EECi which is the promoted science and technology zone (+50% reduction of CIT for 5 years or +2 year CIT exemption)

Applicants can apply for incentives under one or both criteria.



New Investment Measures

Efficiency Enhancement Measure

Investment Stimulation Measure in 2021

Objective	To stimulate investment of large-scaled projects in the target industries
Period of Time	This is applied to the application submitted from the first working day of 2021 to the last working day of 2021.
Conditions	<ul style="list-style-type: none">• Must be the specified target activities (A1-A3) except for the activities having no permanent location and the activities in SEZ that are not granted 50% reduction of CIT.• Must be entitled to CIT exemption pursuant to investment promotion measures for not exceeding 8 years in total.• Projects are not allowed to extend the period of accepting the resolution of promotion and the date of promotion certificate issuance, but the extension of machinery importing period and the date of full operation start-up will be considered as appropriate.• Must have real investment (excluding cost of land and working capital) of <u>not less than 1,000 million baht within 12 months as from the date of promotion certificate issuance.</u>• Must submit the evidence of real investment to apply for additional incentives within 18 months as from the date of promotion certificate issuance. However, the incentives of CIT exemption remain.
Incentives	Additional 50% reduction of CIT for <u>5 years</u>



New Investment Measures

Efficiency Enhancement Measure

Efficiency Enhancement Measure

(Improve existing measure or improve existing production line or service)

Measure No. 1

Energy conservation, alternative energy utilization or environmental impact mitigation



Measure No. 2

Replace or upgrade machinery for efficiency enhancement, e.g. utilization of machinery, automation or robotics to improve efficiency, etc.



Measure No. 5

The digital technology adoption

Measure No. 3

Research and development or engineering design



Measure No. 4

Upgrade production line to acquire international sustainability certification, e.g. GAP, FSC, PEFCs, ISO 22000, ISO 14061 (SFM), etc.



Conditions and Incentives of Measure No. 1-4 (Existing Activities)

Scope



- This measure is applied to existing activities, be it BOI or non-BOI-promoted projects.
 - The projects must be eligible for investment promotion by BOI at the time of application.
 - In case of existing BOI-promoted projects, their incentives of CIT exemption/reduction must have expired or they have never been granted the CIT exemption.
- **Minimum Investment** \geq 1,000,000 baht investment capital (excluding cost of land and working capital)

Incentives



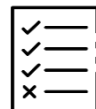
- Exemption of import duties on machinery
- **3-year CIT exemption** (on the revenue of existing projects) **with 50% of the investment capital for improvement excluding cost of land/working capital** (In case of utilizing \geq 30% of domestic automated machinery, the CIT exemption shall be raised to 100%).
- The CIT exemption period shall start from the date of deriving the revenue after the promotion certificate is issued.

Conditions



- The project must be completely implemented within 3 years as from the date of promotion certificate issuance.
- The project must be carried out in accordance with the specified indicators, e.g. a decrease in direct cost per unit, an increase in yield, and reduction of waste from manufacturing process.
- **The project must apply for investment promotion within the last working day of 2022.**

Effective from November 4, 2020 onwards.



The project applying for promotion must be the activities currently in force, and must not be in **Negative List** according to the announcement of the Office.

Measure No. 5: The Digital Technology Adoption (1/3)

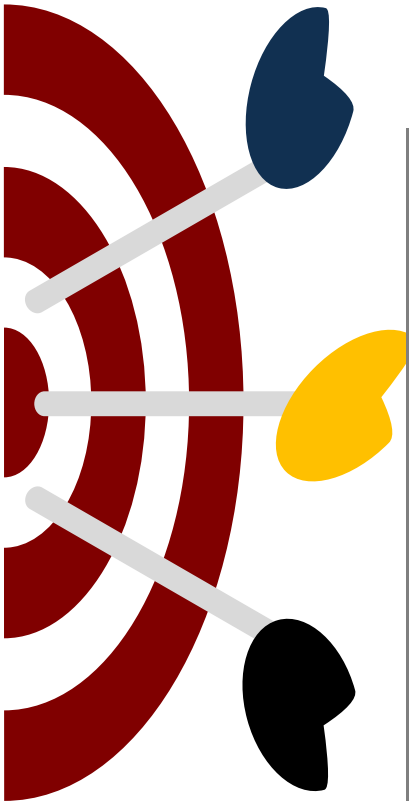
Existing activities which adopt digital technology in the organization without investment on machinery or equipment.

