



Announcement of the Board of Investment
No. 1/2564
Efficiency Enhancement Measure

In order to promote investment to improve the efficiency of energy conservation, alternative energy utilization or environmental impact mitigation, upgrading and replacing machinery, research and development or engineering design, and upgrading of production line to acquire international sustainability certification;

By virtue of Section 16 paragraph 2, Section 18, Section 28, and Section 31 of the Investment Promotion Act B.E. 2520 (1977), the Board of Investment hereby announces the followings measures.

1. The Announcement of the Board of Investment No. 9/2560 dated October 28, 2017 on Measure to Promote Improvement of Production Efficiency shall be repealed.

2. Measure to improve the efficiency of energy conservation, alternative energy utilization or environmental impact mitigation.

2.1 This measure is applied to existing projects, whether BOI or non-BOI projects. The activities must be eligible for investment promotion by the Board of Investment at the time of application.

2.2 BOI-promoted projects can apply for this measure when the corporate income tax exemption or reduction period has expired or the projects which have not been granted corporate income tax exemption. There is an exception for the certain activities as specific measures which not eligible for receiving the incentive as prescribed by the Office of the Board of Investment.

2.3 The minimum investment capital of each project must not be less than 1 million baht (excluding cost of land and working capital), except for Small and Medium Enterprises (SMEs) projects that must have the minimum investment capital of not less than 500,000 baht (excluding cost of land and working capital).

2.4 The entrepreneurs that will qualify for Small and Medium Enterprises (SMEs) according to Item 2.3 must have the following qualifications.

2.4.1 The total revenue from both BOI and non-BOI promoted projects must not exceed 500 million baht per year over the first 3 years as from the date of revenue derivation from the operation of promoted projects.

2.4.2 Thai nationals must hold shares not less than 51 percent of the registered capital.

2.5 The applicant must submit an investment plan of machinery replacement or upgrade for energy conservation, alternative energy utilization or environmental impact mitigation by implementing one of the followings.

2.5.1 Projects must invest in upgrading machinery to modern technology to reduce energy consumption at the stipulated ratio.

2.5.2 Projects must invest in upgrading machinery to utilize alternative energy at the stipulated ratio to the total energy consumption.

2.5.3 Projects must invest in upgrading machinery to mitigate environmental impacts, namely reduction of waste, waste water or polluted air according to the stipulated criteria.

2.6 The following incentives shall be granted.

2.6.1 Exemption of import duties on machinery.

2.6.2 3-year corporate income tax exemption on the revenue of an existing project with a cap equivalent to 50 percent of the investment capital (excluding cost of land and working capital).

2.6.3 The corporate income tax exemption period shall start from the date of revenue derivation after the promotion certificate is issued.

2.7 The application for investment promotion must be submitted within the last working day of 2022, and the project must be completely implemented within 3 years as from the date of promotion certificate issuance.

3. Measure to promote improvement in efficiency by upgrading and replacing machinery.

3.1 This measure is applied to existing projects, whether BOI or non-BOI projects. The activities must be eligible for investment promotion by the Board of Investment at the time of application.

3.2 BOI-promoted projects can apply for this measure when the corporate income tax exemption or reduction period has expired or the projects which have not been granted corporate income tax exemption. There is an exception for the certain activities as specific measures which not eligible for receiving the incentive as prescribed by the Office of the Board of Investment.

3.3 The minimum investment capital of each project must not be less than 1 million baht (excluding cost of land and working capital), except for Small and Medium Enterprises (SMEs) projects that must have the minimum investment capital of not less than 500,000 baht (excluding cost of land and working capital).

3.4 The entrepreneurs that will qualify for Small and Medium Enterprises (SMEs) according to Item 3.3 must have the following qualifications.

3.4.1 The total revenue from both BOI and non-BOI promoted projects must not exceed 500 million baht per year over the first 3 years as from the date of revenue derivation from the operation of promoted projects.

3.4.2 Thai nationals must hold shares not less than 51 percent of the registered capital.

3.5 The applicants must submit an investment plan of machinery replacement or upgrade according to the stipulated criteria, for example, adoption of automation machinery or robotics in the existing production line or service for improvement of efficiency, etc.

3.6 The following incentives shall be granted.

3.6.1 Exemption of import duties on machinery.

3.6.2 3-year corporate income tax exemption on the revenue of an existing project with a cap equivalent to 50 percent of the investment capital (excluding cost of land and working capital).

In case the automation system or robotics are utilized in the production line or service with a linkage or support to Thai automation industry not less than 30 percent of the value of upgraded machinery, the applicant shall be granted 3-year corporate income tax exemption with a cap equivalent to 100 percent of the investment capital (excluding cost of land and working capital).

