



Announcement of the Board of Investment
No. 6/2563
Amendment of the Investment Promotion Measures for Grassroots Economy

Subsequent to the Announcement of the Board of Investment No. 2/2557 dated December 3, 2014 on Policies and Criteria on Investment Promotion;

In order to encourage private sector participation in supporting community enterprises in holistic water resource management, apart from enhancing competition capacity of production or services of local organizations or communities in agriculture and agricultural products, light industries, and community tourism, by virtue of sections 16, 18, and 31 of the Investment Promotion Act, B.E. 2520 (1979), the Board of Investment hereby announces as follows:

1. The Announcement of the Board of Investment No. 5/2563 dated March 11, 2020 on Investment Measures for Grassroots Economy shall be repealed.
2. Qualifications, conditions, rights and incentives of the projects eligible for promotion pursuant to the investment measures for grassroots economy are as follows:
 - 2.1 Projects that are in operation, whether being BOI or non-BOI projects or not:
 - (1) In case of BOI-promoted projects, the activity must be eligible for investment promotion by the Board of Investment at the time of application and the corporate income tax exemption or deduction period of which have already expired or have never been granted.
 - (2) In case of non-BOI Projects, the activity must be eligible for investment promotion by the Board of Investment at the time of application.

Conditions:

- (1) The minimum investment capital of the project must be no less than 1,000,000 million baht (excluding land cost and working capital). The project must provide support to local organizations at no less than 200,000 baht per entity.
- (2) Cooperation plan for supporting and increasing competition capacity of local organizations on the production or services, or supporting local community enterprises in holistic water resource management, which contributes to flood prevention and helps mitigate the impact of the drought affecting parts of the country, must be presented. The holistic water resource management must be operated in the drought areas or in repetitious flooded areas. The plan must be completed within 3 years as from the issuance of promotion certificate. The holistic water resource management plan must be approved by the Office of the National Water Resources and conform to the country's water resource management plans.

- (3) The supporting local organizations mean cooperatives or community enterprises registered with related agencies or local administrations that operate at least one of the businesses in the scope, which are agriculture and agricultural products, light industries, community tourism, or supporting community enterprises in holistic water resource management.

Incentives:

- (1) The projects shall be eligible for a 3-year corporate income tax exemption of no more than 120 percent of the investment capital (excluding land cost and working capital) for income from current operating businesses. The corporate income tax exemption shall be calculated from investment capital (excluding land cost and working capital) actually paid for supporting local organizations as stipulated by the Office of the BOI such as cost of factory construction, cost of machine and equipment, cost of trainings, as well as subsidy for digging wells to store water, construction and maintenance of weirs, and excavation, maintenance and cleaning of artesian well systems. In this regard, the period of corporate income tax exemption shall be counted from the date the income is received after the issuance of promotion certificate.
- (2) Non-tax incentives shall be in accordance with the Announcement of the Board of Investment No. 2/2557 dated December 3, 2014.

2.2 Projects that are being promoted and the corporate income tax exemption incentives of which are not expired, or new projects applied for promotion and shall be eligible for corporate income tax exemption.

Conditions:

- (1) The project must provide support to local organizations at no less than 200,000 baht per entity.
- (2) Cooperation plan for supporting and increasing competition capacity of local organizations on the production or services, or supporting local community enterprises in holistic water resource management, which contributes to flood prevention and helps mitigate the impact of the drought affecting parts of the country, must be presented. The holistic water resource management must be operated in the drought areas or in repetitious flooded areas. The plan must be completed within 3 years as from the issuance of promotion certificate. The holistic water resource management plan must be approved by the Office of the National Water Resources and conform to the country's water resource management plans.
- (3) The supporting local organizations mean cooperatives or community enterprises registered with related agencies or local administrations that operate at least one of the businesses in the scope, which are agriculture and agricultural products, light industries, community tourism, or supporting community enterprises in holistic water resource management.

Incentives:

The projects shall be eligible for additional corporate income tax exemption of no more than 120 per cent of the investment capital (excluding land cost and working capital) that is actually paid in supporting local organizations as stipulated by the Office of the BOI, such as cost of factory construction, cost of machine and equipment, cost of trainings, as well as subsidy for digging wells to store water, construction and maintenance of weirs, and excavation, maintenance and cleaning of artesian well systems.

3. Projects that are promoted pursuant to this measure can apply for incentives under other measures.
4. Application for promotion must be submitted no later than the last working day of 2021.

This announcement shall be effective from April 13, 2020 onward.

Announced on May 14, 2020.

General Prayut Chan-ocha

(Prayut Chan-ocha)

Chairman of the Board of Investment