Incentives

3-year CIT exemption with cap equivalent to 50% of the investment capital for efficiency improvement by adopting digital technology.

Conditions

- **The incentives are applied to existing activities, be it BOI or non-BOI-promoted projects.**
 - Must be eligible activities for the CIT exemption (Group A) except some activities (e.g. software development, cloud service, and data center, etc. that need to adopt digital technology by condition)
 - In case of existing BOI-promoted projects, the CIT exemption/reduction must have expired.
- **Minimum investment: 1,000,000 baht** (excluding cost of land and working capital)



Measure No. 5: The Digital Technology Adoption (2/3)

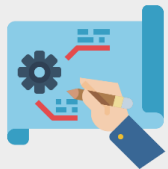
Conditions
(cont'd)



Must propose the investment plan of utilizing the digital technology to upgrade the operation in compliance with the specified criteria in any one of the following cases:



1. Implementing software, program or information system systematically link inside the organization (integrated) and partly outside the organization (connected) or both inside and outside the organization. The data link must have at least 3 functions for use in resource management to increase the efficiency of manufacturing and service.



2. Applying artificial intelligence (AI), machine learning, and utilize big data or data analytics.



3. Implementing software, program or information system for the data link between the company's system and online system of the public sector, e.g. a link with national e-payment system, etc.

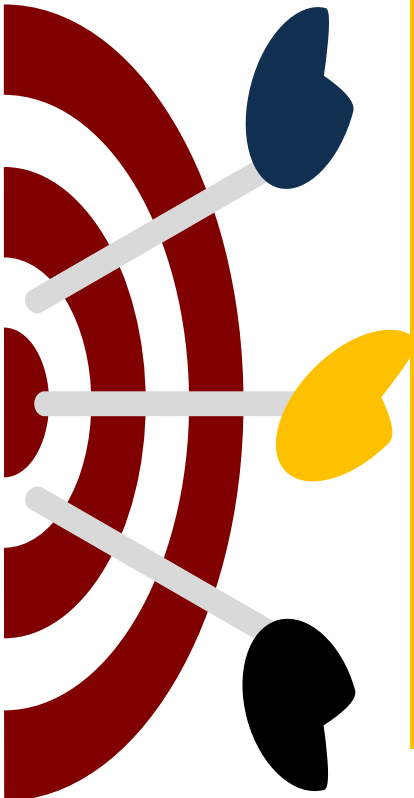
In case no. 1 and 3, the software, program or information system must be developed or improved by entrepreneurs in Thailand certified by related agencies. The costs of development or improvement from abroad shall be counted as half of the investment capital.

Measure No. 5: The Digital Technology Adoption (3/3)

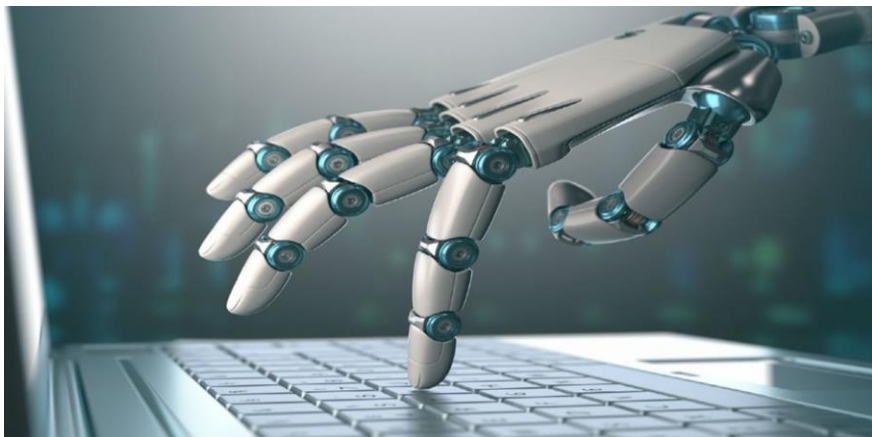
Conditions
(cont'd)



- The costs of renting/using Cloud service or data center relating to the enhancement of efficiency shall be counted as the investment capital for the improvement of efficiency. If they are the costs of renting/using Cloud Service or data center in foreign countries, only half of the costs shall be counted as the investment capital.
- The project must apply for investment promotion within the last working day of 2022.
- The project must be completely implemented within 3 years as from the issuance of promotion certificate.



