

(Unofficial Translation)
Announcement of the Board of Investment
No. 24 / 2565
Investment Promotion Measures for Community and Society Development

Subsequent to the Announcement of the Board of Investment No. 8/2565, regarding Policies and Criteria for Investment Promotion;

In order to encourage business operators to participate in local community and society development by collaborating with local organizations to enhance the competitiveness. And to improve the quality of life for grassroot economy and society, by virtue of Section 16, Section 18 and Section 31 of the Investment Promotion Act B.E. 2520, the Board of Investment hereby issues the following announcement:

Qualifications, conditions, rights, and benefits for projects eligible for promotion under the investment promotion measures for Community and Society Development are as follows:

1. Projects that are in operation, regardless of BOI-promoted or non-BOI projects:

(1) In the case of BOI-promoted projects, the investment activities must be eligible for investment promotion by the Board of Investment at the time of submitting the application under this measure. The rights and benefits of corporate income tax exemption or reduction must have expired, or the projects have not received the corporate income tax exemption benefits.

(2) In the case of non-BOI projects, the investment activities must be eligible for investment promotion by the Board of Investment at the time of submitting the application under this measure.

Conditions :

(1) The projects must have minimum investment capital of 5,000,000 Baht (excluding the cost of land and working capital) and must support local organizations at a minimum of 500,000 Baht per entity.

(2) The projects must present a collaboration plan with the local organizations to support competitiveness enhancement and present the benefit that the local communities will be received from the projects in such kind of following activities; manufacturing or service processes enhancement, to support the local organizations in holistic management of water resources, sustainable agriculture development, environmental enhancement, to support educational institutions or to support public health.

(3) In the case of supporting holistic water resource management, the operation must be implemented only in repetitiously drought-stricken or flooded areas. The water management plan must be approved by the Office of the National Water Resources and complying with the country's water resource management plans.

(4) In the case of supporting the development of sustainable agriculture, the action plan must be approved by the relevant agencies, such as the National Bureau of Agricultural Commodity and Food Standards.

(5) The project implementation must be completed within 3 years from the date of investment promotion certificate issuance.

(6) A supported local organization means a local cooperative, community or social enterprise, registered with the relevant authority or local government organizations, and operating at least one activity in the prescribed scope, namely agricultural activities, holistic water resource management, local community products, community tourism, environmental enhancement activities, educational activities, public health activities, and also include supporting of local communities which collaborate with government-owned research institution or public educational institution.

Incentives :

(1) The promoted projects are to receive corporate income tax exemption for 3 years, in the amount not exceeding 200 percent of the investment capital (excluding the cost of land and working capital). The corporate income tax exemption shall be for the income from existing activities. The corporate income tax exemption limit will be calculated on the real investment expenses (excluding the cost of land and working capital) paid to support local organizations as determined by the Office as follows:

- In the case of supporting competitiveness enhancement in production or service processes: relevant expenses shall include costs of factory construction, machinery and equipment, and training, etc.

- In the case of supporting holistic water resource management: relevant expenses shall include costs of supporting digging wells to store water, costs of construction and repair of dams, costs of drilling, repair and maintenance/cleaning of groundwater wells, etc.

- In the case of supporting the development of sustainable agriculture: relevant expenses shall include such as costs of machinery and equipment; costs of training on modern agricultural technology to reduce greenhouse gas emissions, and production optimization technology for sustainable development; costs related to using

technology in land management, such as surface soil adjustment, management of straw and stubble, harvesting, soil and water analysis, and uses of chemicals in the production process correctly and safely; costs of rice quality inspection and certification, costs of monitoring and assessing the performance of greenhouse gas emission, etc.

- In the case of supporting environmental enhancement: relevant expenses shall include cost of waste sorting tools or equipment in the community, etc.

- In the case of supporting public health: relevant expenses shall include cost of medical tools and equipment, construction or renovation of exam rooms or patient rooms, etc. Nevertheless, the relevant expenses must not be an expense used to claim right and benefits from other government agencies.