3.6.3 The corporate income tax exemption period shall start from the date of revenue derivation after the promotion certificate is issued.

3.7 The application for investment promotion must be submitted within the last working day of 2022, and the projects must be completely implemented within 3 years as from the date of promotion certificate issuance.

4. Measure to improve the efficiency of research and development or engineering design

4.1 This measure is applied to existing projects, whether BOI or non-BOI promoted projects. The activities must be eligible for investment promotion by the Board of Investment at the time of application.

4.2 BOI-promoted projects can apply for this measure when the corporate income tax exemption or reduction period has expired or the projects which have not been granted corporate income tax exemption. There is an exception for the certain activities as specific measures which not eligible for receiving the incentive as prescribed by the Office of the Board of Investment.

4.3 The minimum investment capital of each project must not be less than 1 million baht (excluding cost of land and working capital), except for Small and Medium Enterprises

(SMEs) projects that must have the minimum investment capital of not less than 500,000 baht (excluding cost of land and working capital).

4.4 The entrepreneurs that will qualify for Small and Medium Enterprises (SMEs) according to Item 4.3 must have the following qualifications.

4.4.1 The total revenue from both BOI and non-BOI promoted projects must not exceed 500 million baht per year over the first 3 years as from the date of revenue derivation from the operation of promoted projects.

4.4.2 Thai nationals must hold shares not less than 51 percent of the registered capital.

4.5 The applicants must submit an investment plan of research and development or engineering design according to the stipulated criteria.

4.6 The investment and expenditures on research and development or engineering design must not be less than 1 percent or 0.5 percent for Small and Medium Enterprises (SMEs) of the total sales over the first 3 years as from the submission date of application for investment promotion.

4.7 The following incentives shall be granted.

4.7.1 Exemption of import duties on machinery.

4.7.2 3-year corporate income tax exemption on the revenue of an existing project with a cap equivalent to 50 percent of the investment capital (excluding cost of land and working capital).

4.7.3 The corporate income tax exemption period shall start from the date of revenue derivation after the promotion certificate is issued.

4.8 The application for investment promotion must be submitted within the last working day of 2022, and the projects must be completely implemented within 3 years as from the date of promotion certificate issuance.

5. Measure to improve the efficiency of upgrading production line to acquire international sustainability certification

5.1 This measure shall be applied to existing projects, whether BOI or non-BOI promoted. The activities shall be eligible for investment promotion by the Board of Investment at the time of application.

5.2 BOI-promoted projects can apply for this measure when the incentive of corporate income tax exemption or reduction has expired or the projects which have not been granted corporate income tax exemption. There is an exception for the certain activities as specific measures which not eligible for receiving the incentive as prescribed by the Office of the Board of Investment.

5.3 The minimum investment capital of each project must not be less than 1 million baht (excluding cost of land and working capital), except for Small and Medium Enterprises (SMEs) projects that must have the minimum investment capital of not less than 500,000 baht (excluding cost of land and working capital).

5.4 The entrepreneurs that will qualify for Small and Medium Enterprises (SMEs) according to Item 5.3 must have the following qualifications.

5.4.1 The total revenue from both BOI and non-BOI promoted projects must not exceed 500 million baht per year over the first 3 years as from the date of revenue derivation from the operation of promoted projects.

5.4.2 Thai nationals must hold shares not less than 51 percent of the registered capital.

5.5 Projects must have the investment or expenditures to upgrade the industry to acquire international sustainability certification, for example, Good Agriculture Practices (GAP), Forest Stewardship Council (FSC), Program for the Endorsement of Forest Certification Scheme (PEFCs), Food Safety Management System (ISO 22000) or Sustainable Forest Management System (SFM, ISO 14061), etc.

5.6 The following incentives shall be granted.

5.6.1 Exemption of import duties on machinery.

5.6.2 3-year corporate income tax exemption on the revenue of an existing project with a cap equivalent to 50 percent of the investment capital (excluding cost of land and working capital).

5.6.3 The corporate income tax exemption period shall start from the date of revenue derivation after the promotion certificate is issued.

5.7 The application for investment promotion shall be submitted within the last working day of 2022, and the projects must be certified for the aforementioned standards within 3 years as from the date of promotion certificate issuance.

This Announcement shall be effective from November 4, 2020 onwards.

Announced on January 13, 2021.

General Prayut Chan-o-cha

(Prayut Chan-o-cha)
Prime Minister
Chairman of the Board of Investment