Measure for Investment Promotion among Automation and Robotics Users (in case of new investment)



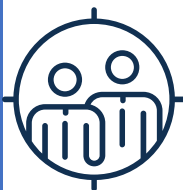
The project applying for investment promotion must not be in **Negative List** according to the announcement of BOI.



Incentives



- Exemption of import duties on machinery
- **3-year CIT exemption with cap equivalent to 50% of the investment capital for automation system** (In case of utilizing $\geq 30\%$ of domestic automated machinery, the CIT exemption shall be raised to 100%).



Scope

- New investment projects in manufacturing/service line
- Being in the activities not eligible for the CIT exemption (Group B) except for the activities with specific policy that shall not be entitled to CIT exemption as determined by the Office.
- **Minimum Investment: 1,000,000 baht** (excluding cost of land and working capital)

Application for investment promotion shall be submitted within the last working day of 2022.

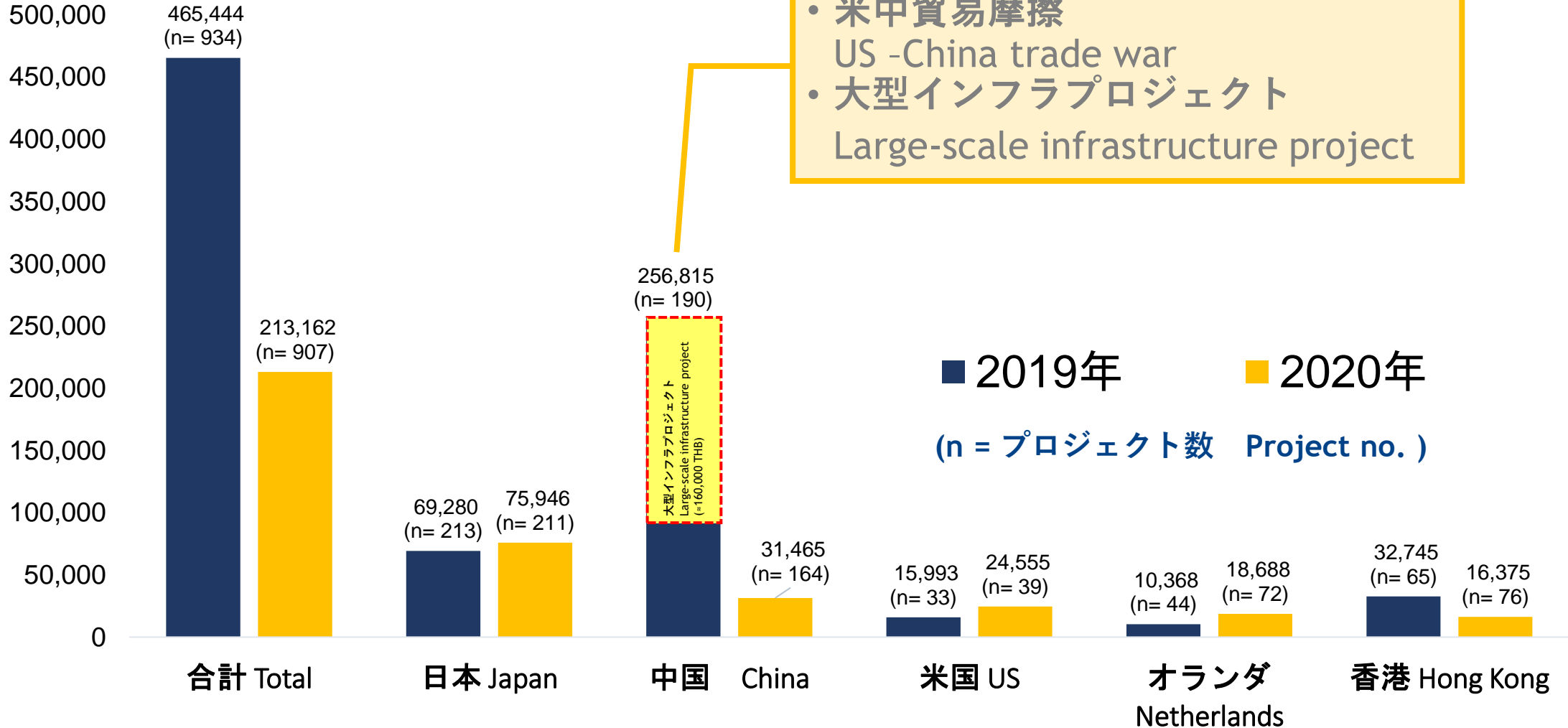


Investment from Japan

外国直接投資(FDI)：主要国別投資奨励申請額

Foreign Direct Investment (FDI) Net Application by Country

100万バーツ
Million Baht



Think Resilience

THINK THAILAND

出所: タイ投資委員会

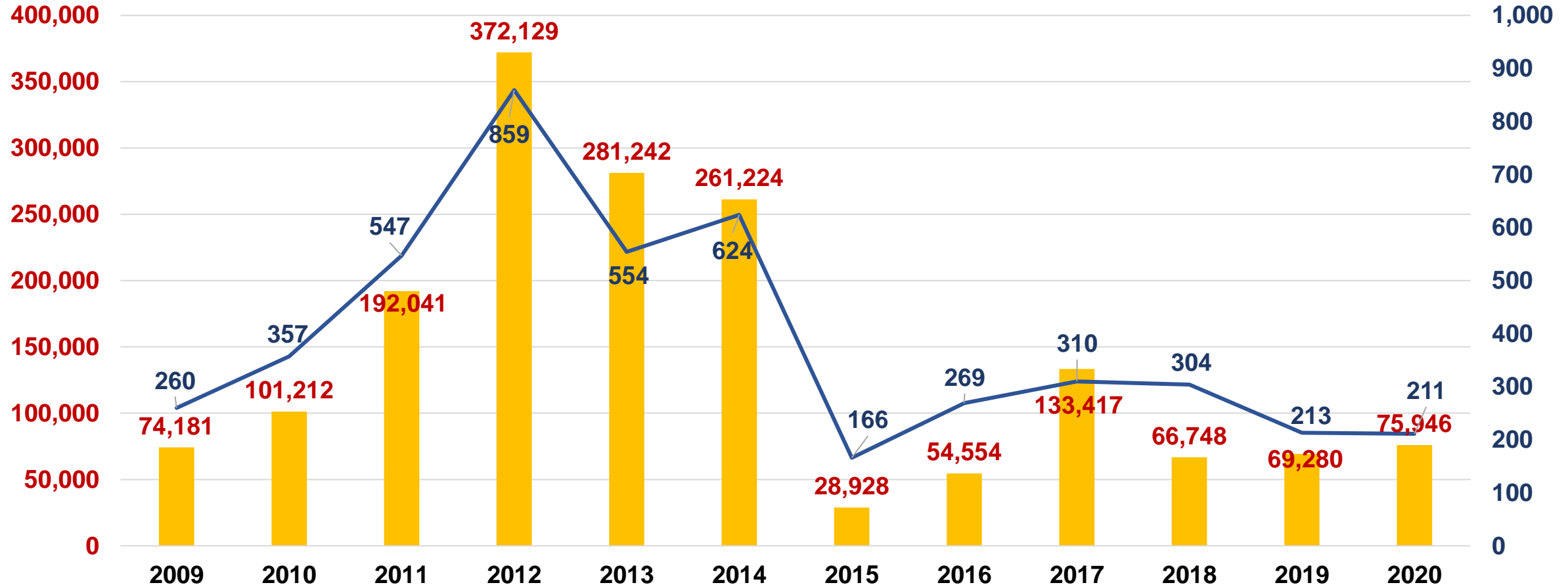
日本からの投資奨励申請額

2009年 - 2020年

BOI Application from Japan 2009 – 2020

百万バーツ
Million Baht

プロジェクト数
Project No.