- In the case of supporting government-owned educational institution: relevant expenses shall include costs of construction or renovation of classroom, laboratory, or supporting tools and equipment for educational institutions, etc. Nevertheless, the relevant expenses must not be an expense used to claim right and benefits from other government agencies.

The timing of corporate income tax exemption shall begin after the date of the investment promotion certificate issuance.

(2) Other non-tax incentives

2. Existing BOI-promoted projects where corporate income tax exemption incentives have not expired, or new investment projects applying for investment promotion entitled to corporate income tax exemption benefits:

Conditions:

(1) The projects must have minimum investment capital of 5,000,000 Baht (excluding the cost of land and working capital) and must support local organizations at a minimum of 500,000 Baht per entity.

(2) The projects must present a collaboration plan with the local organizations to support competitiveness enhancement and present the benefit that the local communities will be received from the projects in such kind of following activities; manufacturing or service processes enhancement, to support the local organizations in holistic management of water resources, sustainable agriculture development, environmental enhancement, to support educational institutions or to support public health.

(3) In the case of supporting holistic management of water resources, the operation must be implemented only in repetitiously drought-stricken or flooded areas.

The water management plan must be approved by the Office of the National Water Resources and complying with the country's water resource management plans.

(4) In the case of supporting the development of sustainable agriculture, the action plan must be approved by relevant agencies such as the Office of the National Bureau of Agricultural Commodity and Food Standards.

(5) The project implementation must be completed within 3 years from the date of investment promotion certificate issuance, or the date of approval for the project amendment, as the case may be. The timing for project implementation must not exceed the period of corporate income tax exemption.

(6) A supported local organization means a local cooperative, community or social enterprise, registered with the relevant authority or local government organizations, and operating at least one activity in the prescribed scope, namely agricultural activities, holistic water resource management, local community products, community tourism, environmental enhancement activities, educational activities, public health activities, and also include supporting of local communities which collaborate with government-owned research institution or public educational institution.

Incentives:

The promoted projects are to receive an additional corporate income tax exemption of not exceed 120 percent of the investment capital (excluding the cost of land and working capital). The corporate income tax exemption limit will be calculated on the real investment expenses (excluding the cost of land and working capital) to support local organizations as determined by the office as follows:

- In the case of supporting competitiveness enhancement in production or service processes: relevant expenses shall include costs of factory construction, machinery and equipment and training, etc.

- In the case of supporting holistic water resource management: relevant expenses shall include costs of supporting digging wells to store water, costs of construction and repair of dams, costs of drilling, repair and maintenance/cleaning of groundwater wells, etc.

- In the case of supporting the development of sustainable agriculture: relevant expenses shall include costs of machinery and equipment; costs of training on modern agricultural technology to reduce greenhouse gas emissions and production optimization technology for sustainable development; costs related to using technology in land management, such as surface soil adjustment, management of straw and

stubble, harvesting, soil and water analysis, and uses of chemicals in the production process correctly and safely; costs of rice quality inspection and certification; costs of monitoring and assessing the performance of greenhouse gas emissions, etc.

- In the case of supporting environmental enhancement: relevant expenses shall include cost of waste sorting tools or equipment in the community, etc.

- In the case of supporting public health : relevant expenses shall include cost of medical tools and equipment, construction or renovation of exam rooms or patient rooms, etc. Nevertheless, the relevant expenses must not be an expense used to claim right and benefits from other government agencies.

- In the case of supporting government-owned educational institution: relevant expenses shall include costs of construction or renovation of classroom, laboratory, supporting tools and equipment for educational institutions, etc. Nevertheless, the relevant expenses must not be an expense used to claim right and benefits from other government agencies.

This announcement shall be effective from January 3, 2023 onward.

Announced on December 8, 2022

General Prayut Chan-ocha

(Prayut Chan-ocha)

Prime minister

Chairman of the Board of Investment