

(Unofficial Translation)

Announcement of the Board of Investment
No. 4/2564
Efficiency Enhancement Measure for Digital Technology Adoption

In order to promote the digital technology adoption to increase the efficiency of organizational management, manufacture or service and to stimulate the demand that will lead to the expansion and development of digital industry in the country;

By virtue of Section 16, Section 18, and Section 31 of the Investment Promotion Act B.E. 2520 (1977), the Board of Investment hereby announces the Efficiency Enhancement Measure for Digital Technology Adoption as follows:

1. This measure is applied to existing projects, whether BOI or non-BOI promoted projects. The activities must be eligible for the incentive of corporate income tax exemption as the Board of Investment announces the investment promotion at the time of application. There is an exception to certain activities with specific measure that are not eligible for receiving the incentive as prescribed by the Office of the Board of Investment.

2. BOI-promoted projects can apply for this measure when the incentives of corporate income tax exemption or reduction have expired.

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

4. The entrepreneurs that will qualify for Small and Medium Enterprises (SMEs) according to Item 3 must have the following qualifications.

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.

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

5. The applicants must submit an investment plan of adopting digital technology to upgrade the operation process according to the stipulated criteria in order to enhance the efficiency of manufacturing or service in any of the following cases.

5.1 Adoption of software, program or information technology with systematic link that interconnects different functions inside the organization (integrated) and partly outside the organization (connected) or both inside and outside the organization. The software must perform at least 3 functions and form data link among them, which enhance resource management and to increase the efficiency of manufacturing or service.

5.2 Applying artificial intelligence (AI), machine learning, and utilizing big data or data analytics.

5.3 Adoption of software, program or information technology for that connects and exchanges data between the company's system and the online system of public sector, e.g. a link with national e-payment system, etc. as approved by the Board of Investment.

6. For the cases in Item 5.1 and 5.3, there must be the investment or expenditure on utilizing software, program or information technology which is developed or improved by entrepreneurs in Thailand certified by related agencies.

7. The investment value of efficiency enhancement by utilizing digital technology shall be counted according to the following rules.

7.1 The following investment or expenditure shall be counted in full.

7.1.1 The investment or expenditure on utilizing software, program or information technology according to Item 5.1 and 5.3 which is developed or improved by entrepreneurs in Thailand certified by related agencies.

7.1.2 The investment or expenditure on applying artificial intelligence (AI), machine learning, and utilizing big data and data analytics according to Item 5.2.

7.1.3 The expenditure on renting/using cloud service or data center in Thailand.

7.2 The following investment or expenditure shall be counted as half.

7.2.1 The investment or expenditure on utilizing software, program or information technology according to Item 5.1 and 5.3 which is developed or improved by entrepreneurs in Thailand not certified by related agencies, or entrepreneurs in foreign countries.

7.2.2 The expenditure on renting/using cloud service or data center in foreign countries.

8. The following incentives shall be granted.

8.1 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).

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

9. 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.

This Announcement shall be effective from December 21, 2020 onwards.

Announced on March 19, 2021.

General Prayut Chan-o-cha

(Prayut Chan-o-cha)
Prime Minister

Chairman of the Board of Investment