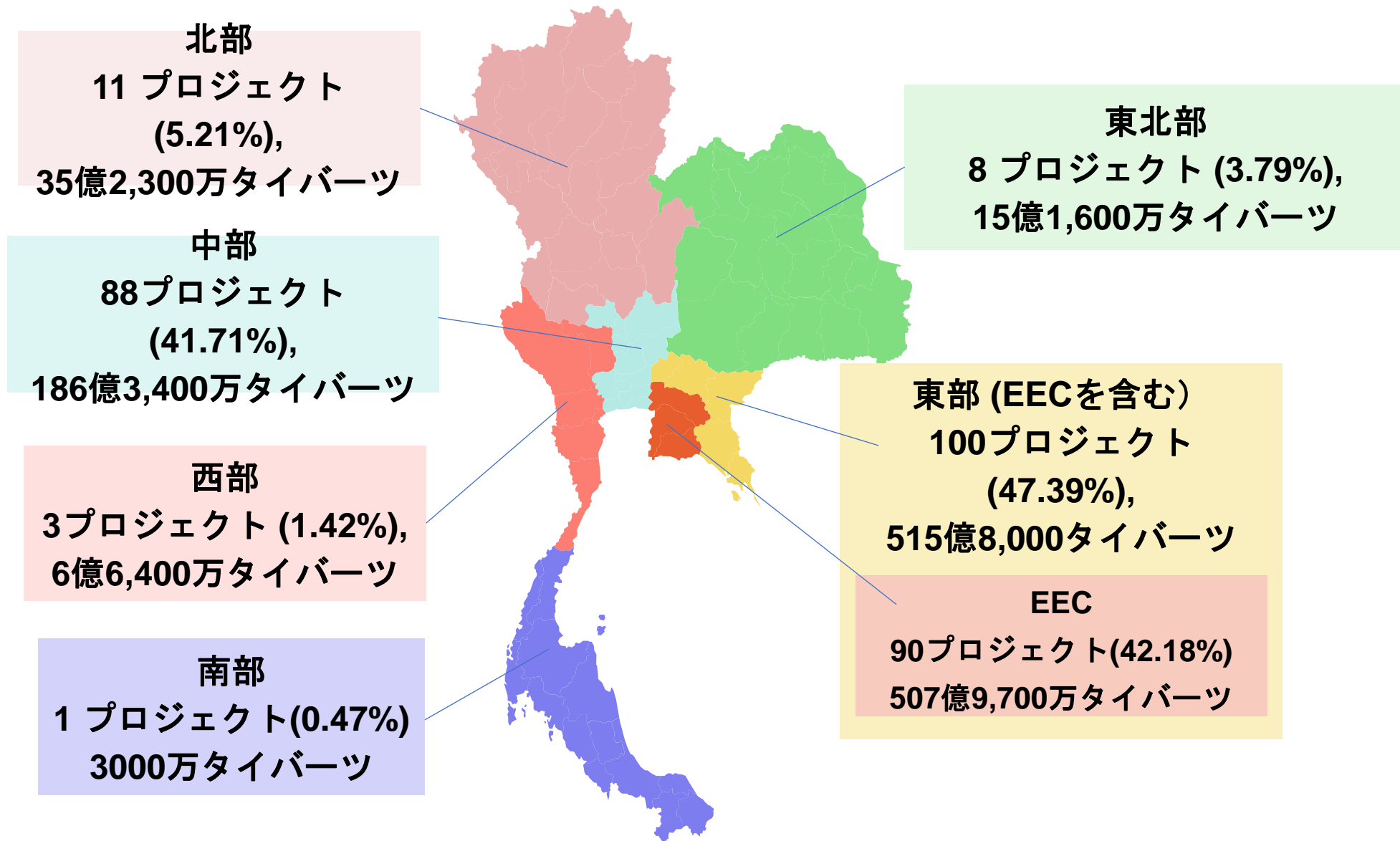
Think Resilience

THINK THAILAND

出所: タイ投資委員会

日本によるタイ国内の地域別投資奨励申請額（2020年）

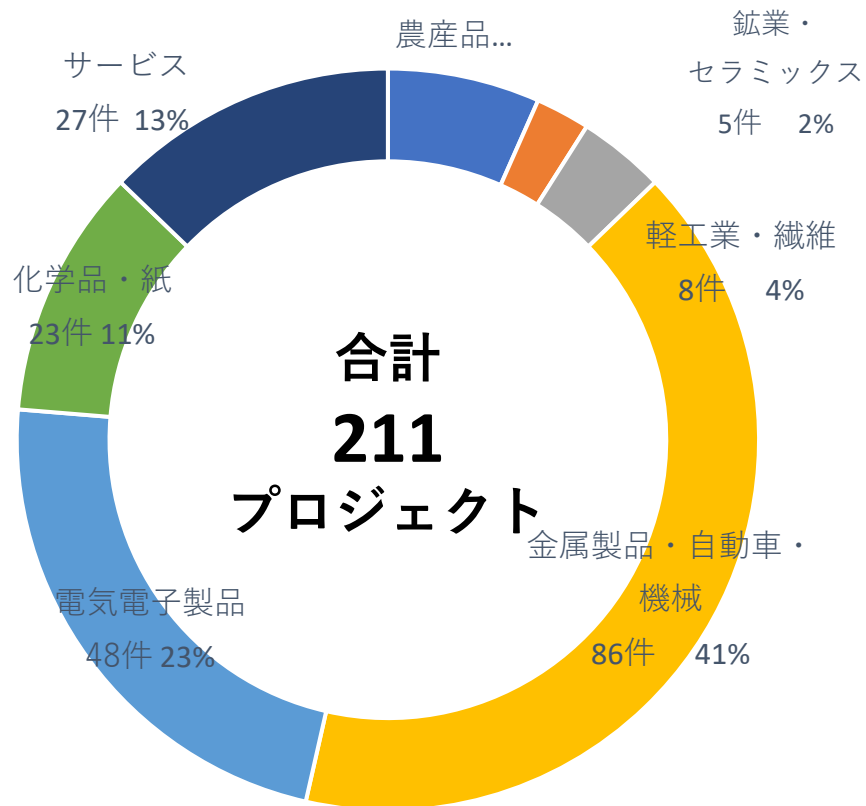
Japan Net Application by Region in 2020



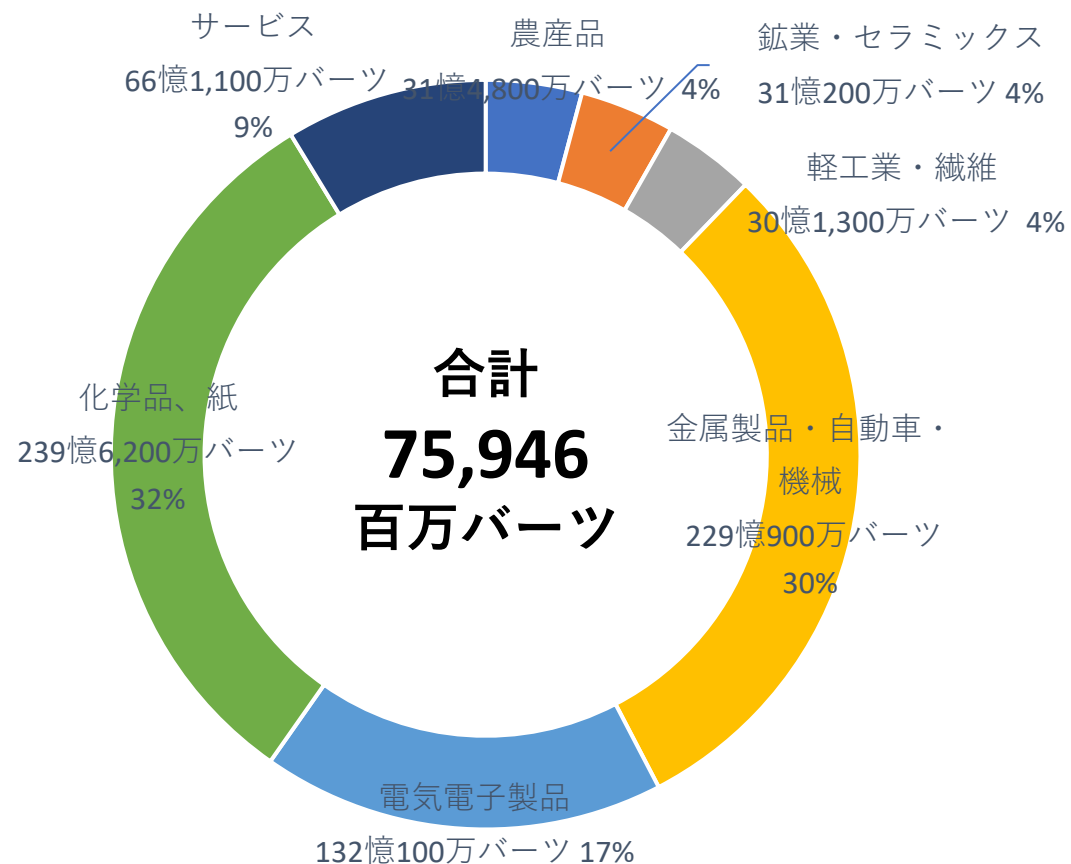
日本からの産業別投資奨励申請額（2020年）

Japan Net Application by Sector in 2020

プロジェクト件数ベース
By Project Number



投資金額ベース（100万バーツ）
By Investment Amount (Million Baht)







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